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

In re:

THE DIOCESE O CAMDEN, NEW JERSEY,

Debtor.

Chapter 11

Case No.: 20-21257 (JNP)

**STATEMENT AND RESERVATION OF RIGHTS OF THE OFFICIAL COMMITTEE
OF TORT CLAIMANT CREDITORS TO THE DIOCESE'S MOTION TO EXTEND
EXCLUSIVE PERIOD TO FILE A CHAPTER 11 PLAN AND SOLICIT VOTES FOR A
CHAPTER 11 PLAN PURSUANT TO 11 U.S.C. § 1121(d)**

The Official Committee of Tort Claimant Creditors (the "Committee") of the Diocese of Camden, New Jersey (the "Debtor" or the "Diocese") files this statement and reservation of rights (this "Statement") to the *Diocese's Motion to Extend Exclusive Period to File a Chapter 11 Plan and Solicit Votes for a Chapter 11 Plan Pursuant to 11 U.S.C. § 1121(d)* [ECF No. 252] (the "Motion"). In support of this Statement, the Committee states as follows:

I.

**FOR THE EXCLUSIVITY PERIOD TO BE MEANINGFUL, THE
DEBTOR MUST WORK COOPERATIVELY AND
COLLABORATIVELY WITH THE COMMITTEE**

1. The Debtor purportedly commenced this case to, among other things, “reorganize[e] and maximize[e] its assets for the benefit of all individuals presenting bona fide claims of abuse. . . .” *Declaration of Reverend Robert E. Hughes Regarding Structure and Pre-Filing History of the Diocese of Camden, New Jersey, and in Support of the Chapter 11 Petition and First Day Pleadings* [ECF No. 3, ¶ 7]. And so, after years of neglecting the physical, emotional and spiritual wellbeing of survivors of childhood sexual abuse in favor of protecting its reputation, the Diocese had apparently set itself – finally – on a virtuous path. And it is no secret that the Diocese has set this case on an express path towards confirmation, with a stated goal of exiting chapter 11 by the end of 2021. To that end, the Debtor has already sought to set a claims bar date, establish procedures to estimate claims, and indicated to this Court that it had intended on filing its plan of reorganization in early November. *See* ECF Nos. 74, 99 and 160.

2. Through the Motion, the Debtor asserts that the extension it seeks will allow it “additional time to complete its due diligence efforts and finalize any other necessary negotiations to confirm a plan,” promising to be “fair, equitable, and transparent to all its creditors” in the process. *See* Motion, ¶ 17(b). But meaningful negotiations between the Debtor and the Committee cannot begin until the Debtor provides adequate disclosure of its assets, its insurance coverage, and its relationships with the parishes, cemeteries, and other Catholic organizations located within the Diocese. To that end, the Committee served the Diocese with informal discovery requests almost two months ago which the Diocese has largely ignored and failed to provide meaningful responses. This information is critical for the Committee to (i)

understand the Debtor's financial condition, operations, and relationships with related non-debtor entities protected by an injunction issued by this Court under Section 105 of the Bankruptcy Code, (ii) develop claims that will augment the Debtor's estate, and (iii) represent its constituency in mediation and plan negotiations with appropriate care and knowledge.

3. Despite the above, the Committee remains hopeful that mediation before Chief Judge Kaplan will lead to a more collaborative and transparent process from which the Diocese can exit bankruptcy. But thus far, even Chief Judge Kaplan's prodding has not led to any material disclosure of the information the Committee seeks so that it may fulfill its fiduciary duties. The Committee thus cannot allow the Debtor, through the Motion, to represent to this Court that "cause" exists to extend its exclusivity period based on, among other things, "good faith negotiations" and "good faith efforts" to discuss and resolve issues with the Committee. To this point, the Diocese is intent on pursuing its goal of (i) expeditiously liquidating survivors' claims with no regard for the extended statute of limitations for asserting those claims recently enacted by the State of New Jersey, and then (ii) cramming a plan down on survivors without providing the Committee with any meaningful information on the Debtor's assets or ability to pay those claims.

4. Despite the foregoing, the Committee does not oppose the Motion, recognizing that it would be ill-advised for the Debtor to file a plan at this early stage given that the Committee has not been provided enough information to analyze the fairness of any plan let alone meaningfully participate in negotiations over such plan. Indeed, if exclusivity were terminated at this point, the Committee understands that the Debtor would be proposing a plan that would not reflect the input of, and could not have the support of, the Committee.

5. The Committee recognizes that the Debtor is a religious institution cherished by many, and the countless good it does, but it voluntarily sought the protections of the Bankruptcy Code and thus is now subject to the disclosure requirements of a debtor in possession. To achieve a “fresh start,” the Debtor must promptly provide the Committee with complete transparency about its finances and its dealings with all Catholic entities within the Diocese. Its failure to do so will only erode the trust and goodwill that are already in dangerously short supply because of the Debtor’s ignoble history with the Committee’s constituency.

II.

RESERVATION OF RIGHTS

6. The Committee preserves all of its claims, causes of actions and rights, including, but not limited to, its rights to (i) object to any other extensions of the Exclusivity Period, (ii) argue that the Debtor has not established cause for this or any additional extension of the Exclusivity Period and (iii) seek to terminate the Exclusivity Period at any time.

Dated: December 16, 2020

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