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Counsel for The Diocese of Camden, New Jersey,

Chapter 11 Debtor and Debtor-in-Possession

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

THE DIOCESE OF CAMDEN, NEW JERSEY,

Debtor.

Chapter 11

Case No. 20-21257 (JNP)

Hearing Date and Time:
November 12, 2020 at 10:00 a.m.

**NOTICE OF MOTION OF THE DIOCESE OF CAMDEN,
NEW JERSEY, CHAPTER 11 DEBTOR AND DEBTOR-IN-
POSSESSION, FOR ENTRY OF AN ORDER: (i)
ESTABLISHING MEDIATION PROCESS RELATING TO
SURVIVOR AND TORT CLAIMS; (ii) ESTIMATING
REMAINING SURVIVOR AND TORT CLAIMS
PURSUANT TO 11 U.S.C. § 502(c)(1) AND FED. R. BANKR.
P. 3018(a) FOR PURPOSE OF VOTING ON PLAN OF
REORGANIZATION AND CONFIRMATION PROCESS;
and (iii) GRANTING RELATED RELIEF**

PLEASE TAKE NOTICE that on **November 12, 2020 at 10:00 a.m.**, or as soon thereafter as the movant may be heard, The Diocese of Camden, New Jersey, Chapter 11 debtor and debtor-in-possession (the “Diocese”), by and through its proposed undersigned counsel, McManimon, Scotland & Baumann, LLC, shall move before the United States Bankruptcy Court, U.S. Post Office and Courthouse, 401 Market Street, Camden, NJ 08101, for entry of an

Order: (i) establishing a mediation process relating to survivor and tort claims; (ii) estimating remaining survivor and tort claims pursuant to 11 U.S.C. § 502(c)(1) and Fed. R. Bankr. P. 3018(a) for purpose of voting on Diocese's Plan of Reorganization and the confirmation process; and (iii) granting related relief (the "Motion").

PLEASE TAKE FURTHER NOTICE that in support of the Motion, the Diocese will rely upon the brief filed in support of the relief requested.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the relief requested in the Motion shall: (i) be in writing; (ii) state with particularity the basis of the objection; and (iii) be filed with the Clerk of the United States Bankruptcy in accordance with D.N.J. LBR 9013-1.

PLEASE TAKE FURTHER NOTICE that unless an objection is timely filed and served, the Motion will be deemed uncontested in accordance with D.N.J. LBR 9013-3(d) and the relief may be granted without a hearing.

PLEASE TAKE FURTHER NOTICE that an order granting the relief requested herein is submitted herewith and made part of the Motion herein.

**McMANIMON, SCOTLAND
& BAUMANN, LLC**
*Counsel for Debtor and Debtor-in-Possession,
The Diocese of Camden, New Jersey*

By: /s/ Richard D. Trenk
RICHARD D. TRENK

Dated: October 21, 2020

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Chapter 11 Debtor and Debtor-in-Possession*

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEW JERSEY**

In re:

THE DIOCESE OF CAMDEN, NEW JERSEY,

Debtor.

Chapter 11

Case No. 20-21257 (JNP)

Hearing Date and Time:
November 12, 2020 at 10:00 a.m.

**BRIEF IN SUPPORT OF MOTION OF THE DIOCESE OF
CAMDEN, NEW JERSEY, CHAPTER 11 DEBTOR AND
DEBTOR-IN-POSSESSION FOR AN ORDER: (i)
ESTABLISHING MEDIATION PROCESS RELATING TO
SURVIVOR AND TORT CLAIMS; (ii) ESTIMATING
REMAINING SURVIVOR AND TORT CLAIMS
PURSUANT TO 11 U.S.C. § 502(c)(1) AND FED. R. BANKR.
P. 3018(a) FOR PURPOSE OF VOTING ON PLAN OF
REORGANIZATION AND CONFIRMATION PROCESS;
AND (iii) GRANTING RELATED RELIEF**

The Diocese of Camden, New Jersey, Chapter 11 debtor and debtor-in-possession (the “Diocese”), by and through its undersigned counsel, submits this motion (the “Motion”) for an Order: (i) establishing mediation process relating to survivor and tort claims; (ii) estimating remaining survivor and tort claims pursuant to 11 U.S.C. § 502(c)(1) and Fed. R. Bankr. P.

3018(a) for purpose of voting on Plan of Reorganization and confirmation process; and (iii) granting related relief. In support of this Motion, the Diocese respectfully states as follows:

JURISDICTION

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered on July 23, 1984, and amended on September 18, 2012. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. The statutory predicates for the relief sought in this Motion are Sections 105, 502, and 1126 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”), Rules 2002, 3003, 3018 and 5005 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

BACKGROUND

3. The Diocese filed its voluntary chapter 11 petition on October 1, 2020 (the “Petition Date”).

4. The Diocese continues to maintain its operations to fulfill its mission and manage its affairs as a debtor-in-possession pursuant to Bankruptcy Code Sections 1107(a) and 1108. As of the filing of this Motion, no trustee, examiner or creditors’ committee has been appointed in this case.

5. The Diocese is a Roman Catholic diocese of the Latin Church in New Jersey in which there are sixty-two (62) separately constituted parishes and approximately 486,000 Catholic parishioners in the six (6) southern New Jersey counties of Atlantic, Camden, Cape

May, Cumberland, Gloucester, and Salem. The Diocese is a not for profit religious corporation organized under the laws of the State of New Jersey.

6. A more detailed history and description of the Diocese and its operations, together with the reasons for its Chapter 11 filing, are set forth in the First Day Declaration of Rev. Robert E. Hughes, Vicar General [ECF 3] and the Amended First Day Declaration of Laura J. Montgomery [ECF 43], which are incorporated herein as if set forth in their entirety.

Survivor Claimants

7. On December 1, 2019, amendments to New Jersey's statute of limitations went into effect and opened a two-year window for individuals to assert claims of child and/or adult sexual abuse regardless of when it is reported to have occurred, and to file claims against institutions and individuals, even if those claims had already expired and/or were dismissed because they were filed late. Additionally, the new law also expands the statute of limitations for victims to bring claims of child sexual abuse to age 55 or until seven years from the time that an alleged victim became aware of his/her injury, whichever comes later.

8. From December 1, 2019 through the Petition Date, fifty-seven (57) lawsuits were filed against the Diocese by plaintiffs who are seeking damages as a result of alleged abuse (the "Survivor Plaintiffs"), three (3) of which were voluntarily withdrawn. On October 12, 2020, another lawsuit was filed, but it was voluntarily dismissed on October 14, 2020. Thus, fifty-four (54) lawsuits are currently pending in the Superior Court of New Jersey.

9. The Diocese does not have insurance coverage for any claims that occurred before November 27, 1969¹. From November 27, 1969 to November 27, 1972, the Diocese had insurance coverage for sex abuse claims with INA, which is now Chubb.

¹ The Diocese reserves all rights and remedies concerning all insurance coverage issues. Nothing contained herein shall be deemed an admission.

10. From November 27, 1972 to November 27, 1987, the Diocese had underlying coverage with Lloyd's, with a self-insured retention of \$50,000 from 1973 to 1975 and \$75,000 from 1975 to 1987 in addition to excess layers and aggregates.

11. In addition, per a settlement agreement with Lloyds dated April 29, 2010 and May 5, 2010, the Diocese does not have coverage for any abuse claims for which money was demanded before October 22, 2009, or for claims identified in said settlement agreement. The settlement agreement, however, does not preclude coverage for claimants who were only receiving payments for therapy, and for claimants who were unknown to the Diocese before October 22, 2009.

12. Upon information and belief, there was no coverage at all for abuse claims from November 27, 1987 to November 27, 1988.

13. On November 27, 1988, claims made coverage began with the NCRRG, which continues to the present, and has been renewed annually with a self-insured retention of \$250,000 and a maximum benefit of \$750,000.

14. The Survivor Claims center on allegations made by the plaintiffs that the Diocese, as well as additional parties and certain priests, other individuals and/or other entities ("Non-Debtor Parties") are liable under several theories for alleged personal injuries arising from alleged child abuse committed by individuals allegedly employed by or under the supervision of the Diocese or other Non-Debtor Parties.

15. The Survivor Plaintiffs generally allege that the Diocese and/or the Non-Debtor Parties are liable for the conduct of certain priests and other individuals based on their alleged actions and omissions in connection with employing and/or supervising the alleged abuse perpetrators.

16. The Survivor Plaintiffs seek damages against the Diocese, as well as the Non-Debtor Parties.

17. The Diocese's self-insurance reserves are finite as are the availability of insurance, as set forth above.

New Jersey Independent Victim Compensation Program

18. Beginning on June 15, 2019, the Roman Catholic Archdiocese of Newark and the dioceses of Camden, Metuchen, Paterson and Trenton established the Independent Victim Compensation Program ("IVCP") to begin accepting claims related to the abuse of minors by priests of these dioceses. The Diocese paid over \$842,000 for the IVCP administration.

19. The IVCP is administered by Kenneth R. Feinberg and Camille S. Biros (collectively, the "IVCP Administrators"), two noted victims' compensation experts who have designed and administered similar compensation programs for the Catholic Dioceses in New York and Pennsylvania. They also have administered similar programs for the September 11th Victim Compensation Fund, the Hokie Spirit Memorial Fund (Virginia Tech shootings), Deepwater Horizon/BP oil spill fund, the Penn State abuse claims, Aurora, Colorado shooting victim relief fund, The Newtown-Sandy Hook Community Foundation, the One Fund (2013 Boston Marathon bombings), and the Archdiocese of New York Independent Reconciliation and Compensation Program. The IVCP Administrators act independently in evaluating and compensating individual claims.

20. The IVCP provides for:

a. The complete independence of the two administrators in determining eligibility and the amount of compensation.

b. The program was completely voluntary; no individual claimant was required to participate.

c. All payments authorized by the administrators came from funds which the Diocese borrowed; no public money was used to compensate victims.

d. A signed release was only required if the individual victim accepted the amount offered by the administrators, in which the victim agreed not to engage in any further litigation against a particular diocese.

e. The program gave priority to claimants who previously filed a claim directly with diocesan officials about abuse prior to the establishment of the IVCP.

21. The Diocese did not fund IVCP payments by using money: (i) donated by the people of the Diocese to support parishes, schools, and charitable works; (ii) given to the *House of Charity-Bishop's Annual Appeal* or the *Catholic Strong* campaigns; or (iii) given by a donor for a specific ministry or apostolate.

22. Through the IVCP, the Diocese has resolved seventy-one (71) claims since the IVCP began ("IVCP Resolved Claims"), but 141 claims remain pending. Of those 141 claims, offers were made by the IVCP to twenty-one (21)² of those claimants before the effective suspension of the IVCP on July 31, 2020. This is inclusive of forty (40) of the lawsuits that are currently pending (collectively, the "Survivor Claims"). Thirteen (13) of the remaining plaintiffs did not file claims with the IVCP.

23. The IVCP Resolved Claims were resolved with payments totaling \$8,102,000 (average claim settled for approximately \$114,112). The Diocese suspended its participation in the operation of the IVCP due to its fiscal realities, which were worsened by the COVID-19 pandemic.

24. In addition to the IVCP Resolved Claims, ninety-nine (99) pre-IVCP claims were settled for approximately \$10,120,000 (average claim \$102,222).

² Certain claims were disallowed.

RELIEF REQUESTED

25. By this Motion, the Diocese respectfully requests that the Court enter an Order establishing certain procedures relating to mediation to fix all the Survivor and Tort Claims and related issues or alternatively, for estimation of claims pursuant to 11 U.S.C. § 502(c)(1) and Fed. R. Bankr. P. 3018(a) for any claimant (“Claimant”) who is unwilling to participate in the mediation process.

26. Here, the Diocese anticipates filing its Disclosure Statement and Plan of Reorganization in the immediate future. The Diocese anticipates that there are approximately 154 Survivor Claims, all of which are contingent, unliquidated and disputed.

Proposed Mediation Process

27. The Diocese seeks to establish the mediation process relating to the Survivor Claims on the following issues: (a) settling Survivor and Tort Claims or, in the alternative, mediating claims estimation of Claimants for voting purposes of the Diocese’s Plan of Reorganization pursuant to 11 U.S.C. § 502(c); (b) evaluating potential contributions from parishes and other entities for plan confirmation purposes; (c) evaluating the collectability of potential receivables due from parishes and other non-debtor entities; and (d) any other related matters regarding the reorganization process (collectively, the “Mediation Process”).

28. The Diocese proposes the following terms and conditions for the Mediation Process:

- a. Designation by the Court of a mediator for all claim disputes at a rate of \$500/hour. The Diocese requests that the Court designate the **Honorable George L. Seltzer, J.A.D. (Ret.)** (the “Designated Mediator”)³. A copy of Judge Seltzer’s curriculum vitae is attached hereto as Exhibit “**A.**” All costs associated with the mediation will be paid for by the Diocese.

³ The Diocese reserves the right to request additional mediators be designated to assist in this process.

- b. Any Claimant may choose the Designated Mediator by serving the Diocese's counsel with notice of their selection by November 23, 2020. The Diocese will schedule the mediation to commence immediately at a location convenient for the Claimant as to the date and time with the option of appearing virtually, if desired.
- c. The Claimant and Diocese will submit a mediator-eyes-only position paper by November 30, 2020, with a five (5) page double spaced limit.
- d. Mediations will be conducted by December 18, 2020.
- e. On a weekly basis after mediation(s) have commenced and subject to any Confidentiality Orders or requirements in existence, if the Diocese and Claimant are able to settle, resolve and/or compromise the Claim(s), the Diocese will provide the Court with a status and amount of such settled, resolved and/or compromised claim.
- f. The Diocese will provide a final report by December 19, 2020 concerning all settlements achieved and claims unresolved. The Court will conduct a scheduling conference on December 21, 2020, at _____ .m. to fix the schedule for estimating any outstanding claims for voting purposes.
- g. The Diocese's insurance carriers should be strongly urged to participate in the mediation in order to attempt to achieve the most efficient settlement of the issues remaining in this case.
- h. No communication of any type, whether oral or written, related in any way to the mediation, shall be used by any party for any purpose, including impeachment, in any arbitration, judicial, administrative or other proceeding and may not be disclosed to any non-party to the mediation.

Proposed Claim Estimation Process

29. If any claimant asserting a Survivor Claim has elected to not participate in the Mediation Process set forth above, then the Claimant's claim shall be estimated for voting purposes pursuant to 11 U.S.C. §502(c)(1) and Fed. R. Bankr. P. 3018(a) on the following terms and conditions:

- a. By November 30, 2020, the Diocese shall submit to the Court a proposed schedule of estimated claims for unresolved or unsettled Survivor Claims.
- b. Any Claimant asserting a Survivor Claim shall have ten (10) days from receipt of the proposed estimated claim to advise the Court and the Diocese whether it approves or disputes the estimated amount. If the Claimant does not respond,

dispute or otherwise object to the estimated amount, the estimated claim will be fixed in the amount proposed by the Diocese for voting purposes only. If the Claimant disputes the amount and the Claimant and Diocese cannot come to an agreement, then it will be fixed by the Court.

- c. Nothing contained in the Motion is intended or should be construed as an admission or determination as to the validity of any claim, including estimated claims, against the Diocese and/or a waiver of the Diocese's rights to dispute any claim, including any estimated claims, nor does the Diocese waive its rights under the Code of Canon law, or any applicable State or Federal law.

BASIS FOR RELIEF REQUESTED

30. Pursuant to 11 U.S.C. § 502(c):

(c) There shall be estimated for purpose of allowance under this section—

1. any contingent or unliquidated claim, the fixing or liquidation of which, as the case may be, would unduly delay the administration of the case . . .

11 U.S.C. § 502.

31. The estimation process mandated by Section 502(c)(1) is a core proceeding that should be determined by this Court. 28 U.S.C. § 157(b)(2)(B). See In re G-I Holdings, Inc., 295 B.R. 211, 218-219 (D.N.J. 2003). The Diocese recognizes that the estimation for purposes of distribution is a non-core matter under 28 U.S.C. § 157(b)(2)(B), and does not seek estimation for distribution purposes, only voting purposes. Any estimation method can be recommended by this Court to the District Court pursuant to 28 U.S.C. § 157(c). Id. at 219.

32. Additionally, Fed. R. Bankr. P. 3018(a) provides that this Court can temporarily allow a claim or interest in an amount which the court deems proper for the purpose of accepting or rejecting a plan.

33. Courts in other jurisdictions have granted relief similar to the relief requested herein, and the proposed process does not run afoul of any of the issues raised in the cases cited below. See In Re Roman Catholic Archbishop of Portland in Or., 339 B.R. 215 (Bankr. D. Or.

2006) (bankruptcy court recognized its ability to estimate abuse claims and provide recommendations to district court); In re North American Health Care, Inc., 544 B.R. 684 (Bankr. C.D. Cal. 2016) (allowing claim estimation process for personal/injury wrongful death tort claims); and G-I Holdings, 295 B.R. 211 (D.N.J. 2003).

34. Through this process, the Diocese is not trying to prematurely address confirmation or feasibility issues for its proposed Plan or in any way circumvent the reorganization process. The Diocese is similarly not attempting to address distribution issues (unless a claimant voluntarily agrees to it through mediation or other settlement discussions). To the contrary, the Diocese is attempting to streamline the issues so it has a clear path forward for a fair, equitable and expeditious reorganization process.

35. The Diocese respectfully submits that the proposed process is consistent with the letter and spirit of Sections 502(c)(1) and 105(a), and Fed. R. Bankr. P. 3018(a), in that it furthers the Diocese's goals of expeditiously resolving these outstanding issues so it can reorganize for the benefit of the community, its parishioners, its creditors, and continue its mission. Pre-petition, the Diocese had settled one hundred seventy (170) claims and paid out in excess of \$18,222,500. The average Survivor Claim has received \$107,191. It has not shied away or skirted any responsibilities relating to the Survivor Claims but, instead, ran out of time and money to address the outstanding claims.

36. The Court's Local Rules mandate presumptive mediation for adversary proceedings (see Local Rule 9019-2). Additionally, the vicinages and Judges within our District regularly use mediation to address contested matters under Rule 9014 within main bankruptcy cases, including issues that would otherwise thwart reorganization efforts or cause the parties to

incur outrageous administrative fees. The Diocese seeks to streamline these costs so as not to diminish the funds available to the claimants to continue to address these issues in good faith.

37. The Diocese seeks to fairly and equitably fix claims as soon as possible. Absent addressing these contingent and unliquidated claims now, it will force the Diocese to go through a multi-year contentious, expensive and time-consuming litigation process.

38. The Diocese will adhere to all existing confidentiality protocols already established in this proceeding, as well as address any additional confidentiality concerns of the claimants in connection with settlement of or estimation of the Survivor Claims.

RESERVATION OF RIGHTS

39. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim or estimated claim against the Diocese or a waiver of the Diocese's rights to dispute any claim on any grounds, including, but not limited to, the passing of the applicable statutes of limitations. The Diocese reserves its right to dispute, or to assert offsets or defenses to, any claim (whether or not reflected on the Schedules or any amendments thereto) as to amount, liability, classification, or otherwise, and to subsequently designate any claim as contingent, unliquidated or disputed. Nothing set forth herein is intended or should be construed as a waiver by the Diocese of any rights under the Code of Canon law, or any applicable State or Federal law.

WAIVER OF MEMORANDUM OF LAW

40. Because the legal basis upon which the Diocese relies is incorporated herein and the Motion does not raise any novel issues of law, the Diocese respectfully requests that the Court waive the requirement to file a separate memorandum of law pursuant to D.N.J. LBR 9013- 1(a)(3).

EXHIBIT “A”

GEORGE L. SELTZER
Mediation and Arbitration Services

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C. V. FOR GEORGE L. SELTZER, J.A.D. (Ret.)

Education:

Undergraduate: Kenyon College (B.A. 1964)
Graduate: Rutgers law School (J.D. 1967)
Clerkship: Justice Haneman New Jersey Supreme Court (1967-68)

Private Practice:

General practice with a focus on commercial transactions, estates and related litigation; personal injury actions (1968-88)

Judicial Experience:

Appointed 1988; served for five years in the Family Part (Presiding Judge), five years in the Civil Division, seven years as Presiding Judge of the General Equity and Probate parts; two years on the Appellate Division. Ranked as one of the top ten judges in the State by the New Jersey Law Journal survey in 1999 (4th) and 2005 (6th).

Mediation/Arbitration Practice

Commenced mediation/arbitration practice in September 2008, upon retirement from the bench. Although the bulk of the practice involves commercial, corporate and estate matters, a substantial amount of work is dedicated to personal injury and employment disputes.

Representative Published Opinions:

Family: Forrestal v. Forrestall, 389 N.J. Super. 1 (App. Div. 2006);
Aarvig v. Aarvig, 248 N.J. Super. 181 (Ch. Div. 1991).
Civil: Estate of Hainthaler v. Zurich Commercial Ins., 387 N.J.
Super. 318 (App. Div. 2007); Collins v. New Penn Motor
Express, Inc., 384 N.J. Super. 439 (App. Div. 2006).
Probate: In re Estate of Schiffner, 385 N.J. Super. 37 (App. Div.
2006).
Chancery: PNC Bank v. Axelsson, 373 N.J. Super. 186 (Ch. Div.
2004); Delaware River and Bay Authority v. York Hunter
Const. Inc., 344 N.J. Super. 361 (Ch. Div. 2001).

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
Caption in Compliance with D.N.J. LBR 9004-1(b)

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Chapter 11

Case No. 20-21257 (JNP)

Hearing Date and Time:
November 12, 2020 at 10:00 a.m.

**ORDER (i) ESTABLISHING MEDIATION PROCESS
RELATING TO SURVIVOR AND TORT CLAIMS; (ii)
ESTIMATING REMAINING SURVIVOR AND TORT
CLAIMS PURSUANT TO 11 U.S.C. § 502(c)(1) AND FED R.
BANKR. P. 3018(a) FOR PURPOSE OF VOTING ON PLAN
OF REORGANIZATION AND CONFIRMATION
PROCESS; AND (iii) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through four (4), be and
hereby is **ORDERED**.

(Page 2)

Debtor: The Diocese of Camden, New Jersey

Case No.: 20-21257 (JNP)

Caption of Order: Order: (i) Establishing Mediation Process Relating to Survivor and Tort Claims; (ii) Estimating Remaining Survivor and Tort Claims Pursuant to 11 U.S.C. § 502(c)(1) and Fed. R. Bankr. P. 3018(a) for Purpose of Voting on Plan of Reorganization and Confirmation Process; and (iii) Granting Related Relief

THIS MATTER, having been presented to the Court upon the filing of the motion (the “Motion”) by The Diocese of Camden, New Jersey, Chapter 11 debtor and debtor-in-possession (the “Diocese”) for entry of an Order: (i) establishing mediation process relating to certain survivor and tort claims; (ii) estimating remaining survivor and tort claims pursuant to 11 U.S.C. § 502(c)(1) and Fed. R. Bankr. P. 3018(a) for purpose of voting on the Diocese’s Plan of Reorganization and the confirmation process, and (iii) granting related relief; and notice of the Motion being sufficient under the circumstances; and it appearing that no other or further notice need be provided; and the Court having determined that the relief sought in the Motion is in the best interests of the Diocese, its estates and creditors; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED** as set forth herein.
2. The Diocese is authorized to engage in mediation relating to Survivor Claims (as defined in the Motion) on the following terms and conditions:
 - a. The following mediator is designated by the Court for all claim disputes at a rate of \$500/hour: **Honorable George L. Seltzer, J.A.D. (Ret.)** (the “Designated Mediator”) ¹. All costs associated with the mediation will be paid for by the Diocese.
 - b. Any Claimant may choose the Designated Mediator by serving the Diocese’s counsel with notice of their selection by November 23, 2020. The Diocese will schedule the mediation to commence immediately at a

¹ The Diocese reserves the right to request additional mediators be designated to assist in this process.

(Page 3)

Debtor: The Diocese of Camden, New Jersey

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location convenient for the Claimant as to the date and time and with the option of appearing virtually, if desired.

- c. The Claimant and Diocese will submit a mediator-eyes-only position paper by November 30, 2020, with a five (5) page double spaced limit.
- d. Mediations will be conducted by December 18, 2020.
- e. On a weekly basis after mediation(s) have commenced and subject to any Confidentiality Orders or requirements in existence, if the Diocese and Claimant are able to settle, resolve and/or compromise Survivor Claim(s), the Diocese will provide the Court with a status and amount of such settled, resolved and/or compromised claim.
- f. The Diocese will provide a final report by December 19, 2020 concerning all settlements achieved and claims resolved. The Court will conduct a scheduling conference on December 21, 2020, at _____ .m. to fix the schedule for estimating any outstanding claims for voting purposes.
- g. The Diocese's insurance carriers are strongly urged to participate in the mediation, in order to attempt to achieve the most efficient settlement of the issues remaining in this case. A copy of this Order shall be served on all insurance carriers.
- h. No communication of any type, whether oral or written, related in any way to the mediation, shall be used by any party for any purpose, including impeachment, in any arbitration, judicial, administrative or other proceeding and may not be disclosed to any non-party to the mediation.

3. If any Claimant asserting a Survivor Claim has elected to not participate in the mediation process set forth above, then the Claimant's claim shall be estimated for voting purposes pursuant to 11 U.S.C. §502(c) on the following terms and conditions:

- a. By November 30, 2020, the Diocese shall submit to the Court a proposed schedule of estimated claims for unresolved or unsettled Survivor Claims.

(Page 4)

Debtor: The Diocese of Camden, New Jersey

Case No.: 20-21257 (JNP)

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- b. Any Claimant asserting a Survivor Claim shall have ten (10) days from receipt of the proposed estimated claim to advise the Court and the Diocese whether it approves or disputes the estimated amount. If the Claimant does not respond, dispute or otherwise object to the estimated amount, the estimated claim will be fixed in the amount proposed by the Diocese for voting purposes only. If the Claimant disputes the amount and the Claimant and Diocese cannot come to an agreement, then it will be fixed by the Court.
- c. Nothing contained herein or in the Motion is intended or should be construed as an admission or determination as to the validity of any claim, including estimated claims, against the Diocese and/or a waiver of the Diocese's rights to dispute any claim, including any estimated claims, nor does the Diocese waive its rights under the Code of Canon law, or any applicable State or Federal law.

4. This Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise. Any subsequent modification or vacatur of this Order shall not invalidate any action taken pursuant to this Order prior to the modification or vacatur of the Order.

5. This Court retains jurisdiction with respect to all matters arising from or related to the enforcement of this Order.