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**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)

**FIRST AMENDED DISCLOSURE STATEMENT PURSUANT TO
SECTION 1125 OF THE BANKRUPTCY CODE DESCRIBING
CHAPTER 11 PLAN PROPOSED BY THE DEBTOR-IN-POSSESSION**

PLEASE READ THIS FIRST AMENDED DISCLOSURE STATEMENT (“DISCLOSURE STATEMENT”) CAREFULLY. THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN OF REORGANIZATION. THE DIOCESE BELIEVES THAT THIS PLAN IS IN THE BEST INTEREST OF THE CREDITORS AND THAT THE PLAN IS FAIR AND EQUITABLE. THE DIOCESE URGES THAT THE VOTER ACCEPT THE PLAN.

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DISCLAIMER

THIS DISCLOSURE STATEMENT FOR THE FIRST AMENDED CHAPTER 11 PLAN OF REORGANIZATION OF THE DIOCESE OF CAMDEN, NEW JERSEY (THE “DEBTOR” OR THE “DIOCESE”), ATTACHED AS EXHIBIT A (THE “PLAN”) AND RELATED MATERIALS DELIVERED HEREWITH, ARE BEING PROVIDED BY THE DEBTOR TO KNOWN HOLDERS OF CLAIMS AND INTERESTS PURSUANT TO SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE.¹

THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT EXCEPT AS EXPRESSLY INDICATED HEREIN. THIS DISCLOSURE STATEMENT WAS COMPILED FROM INFORMATION OBTAINED FROM NUMEROUS SOURCES BELIEVED TO BE ACCURATE TO THE BEST OF THE DEBTOR’S KNOWLEDGE, INFORMATION AND BELIEF. NO GOVERNMENTAL AUTHORITY HAS PASSED ON, CONFIRMED OR DETERMINED THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

FOR THE CONVENIENCE OF HOLDERS OF CLAIMS AND INTERESTS, THIS DISCLOSURE STATEMENT SUMMARIZES THE TERMS OF THE PLAN. IF ANY INCONSISTENCY EXISTS BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE TERMS OF THE PLAN ARE CONTROLLING. NOTHING STATED HEREIN SHALL BE DEEMED OR CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY, NOR BE ADMISSIBLE IN ANY PROCEEDING INVOLVING THE DEBTOR OR ANY OTHER PARTY, OR BE DEEMED CONCLUSIVE EVIDENCE OF THE TAX OR OTHER LEGAL EFFECTS OF THE PLAN ON THE DEBTOR OR HOLDERS OF CLAIMS OR INTERESTS. CERTAIN STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT, BY NATURE, ARE FORWARD-LOOKING AND CONTAIN ESTIMATES AND ASSUMPTIONS. THERE CAN BE NO ASSURANCE THAT SUCH STATEMENTS WILL REFLECT ACTUAL OUTCOMES.

THE STATEMENTS CONTAINED HEREIN ARE MADE AS OF THE DATE HEREOF, UNLESS ANOTHER TIME IS SPECIFIED. THE DELIVERY OF THIS DISCLOSURE STATEMENT SHALL NOT BE DEEMED OR CONSTRUED TO CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS CORRECT AT ANY TIME AFTER THE DATE HEREOF.

¹ Capitalized terms used but not defined herein shall have the same meaning ascribed to such term in the Plan.

ARTICLE I.
INTRODUCTION

On October 1, 2020 (the “Petition Date”), the Diocese commenced its bankruptcy case by filing a voluntary petition pursuant to Chapter 11 of Title 11 of the United States Code (the “Code”), 11 U.S.C. § 301, et seq. Chapter 11 of the Code allows the Debtor to propose a plan of reorganization. Since the Petition Date, the Diocese has remained in possession of its assets and management of its mission as debtor-in-possession pursuant to Sections 1107 and 1108 of the Bankruptcy Code.

THE DOCUMENT YOU ARE READING IS THE DISCLOSURE STATEMENT FOR THE FIRST AMENDED PLAN OF REORGANIZATION (the “Plan”) WHICH IS ANNEXED HERETO AS **EXHIBIT A**. The Plan constitutes a chapter 11 plan of reorganization. Except as set forth in the Plan or otherwise provided by order of the Bankruptcy Court, Distributions will occur on the Effective Date or as soon thereafter as is practicable and at various intervals thereafter. In the Diocese’s opinion, the treatment of Claims under the Plan provides a greater recovery for Creditors than that which is likely to be achieved under other alternatives. **Accordingly, the Diocese believes that Confirmation of the Plan is in the best interests of all Creditors and, therefore, urges all Creditors to vote to accept the Plan.**

ARTICLE II.
PURPOSE OF THIS DISCLOSURE STATEMENT

This Disclosure Statement summarizes what is in the Plan and tells you certain information relating to the Plan and the process the Court follows in determining whether or not to confirm the Plan. This Disclosure Statement contains the following exhibits: (i) the Plan (**Exhibit A**); (ii) Financial Projections (**Exhibit B**); (iii) Order Approving the Disclosure Statement (**Exhibit C**); (iv) proposed Trust Agreement (**Exhibit D**); (v) the Debtor’s liquidation analysis (**Exhibit E**); the Trust Distribution Plan (**Exhibit F**); (vi) the list of Covered Parties (**Exhibit G**); (vii) the list of Released Parties (**Exhibit H**); (viii) the analysis performed by the Debtor’s financial advisers of the value of IVCP claims (**Exhibit I**); and (ix) the Debtor’s analysis of the valuation of Tort Claims (**Exhibit J**).

READ THIS DISCLOSURE STATEMENT CAREFULLY IF YOU WANT TO KNOW ABOUT:

- (1) WHO CAN VOTE OR OBJECT,
- (2) THE PROPOSED TREATMENT OF YOUR CLAIM (i.e., what your claim will receive if the Plan is confirmed), AND HOW THIS TREATMENT COMPARES TO WHAT YOU WOULD RECEIVE IN A CHAPTER 7 LIQUIDATION,
- (3) THE HISTORY OF THE DEBTOR AND SIGNIFICANT EVENTS DURING THE BANKRUPTCY,
- (4) WHAT THE COURT WILL CONSIDER WHEN DECIDING WHETHER TO CONFIRM THE PLAN,

(5) THE EFFECT OF CONFIRMATION, AND

(6) THE FEASIBILITY OF THE PLAN.

This Disclosure Statement cannot tell you everything about your rights. You should consider consulting your own lawyer to obtain more specific advice on how the Plan will affect you and what is the best course of action for you.

Be sure to read the Plan as well as the Disclosure Statement. If there are any inconsistencies between the Plan and the Disclosure Statement, the Plan provisions will govern.

Bankruptcy Code Section 1125 requires a Disclosure Statement to contain “adequate information” concerning the Plan. The term “adequate information” is defined in Code Section 1125(a) as “information of a kind, and in sufficient detail,” about the Debtor and its operations “that would enable a hypothetical reasonable investor typical of holders of claims or interests” of the Debtor to make an informed judgment about accepting or rejecting the Plan. The Bankruptcy Court (“Court”) has determined that the information contained in this Disclosure Statement is adequate, and it has approved this document in accordance with Bankruptcy Code Section 1125.

This Disclosure Statement is provided to each creditor whose claim has been scheduled by the Debtor or who has filed a proof of claim against the Debtor as of the date of approval of this Disclosure Statement. Under the Bankruptcy Code, your acceptance of the Plan may not be solicited unless you receive a copy of this Disclosure Statement prior to or concurrently with such solicitation.

ARTICLE III. CONFIRMATION PROCEDURES

THE COURT HAS NOT YET CONFIRMED THE PLAN DESCRIBED IN THIS DISCLOSURE STATEMENT. IN OTHER WORDS, THE TERMS OF THE PLAN ARE NOT YET BINDING ON ANYONE. IF THE COURT LATER CONFIRMS THE PLAN, THEN THE PLAN WILL BE BINDING ON THE DEBTOR AND ON ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS IN THE CHAPTER 11 CASE.

If the Plan is confirmed, the Distributions provided for in the Plan will be in exchange for, and in complete satisfaction, discharge and release of, all Claims against the Debtor or any of its assets or properties, including any Claim accruing after the Petition Date and before the Effective Date. As of the Effective Date of the Plan, all Holders of Claims and Interests will be precluded from asserting any Claim against the Debtor, the Reorganized Debtor or their assets, or other interests in the Debtor or the Reorganized Debtor based on any transaction or other activity of any kind that occurred before the Effective Date except as otherwise provided in the Plan. In addition, the Plan provides for a channeling injunction based on a contribution to the Plan by the Covered Parties.

A. Requirements for Confirmation

PERSONS OR ENTITIES CONCERNED WITH CONFIRMATION OF THIS PLAN SHOULD CONSULT WITH THEIR OWN ATTORNEYS BECAUSE THE LAW ON

CONFIRMING A PLAN OF REORGANIZATION IS VERY COMPLEX. The following discussion is intended solely for the purpose of alerting readers about basic confirmation issues, which they may wish to consider, as well as certain deadlines for filing claims. The Debtor CANNOT and DOES NOT represent that the discussion contained below is a complete summary of the law on this topic.

The Bankruptcy Court will confirm the Plan only if it meets all the applicable requirements of section 1129 of the Bankruptcy Code. Among the requirements for confirmation in this Chapter 11 Case are that the Plan (a) is accepted by Impaired Classes that have the right to vote; and (b) the Plan is feasible. The Bankruptcy Court must also find that:

1. the Plan has classified Claims and Interests in a permissible manner;
2. the Plan complies with the technical requirements of Chapter 11 of the Bankruptcy Code; and
3. the Plan has been proposed in good faith. See 11 U.S.C. §§ 1123, 1129.

B. Persons Potentially Eligible to Vote on the Plan

In determining acceptance of the Plan, votes will only be counted if submitted by a creditor whose claim is duly scheduled by the Debtor as undisputed, non-contingent and unliquidated, or who, prior to the hearing on confirmation of the Plan, has filed with the Court a proof of claim which has not been disallowed or suspended prior to computation of the votes on the Plan. The Ballot Form that you received does not constitute a proof of claim. If you are uncertain whether your claim has been correctly scheduled, you should check the Debtor's Schedules, which are on file at the office of the Clerk of the Bankruptcy Court located at: United States Bankruptcy Court, Mitchell H. Cohen U.S. Courthouse, 400 Cooper Street, Fourth Floor, Camden, New Jersey 08101. The Clerk of the Bankruptcy Court will not provide this information by telephone. The Debtor's Schedules are also available at <https://cases.primeclerk.com/camdendiocese>.

The following are the unclassified Claims: Fee Claims, Administrative Expense Claims, U.S. Trustee Fees, and Priority Tax Claims. Unclassified Claims are not Impaired by the Plan. Each Holder of an unclassified Claim is conclusively presumed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan.

Classes 7A and 7B are fully Impaired and are not receiving any Distributions under the Plan and, pursuant to Section 1126(g) of the Bankruptcy Code, are conclusively presumed to have rejected the Plan. Classes 2, 3, 4, 5, 6, and 8 are Impaired under the Plan and are entitled to vote on the Plan.

C. Solicitation and Confirmation Hearing Notice

All Holders of Claims in Classes 2, 3, 4, 5, 6, and 8 will receive (i) notice of the Confirmation Hearing (defined below) (the "Confirmation Hearing Notice") and (ii) a Ballot. All other creditors and parties in interest not entitled to vote on the Plan will receive a copy of the Confirmation Hearing Notice and a Notice of Non-Voting Status (as defined in the Disclosure Statement Order). Because of the significant cost of printing and mailing the Disclosure Statement

and Plan, copies of the Disclosure Statement and Plan will be available in electronic format online at <https://cases.primeclerk.com/camdendiocese>.

D. Plan Voting Procedures

The Ballots received by Holders of impaired Claims do not constitute a proof of claim. If a creditor is uncertain whether its claim has been correctly scheduled, the creditor should check the Debtor's Schedules, which are on file at the Office of the Clerk of the Bankruptcy Court located at: United States Bankruptcy Court for the District of New Jersey, U.S. Post Office and Courthouse, 401 Market Street, Camden, New Jersey 08101. The Clerk of the Bankruptcy Court will not provide this information by telephone.

Alternatively, a creditor may obtain copies of the Debtor's schedules on the website of Prime Clerk, LLC, the Debtor's Claims and Noticing Agent (the "Claims and Noticing Agent"), at <https://cases.primeclerk.com/camdendiocese>.

a. Deadline For Voting For or Against the Plan

In order for a Ballot to count, the creditor must (1) complete, date and properly execute the Ballot and (2) properly deliver the Ballot to the Claims and Noticing Agent by either mail or overnight courier to the Claims and Noticing Agent at the following address:

The Diocese of Camden, New Jersey Ballot Processing Center
c/o Prime Clerk LLC
830 3rd Avenue, 9th Floor
New York, New York 10022

The Claims and Noticing Agent must **ACTUALLY RECEIVE** original ballots by mail or overnight delivery on or before _____, **2021 at 5:00 p.m.** (prevailing Eastern Time) (the "Voting Deadline"). Except as otherwise provided, you may not change your vote once the Claims and Noticing Agent receives your ballot.

Any ballot that is timely received, that contains sufficient information to permit the identification of the claimant and that is cast as an acceptance or rejection of the Plan will be counted and will be deemed to be cast as an acceptance or rejection, as the case may be, of the Plan.

The following ballots will not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected:

1. any ballot received after the Voting Deadline, unless the Debtor grants an extension of the Voting Deadline with respect to such ballot or the Court grants such an extension;
2. any ballot that is illegible or contains insufficient information to permit the identification of the claimant after the Debtor reaches out to the person or entity that submitted such Ballot for clarification;

3. any ballot cast by a person or entity that does not hold a Claim in a class that is entitled to vote to accept or reject the Plan;
4. any ballot cast for a Claim designated as unliquidated, contingent or disputed or as zero or unknown in amount and for which no Rule 3018(a) motion has been filed by the Rule 3018(a) motion deadline;
5. any ballot timely received that is cast in a manner that indicates neither acceptance nor rejection of the Plan or that indicates both acceptance and rejection of the Plan;
6. any unsigned ballot; or
7. any ballot that is electronically submitted.

Voting Questions. If there are any questions regarding the provisions or requirements for voting to accept the Plan or require assistance in completing a Ballot, creditors may contact counsel to the Debtor, Richard D. Trenk or Robert S. Roglieri at 973-533-1000.

b. Acceptance of Plan

The acceptance of the Plan by impaired creditors is important. In order for the Plan to be accepted by impaired creditors, a majority in number (*i.e.*, more than half) and two-thirds in dollar amount of the impaired classes that vote must vote to accept the Plan. The Debtor urges that creditors vote to accept the Plan. **CREDITORS ARE URGED TO COMPLETE, DATE, SIGN AND PROMPTLY RETURN THEIR BALLOT. PLEASE BE SURE TO COMPLETE THE BALLOT PROPERLY AND LEGIBLY IDENTIFY THE EXACT AMOUNT OF THE CREDITOR'S CLAIM AND THE NAME OF THE CREDITOR.**

E. Time and Place of the Confirmation Hearing

The hearing at which the Court will determine whether to confirm the Plan (the "Confirmation Hearing") will take place on _____, **2021 at __:00 __.m. (prevailing Eastern Time)** in Courtroom 4C of the United States Bankruptcy Court for the District of New Jersey, Mitchell H. Cohen U.S. Courthouse, 400 Cooper Street, 4th Floor, Camden, New Jersey, 08101. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice, except for an announcement of the adjourned date made at the hearing.

F. Procedure for Objections to Confirmation of the Plan

Any objection to confirmation of the Plan must (a) be in writing; (b) state the name and address of the objecting party and the amount of the claim of such party; and (c) state with particularity the grounds for the objection. Any objection must be filed with the Court and served so as to be actually received on or before _____, **2021 at 4:00 p.m. (prevailing Eastern Time)** (the "Objection Deadline") by:

The Debtor and Reorganized Debtor

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Unless an objection is timely filed and served, it may not be considered by the Bankruptcy Court.

G. Identity of Person to Contact for More Information Regarding the Plan

Any interested party desiring further information about the Plan should contact the Debtor's counsel, Richard D. Trenk, Esq. or Robert S. Roglieri, Esq. at Trenk Isabel P.C., 290 W. Mt. Pleasant Ave., Suite 2350, Livingston, New Jersey 07039, telephone (973) 533-1000.

ARTICLE IV.
BACKGROUND AND SUMMARY OF CHAPTER 11 CASE

A. Background of Debtor

a. The Roman Catholic Church

It is a matter of faith that the Catholic Church (the “Church”)² was founded by Jesus Christ to carry out the mission to teach, sanctify and serve the needs of others. The Church is a worldwide community with over 1.2 billion members who adhere to a common creed. The *Code of Canon Law*³ establishes the internal organizational structure and procedures to be followed within the Church. Canon Law also identifies property rights and agency relationships among the various structures within the community of the Church.

While the Church is organized in a hierarchical structure, it is not a monolithic corporate entity. A variety of organizations operate in ecclesiastical harmony to carry out the mission of the Church. The Church is organized by territorial districts, the most common of which is a diocese.⁴ A diocese usually is defined by a geographic area and is created to serve the community of Latin Rite Catholics present in that area. The bishop of a diocese is appointed by the Pope.⁵

Within the territory of a diocese are separately constituted parishes.⁶ Like a diocese, a parish usually is defined territorially.⁷

“Juridic persons” are constituted pursuant to Canon Law or by a special grant of competent authority given through a decree, and they have perpetual existence unless extinguished in accordance with Canon Law. Juridic persons within the Church are either aggregates of persons or things, ordered for a purpose which is in keeping with the mission of the Church. Similar to the civil law concept of a corporation, a juridic person is distinct and separate from any natural person, and from other juridic persons. A public juridic person is a type of juridic person that fulfills its

² As used herein, “Church” means the universal Catholic Church (*i.e.*, the “one, holy, catholic and apostolic church” of Catholic belief, seated in the Vatican and headed by Pope Francis). For the avoidance of doubt, particular places of worship are referred to herein as “churches” without capitalization.

³ Canon Law comes from several sources of Church law that together establish the internal organizational structure and relationships among the entities and organizations that comprise the Church. Canon Law was originally codified in 1917, and revised by Pope John Paul II on January 25, 1983. See 1983 Code of Canon Law c. 1-1752 (1983) (“Canon Law”).

⁴ Canon Law, c. 369.

⁵ Id. at c. 377 § 1.

⁶ Id. at c. 374.

⁷ Id. at c. 515.

purposes in the name of the Church. Dioceses and parishes are separate public juridic persons in canon law.⁸

Each public juridic person owns all the property it has acquired. A juridic person possesses property in order to carry out its mission to teach, sanctify and serve. These purposes are broadly defined as the conduct of worship, the support of employees and ministers, and the works of the apostolate.⁹ Canon Law requires the ownership of property to be protected by valid means under secular civil law, and permits the formation of secular legal entities, like the Diocese and parishes located within its ecclesiastical boundaries to hold property and conduct the business of a public juridic person.

The administration of property is the responsibility of a public juridic person's administrator,¹⁰ such as a diocesan bishop over the property of a diocese or a pastor over the property of a parish. The administrator of the property of a public juridic person must exercise this responsibility in concert with a Finance Council.¹¹ It is a fundamental canonical understanding that property owned by one public juridic person cannot be simultaneously owned or controlled by another.

The persons who populate a diocese or a parish are first of all those who are baptized and live in communion with the successor of St. Peter (the Pope, otherwise known as the Supreme Pontiff of the Roman Catholic Church) and those in communion with him.¹² Among the baptized are laypersons and clerics.¹³ Clerics are also called sacred ministers and perform many of the liturgical services within the worship of the Church. Clerics are deacons, priests or bishops. There are other individuals, called "Religious," who contribute to the mission of the Church by joining together through common life and the profession of the evangelical counsels of poverty, chastity, and obedience.¹⁴ Religious may be either laypersons or clerics. If a Religious is not a cleric, that person is referred to as a sister or brother.

In the Diocese, there are 4 communities of Religious men, and 15 communities of Religious women.

⁸ Juridic personality is articulated in 1983 Code in canons 113-123.

⁹ 1983 Code c. 1254. The works of the apostolate include activities associated with easing human suffering, promoting the general welfare, and advancing the social mission of the Church: feeding the hungry, clothing the poor, welcoming the stranger, caring for the sick and offering education - and any other activity that can promote the good of an individual and society.

¹⁰ *Id.* at c. 1279 § 1.

¹¹ *Id.* at c. 1280.

¹² *Id.* at c. 204.

¹³ *Id.* at c. 207 § 1.

¹⁴ *Id.* at c. 207 § 2.

b. The Diocese of Camden

Catholics who lived in New Jersey were initially the responsibility of the Diocese of Baltimore until 1808, when South New Jersey passed under the authority of the Diocese of Philadelphia. On August 15, 1830, Bishop Francis Kenrick dedicated the St. Mary's Church in Pleasant Mills, New Jersey. St. Mary's Church was the fourth Catholic church in New Jersey and the first in the area that makes up present-day Diocese of Camden. The first parish and school were established at St. Mary's, Gloucester in 1849 and 1859, respectively.

In 1853, the Diocese of Newark was created and South New Jersey passed under the authority of the Diocese of Newark. Catholics in the area remained under the care of the Diocese of Newark until 1881 when the Diocese of Trenton was established.

With continued growth in the Catholic population during the first decades of the twentieth century, Pope Pius XI on December 9, 1937 established the Diocese of Camden. This also marked the time that New Jersey, previously part of the ecclesiastical province of New York, became a separate province, with the metropolitan see at Newark, which established it as an archdiocese.

Under New Jersey Law, the Diocese is an incorporated legal entity formed pursuant to New Jersey's Religious Corporations Law, Title 16 of the *Revised Statutes of New Jersey*, with its own corporate structure and governance, separate from the Parishes and schools, which are other Catholic entities within its territory (collectively, the "Other Catholic Entities"). The Other Catholic Entities are separate civil corporations, several of which predate the establishment of the Diocese, with their own employees and which maintain their own books, records, bank accounts and employee payrolls. These Other Catholic Entities are not debtors in this chapter 11 proceeding and have not otherwise sought relief under the Bankruptcy Code.

The juridic person of the Diocese of Camden was canonically established on December 9, 1937. Thereafter, on June 17, 1938, a corporation was formed to constitute the Diocese of Camden under N.J.S.A. 16:15-9 to 16:15-17. By statute, N.J.S.A. 16:15-10, the five trustees of the Diocese are the Bishop, the Vicar General and the Chancellor and two priests of the Diocese whom they elect.

The Diocese serves a 6-county region in Southern New Jersey. There are currently 62 parishes (each, a "Parish," and collectively, the "Parishes") which serve 486,368 Catholic individuals in the territory of the Diocese. The Parishes are incorporated under N.J.S.A. 16:15-1 to 16:15-8.

In addition, there are four "missions" within the Diocese. Three of them, Mater Ecclesiae Chapel, Inc., Saint Yi Yun Il John Cherry Hill Korean Catholic Mission, Inc., and Saint Andrew Kim Korean Catholic Mission, Inc. are organized and operated as nonprofit corporations in accordance with Title 15A of New Jersey Law. These missions are not considered to be "parishes" under Canon Law since they serve specific communities that cross Parish boundaries. They cannot be incorporated under N.J.S.A. 16:15-1, *et seq.*, which only provides for the incorporation of Catholic parishes, although their respective corporate governance structures mirror that of a Title 16 parish. The fourth mission is Padre Pio Shrine in Buena Borough, N.J., Inc., which is a non-profit membership corporation of which the Diocese is the member.

These Parishes are served by 124 active Diocesan priests, 88 retired Diocesan priests, 31 Religious priests that reside in the Diocese, 15 extern priests¹⁵, 66 active permanent deacons serving in the Diocese, 38 retired permanent deacons living in the Diocese, and 15 permanent deacons serving outside the Diocese.¹⁶ Deacons are men ordained for the ministry of the word (catechetics and preaching), service to the poor, and liturgical assistance. Deacons may preside at baptisms, officiate at marriages, and provide for the funeral rites apart from the celebration of the Eucharist.

B. Other Catholic Entities Located Within the Territory of the Diocese

a. The Parishes

The secular legal embodiments of the Parishes extant within the Diocese are incorporated, and function pursuant to, separate provisions of the Religious Corporation Law that provide for the incorporation and operations of Dioceses. Pursuant to N.J.S.A. 16:15-1 and 15-3, each of the Parish Corporations is governed by a Board of Trustees comprised of the Bishop, the Vicar General of the Diocese, the Pastor of the Parish and two lay members of the Parish.

Each Parish corporation owns the real and personal property that is used in its ministry. Each Parish pays its own employees, has its own taxpayer/employer identification number, holds its own meetings, and appoints its own councils and committees.

b. Independent Catholic Schools (Elementary and Secondary)

There are twenty-two (22) elementary schools operated in conjunction with the Diocese. With the exception of the Bishop McHugh Regional School in Dennis Township in Cape May County, each elementary school is owned by the respective parish where it is located, although most are regional schools that serve multiple parishes. The Bishop James T. McHugh Regional School, Inc. (Pre-K through 8th Grade), located in Cape May County, is a separate nonprofit corporation whose trustees are *ex officio* the pastors of parishes in that County. Additionally, the junior high school (7th and 8th grades) affiliated with Gloucester Catholic High School in Gloucester City in Camden County is owned by St. Mary's Church, Gloucester, and the pre-K-12th grade Wildwood Catholic Academy in Wildwood, in Cape May County, is owned by Notre Dame de la Mer Parish, Wildwood, N.J.. Additionally, there are four elementary schools (three of which are in Camden, and one of which is in Pennsauken), which are owned by Parishes but operated by Catholic Partnership Schools, Camden, N.J., Inc.

St. Joseph Child Development Center, Inc., which was incorporated in 2003, operates a pre-school daycare program and facilitates early childhood education in Camden, New Jersey for approximately 120 children ages 2½ through 6. The pastor of St. Joseph's Pro-Cathedral is an *ex officio* trustee, and the other trustees are appointed by the Bishop. The current trustees are the

¹⁵ An extern priest is a priest incardinated in another diocese or institute of consecrated life who comes with the permission of the diocesan bishop to exercise ministry in the territory of the Diocese. Incardination is the bond that exists between a cleric and a diocese or institute of consecrated life.

¹⁶ The statistics cited in this paragraph are as of December 31, 2019.

pastor, Reverend Jaime Hostios, and the lay trustees: Mr. James Catrambone and Ms. Frances Montgomery.

There are five high schools affiliated with the Diocese. Three of these high schools are Title 15A nonprofit corporations: (i) Camden Catholic High School located in Cherry Hill, New Jersey (incorporated as Camden Catholic High School, Cherry Hill, N.J.); (ii) Holy Spirit High School located in Absecon, New Jersey (incorporated as Holy Spirit High School, Absecon, N.J.); and (iii) Pope Paul VI High School located in Haddon Township, New Jersey (incorporated as Pope Paul VI High School, Haddon Township, N.J.). The Bishop of the Diocese is the member of the corporation, and he appoints the trustees and certain corporate officers and has certain reserved powers. Gloucester Catholic High School is located in Gloucester City, New Jersey; it is part of St. Mary's Church, Gloucester and is not separately incorporated. Wildwood Catholic Academy (pre-kindergarten through 12th grade) is located in Wildwood, New Jersey; it is part of Notre Dame de la Mer Parish in Wildwood and is not separately incorporated.

While each of the schools set forth herein are independently owned by the Parishes, except as otherwise noted herein, these schools are subject to the general supervision of the Diocese's Superintendent of Schools, their budgets must be approved by the Diocese or the Bishop, and they must comply with the Diocese's child protection policies.

Based on a projected census of 5,016 grammar school students for 2020-2021 and the sending municipality's per pupil expenditure to educate these students, a financial burden of over \$108 million would be incurred if these students were educated in public schools. These figures do not include the students in the three grammar schools in Camden City and the one grammar school in Pennsauken Township, which are administered by Catholic Partnership Schools.

With respect to the high schools, based on a projected census of 2,446 high school students for 2020-2021, and the sending municipality's per pupil expenditure to educate these students, a financial burden of \$51.2 million would be incurred if these students were educated in public schools. These figures do not include the students enrolled in the three private Catholic high schools (Bishop Eustace Preparatory School in Pennsauken, Our Lady of Mercy Academy in Newfield, and St. Augustine's Preparatory School in Richland).

c. Catholic Ministry Entities

There are several nonprofit corporations that work to carry out various ministries of the Church within the territory of the Diocese (collectively, the "Catholic Ministry Entities"). All the Catholic Ministry Entities were created under the New Jersey Nonprofit Corporation law or other New Jersey organizational statutes to carry out a variety of works of the apostolate.

The Catholic Ministry Entities include the following:

i. Catholic Charities, Diocese of Camden, Inc.

Catholic Charities, Diocese of Camden, Inc. ("Catholic Charities") was incorporated in 2000 and assumed the operations of Catholic Social Services, Diocese of Camden. Catholic Social Services, Diocese of Camden had been established in 1971 through the merger of Catholic

Charities of the Diocese of Camden, N.J. and Catholic Aid Society of the Diocese of Camden, New Jersey.

Catholic Charities is a nonprofit New Jersey corporation governed by its trustees. The trustees include (all serving *ex officio*): the Bishop of the Diocese, the Vicar General of the Diocese, and the Chancellor of the Diocese. In addition, these three trustees elect an additional two trustees for Catholic Charities. The current *ex officio* trustees are Bishop Dennis Sullivan, Reverend Robert Hughes and Reverend Jason Rocks, and the elected trustees are Sister Helen Cole and Mr. Robert DiStanislao. The affairs, property, business, and policies of Catholic Charities are under the charge, control and direction of the trustees.

Catholic Charities participates in the Church's social mission by recognizing the inherent dignity and worth of all people and responding with sincere Christian compassion to the corporeal needs of the poor and marginalized. The purpose of Catholic Charities is to aid, support, advise, and conduct, by itself or in cooperation with any religious, charitable, benevolent or education corporation, a wide variety of human services for the benefit of all people in need within the Diocese without regard to religious, racial, ethnic or economic background. In accordance with Catholic Social Teaching, Catholic Charities creates programs designed to serve the most vulnerable populations, while also guiding them towards a life of self-sufficiency. These populations include: (i) those affected by housing and financial crises or disasters; (ii) refugees, immigrants, and asylees; (iii) veterans and their families; (iv) those struggling with mental health or addiction who are in need of counseling; (v) individuals looking for employment; (vi) the incarcerated; and (vii) families considering adoption.

Catholic Charities' headquarters is located at 1845 Haddon Avenue, Camden, New Jersey. In addition to its headquarters, Catholic Charities has a Family and Community Services Center in each of the New Jersey counties within the territory of the Diocese. These are located in Westville (Gloucester County), Atlantic City (Atlantic County), Rio Grande (Cape May County), Vineland (Cumberland County), Bridgeton (Cumberland County), Salem City (Salem County), and Penns Grove (Salem County). The headquarters is the Family and Community Services Center in Camden County. Through the Family and Community Services Centers, those in need have access to a wide array of services including food pantries, housing counseling, rental assistance, nutrition education, thrift stores, utilities assistance, SNAP (food stamps) enrollment, and a community resource warehouse.

Catholic Charities employs approximately eighty (80) people and has a budget of approximately \$8 million per year. Over half of Catholic Charities' budget is obtained from grants from government entities. In addition, the Diocese provides approximately \$3 million per year, mainly through an annual fund-raising appeal.

Specifically, with respect to veterans, the Catholic Charities' Veteran Services Program is designed to assist homeless veterans in leaving homelessness through meaningful, competitive employment and permanent housing. The Veteran Services Program focuses a significant portion of its time on preventing homelessness within the veteran community. Through a \$1.6 million grant from the United States Department of Veterans Affairs, Catholic Charities provides various assistance to veterans. Catholic Charities assists homeless veterans in finding and procuring safe and secure places to live. Approximately \$500,000 of the grant from Veterans Affairs is

specifically designated for rental assistance. Catholic Charities provides up to four months of rental assistance to qualifying veterans. These services can be provided to veterans and their families who live at 35% of the area median income.

Catholic Charities also receives approximately \$1 million in grants from the New Jersey Department of Community Affairs. These grants support the following homeless programs:

- a. Homeless Prevention and Rapid Rehousing Program, which provides up to six months of rental assistance;
- b. Supportive Services for Homeless People, which provides up to one month of rental assistance; and
- c. The Homeless Prevention Program, which also provides rental assistance to struggling families.

In 2019, Catholic Charities served 17,143 people within the Diocese's territory. The 2019 Annual Report is annexed to the Reverend Hughes' Declaration at Exhibit I. [ECF 3].

The following entities also fall under the responsibility of Catholic Charities.

ii. The Diocesan Housing Services Corporation of the Diocese of Camden, Incorporated

The Diocesan Housing Services Corporation of the Diocese of Camden, Incorporated ("Diocesan Housing Services") is a nonprofit membership corporation, which was incorporated in 2000. Diocesan Housing Services provides housing services to persons in need, including low- and moderate-income families, the disabled, and senior citizens.

Catholic Charities is the member of Diocesan Housing Services. The trustees of Diocesan Housing Services are Peter O'Connor, Esq. (President), Ms. Alma Johnson (Vice President), Mrs. Laura J. Montgomery (Secretary/Treasurer), Monsignor John Burton, Reverend Thomas Newton, Mr. Joseph Fahy, Mr. William Murray and Reverend Walter Norris, Esq.

In total, Diocesan Housing Services serves approximately 1,100 residents in 847 units across 9 locations in Southern New Jersey.

1. Senior Housing Services

The Diocese is the sponsor of Shepherd's Farm, a senior housing development located in West Deptford in Gloucester County. The development is owned by Shepherd's Farm Senior Housing at West Deptford, Inc., a nonprofit corporation, a majority of whose trustees are appointed by the Diocese.

Diocesan Housing Services is a sponsor or developer and the manager of the following affordable senior housing developments:

a. **Stonegate at St. Stephen** is located in Pennsauken in Camden County. Stonegate at St. Stephen, Inc., a nonprofit corporation, owns the development. Diocesan Housing Services appoints a majority of the trustees.

b. **Haven House** is located in North Cape May in Cape May County. Haven House at St. John of God, Inc., a nonprofit corporation, owns the development. Diocesan Housing Services appoints a majority of the trustees.

c. **Village at St. Peter's** is located in Pleasantville in Atlantic County. Village at St. Peter's, Inc., a nonprofit corporation, is the General Partner in the partnership which owns the development. Diocesan Housing Services appoints a majority of the trustees.

d. **Benedict's Place** is located in Cherry Hill in Camden County. Benedict's Place, Inc., a nonprofit corporation, is the General Partner in the partnership which owns the development. Diocesan Housing Services appoints the trustees.

e. **Stonegate II** is located in Pennsauken in Camden County. Diocesan Housing Services is the sole member of SG II MM, LLC, which is the Managing Member of the limited liability company which owns the development.

f. **Victorian Towers** is located in Cape May in Cape May County. Diocesan Housing Services is the sole member of DHSC Cape May LLC, which has a 50% interest in the Managing Member of the limited liability company that owns the development.

2. Other Housing Services

Village Apartments of Cherry Hill, N.J., Inc. is a nonprofit corporation, which was incorporated in 1981, and owns an affordable housing development for seniors and disabled individuals located in Cherry Hill in Camden County. The trustees are the trustees of the Diocese or individuals approved by the Diocese. The current trustees are Bishop Dennis Sullivan, Reverend Jason Rocks, Monsignor John Burton and Reverend Joseph Szolack and Reverend Robert E. Hughes. Diocesan Housing Services manages the property.

Diocesan Housing Services manages **Davenport Village**, an affordable family housing development located in Hainesport in Burlington County, and controls the partnership which owns the development. The General Partner of the partnership is Domicilium Corporation, a nonprofit corporation, which was incorporated in 2000 and whose trustees are elected by Diocesan Housing Services. The current trustees are Reverend Walter Norris, Esq., Mr. Felix Torres-Colon, and Mr. George Tutwiler.

Bishop Guilfoyle Housing Fund, Inc. is a nonprofit membership corporation, which was incorporated in 2017 and supports the work of Diocesan Housing Services. Diocesan Housing Services is its sole member and appoints its trustees. The current trustees are Monsignor John Burton, Monsignor Thomas Morgan, and Reverend Joseph Perreault.

DHS Communities, Inc. is a nonprofit membership corporation, which was incorporated in 2019 and provides housing to people with autism spectrum disorder and similar disabilities.

Diocesan Housing Services is the sole member and appoints the trustees. The current trustees are Mr. James Reynolds, Mr. Robert Waite, and Mr. Stephen Schoch.

The **Mews at St. Mary's LLC** is currently a single-member LLC formed to develop an affordable housing development for seniors in Monroe Township in Gloucester County. Diocesan Housing Services is the member.

iii. St. Mary's Catholic Home, Delaware Township, NJ

St. Mary's Catholic Home, Delaware Township, NJ is a nonprofit membership corporation that formerly operated a nursing home and residential health care facility in Cherry Hill, New Jersey (formerly known as "Delaware Township"). The nursing home and care facility was sold in 2015.¹⁷ Catholic Charities is the member.

The entity continues to own land in Cherry Hill, portions of which were conveyed for Village Apartments in 1981 and for Benedicts Place in 2012. In addition, other facilities have been constructed on this property (Sacred Heart Residence for Priests, its ancillary residences, and a convent).¹⁸

iv. Bishop McCarthy Residence, Vineland, NJ

Bishop McCarthy Residence, Vineland, NJ is a nonprofit membership corporation that formerly operated a nursing home and residential health care facility in Vineland, New Jersey.¹⁹ Bishop McCarthy Residence was sold in 2015. The member is Catholic Charities.

v. Our Lady's Residence, Pleasantville, NJ

Our Lady's Residence, Pleasantville, NJ is a nonprofit membership corporation that formerly operated a nursing home and residential health care facility in Pleasantville, New Jersey, which was sold in 2015.²⁰ The member is Catholic Charities.

C. The Debtor's Management

¹⁷ On December 14, 2015, the Healthcare Foundation entered into a Guaranty and Suretyship Agreement (the "Agreement") with Center Management Group, LLC and its affiliates (collectively, "CMG"), as the buyers of (i) St. Mary's Catholic Home, (ii) Bishop McCarthy Residence, and (iii) Our Lady's Residence (collectively, the "Nursing Homes"). Pursuant to the Agreement, the Healthcare Foundation unconditionally guaranteed and became the surety for certain claims that may arise between CMG and the former owners of the Nursing Homes. In connection with the Agreement, the Healthcare Foundation pledged an investment account it owns that is held at PNC Bank. The maximum amount of the guaranty under the Agreement is \$8,000,000 for years 2-8 of the Agreement. On December 14, 2023, the Agreement will expire by its own terms.

¹⁸ The net proceeds from this sale were used to fund The Diocese of Camden Healthcare Foundation, Inc.

¹⁹ The net proceeds from this sale were used to fund The Diocese of Camden Healthcare Foundation, Inc.

²⁰ The net proceeds from this sale were used to fund The Diocese of Camden Healthcare Foundation, Inc.

a. Background of the Most Reverend Dennis J. Sullivan

The Most Reverend Dennis J. Sullivan, D.D. was appointed as the eighth Bishop of the Diocese by Pope Benedict XVI on January 8, 2013 and was installed as Bishop on February 12, 2013.

Bishop Sullivan was born in the Bronx on March 17, 1945. He was educated at St. Anthony Parish Elementary School and Mount St. Michael Academy in the Bronx. Thereafter, Bishop Sullivan attended Iona College in New Rochelle, New York, but left after his second year to enter St. Joseph's Seminary in Yonkers, New York. There, Bishop Sullivan earned a bachelor's degree in 1967 and a Master of Divinity in 1970.

Bishop Sullivan was ordained a priest for the Archdiocese of New York in 1971. From 1971 to 1981, he served as assistant pastor at the Parish of St. Elizabeth's Church in Manhattan, the Church of the Ascension in Manhattan, and Saints Philip and James Church in the Bronx. From 1982 to 2002, he was assigned to St. Teresa's Church in Manhattan, and from 2002 to 2004 he was assigned to Saints John and Paul Church in Larchmont, New York.

Bishop Sullivan also was ordained as an Auxiliary Bishop for the Archdiocese of New York in 2004 and served eight years as Vicar General of the Archdiocese under Cardinal Timothy Dolan, and the late Cardinal Edward Egan.

In 1999, the Bishop was named a Prelate of Honor to His Holiness (with the title "Monsignor"). Throughout his ministry, Bishop Sullivan has served on a variety of boards and committees, including:

- a. The Presbyteral Council of the Archdiocese of New York as representative of South Manhattan priests;
- b. The Lower East Side Catholic Area Conference, a pastoral agency;
- c. The Inter Parish Finance Committee, which assists poor parishes;
- d. Cabrini Immigrant Services;
- e. Immigrant Social Service, Inc., an agency that provides services for Asian-American youth;
- f. Two Bridges Neighborhood Association, which built 2,200 moderate income apartments;
- g. The Catholic Campaign for Human Development Committee, which is part of the United States Conference of Catholic Bishops for a two-year term; and
- h. At the United States Catholic Conference of Bishops, as the representative of Region II to the Committee for the Protection of Children and Young People.

In March 2020, pursuant to Canon Law, when Bishop Sullivan became 75 years old, he submitted his resignation to the Vatican. No action has been taken and Bishop Sullivan continues to serve.

b. Background of Reverend Robert E. Hughes

The Reverend Robert E. Hughes is the Vicar General of the Roman Catholic Diocese of Camden and the Vice President of the civil corporation, The Diocese of Camden, New Jersey. He has served in such capacity since December 3, 2013.

He was raised within the territory²¹ of the Diocese, having lived in West Berlin, New Jersey and Voorhees, New Jersey. In 1981, he graduated from Paul VI High School in Haddonfield, New Jersey, one of the high schools affiliated with the Diocese.

Following high school, he attended La Salle University in Philadelphia, PA for two years to study pre-med before entering the seminary. He was assigned to St. Pius X Seminary in Dalton, Pennsylvania. He graduated from the University of Scranton in 1985 with a Bachelor of Arts in Philosophy.

Thereafter, he attended the Pontifical North American College in Rome, Italy, where he studied for five years, receiving the equivalent of a Master's Degree in Sacred Theology from the Pontifical University of St. Thomas in Rome in 1988. In 2001, he also received a Master's Degree in Education from Seton Hall University.

On August 4, 1990, he was ordained by the Most Reverend James T. McHugh at the Cathedral of the Immaculate Conception in Camden, New Jersey. On that same date, he was assigned to Holy Saviour Church in Westmont, New Jersey by Bishop McHugh as an assistant pastor. He served in that capacity until July 2, 1996, when he was assigned to St. Francis de Sales Church in Barrington, New Jersey. From August 14, 1999 to June 20, 2000, he was assigned to St. Mary's Church in Gloucester City, New Jersey. From June 20, 2000 through June 17, 2002, he was assigned to Mary, Mother of the Church in Bellmawr, New Jersey. Thereafter, from June 17, 2002 through July 5, 2003, he served as the Parochial Vicar in Residence for St. Thomas More Church in Cherry Hill, New Jersey. From July 5, 2003 through February 1, 2014, he served as Pastor of the Church of the Holy Family in Washington Township, Gloucester County.

In addition, from July 2, 1996 through 1999, he served as a Religion and Latin teacher and the chairperson of the Religion Department at Paul VI High School. Thereafter, on August 26, 1999, he was appointed the Vice Principal of Gloucester Catholic High School.

On October 10, 2001, he was appointed the President of Paul VI High School. In that capacity, he administered the School in conjunction with the Principal until 2003. In 2005, he was again appointed as the President of Paul VI High School and served in that capacity for two three-year terms.

²¹ The territory of the Diocese is coextensive with the following six (6) counties: Atlantic, Camden, Cape May, Cumberland, Gloucester, and Salem.

In addition to his roles as a Pastor and school administrator during this time period, Reverend Hughes served as the Vicar for Pastoral Life for the Diocese from January of 2003 through January of 2006 and as a Consultant to the College of Consultors from September of 2009 through November of 2011. He also served on the Diocesan Liturgical Commission, the Continuing Education & Spiritual Formation of Priests Committee, the Liturgical Art & Architecture Committee, the Priest Personnel Board and the Presbyteral Council.

On August 16, 2011, Reverend Hughes was appointed as the Chancellor of the Diocese. Reverend Hughes was appointed as the Vicar General on December 3, 2013. The Vicar General is essentially the chief operations officer of the Diocese. All departments within the Diocese report to him. On a regular basis, he oversees the Diocesan operations, the cemeteries, housing, charitable activities of the Diocese, and relationships with the parishes, schools, housing operations and Catholic Charities. As Vicar General, he serves these various ministries and programs within the Diocese in any way possible as the need arises.

c. Professional Background of Laura J. Montgomery

Laura J. Montgomery is the Diocesan Finance Officer and the Bishop's Delegate for Temporalities for the Diocese.

In 1985, Ms. Montgomery graduated from Drexel University with a Bachelor of Science in Business Administration focused on accounting. In 1988, she successfully completed the Uniform Certified Public Accountant Examination.

Ms. Montgomery has nearly 30 years of experience working in finance and accounting roles for non-profit organizations. From June 1996 to August 2001, she was the Director of Accounting Services for the Archdiocese of Philadelphia after having worked as Assistant Treasurer and in other financial positions beginning in November 1990. From August 2001 through January 2004, she was the Controller for Project H.O.M.E., a non-profit organization that focuses on breaking the cycle of homelessness and poverty and alleviating the underlying causes of poverty.

In January 2004, Ms. Montgomery became the Controller for Catholic Charities, Diocese of Camden, Inc. and The Diocesan Housing Services Corporation of the Diocese of Camden, Incorporated and later added four nursing homes associated with the Diocese. In 2015, she became the Director of Finance for the Diocese of Camden. In 2018, she became the Chief Financial Officer and Diocesan Finance Officer and Bishop's Delegate for Temporalities of the Diocese. The position of Finance Officer is established under Can. 494 §1 of Canon Law, which requires: "every diocese, after having heard the College of Consultors and the Finance Council, the Bishop is to appoint a Finance Officer who is truly expert in Financial affairs and absolutely distinguished for honesty."

D. Retirement Programs

The Diocese administers several retirement programs for the priests and lay employees of the Diocese.

a. Pension Plan for Priests of the Diocese of Camden

As part of its retirement programs, the Diocese has a Pension Plan for Priests of the Diocese of Camden (the "Priest Pension Plan"). The Priest Pension Plan is a non-contributory defined benefit plan covering all incardinated priests in good standing of the Diocese. The Priest Pension Plan qualifies as a church institution under the Internal Revenue Code and is, therefore, not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), nor are the Priest Pension Plan's benefits guaranteed by the Pension Benefit Guarantee Corporation. The Priest Pension Plan is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Priest Pension Plan is covered under Code Section 414(e) - Church Plans.

Priests who serve in a Diocesan assignment for at least 25 years begin receiving benefits upon retirement with approval from the Ordinary of the Roman Catholic Diocese of Camden. Priests with less than 25 years, but at least 10 years of service receive a reduced benefit upon retirement. Under the Priest Pension Plan, normal retirement age is 70 with mandatory retirement at age 75. The Priest Pension Plan permits early retirement at age 65 due to permanent mental or physical disability, or with the approval of the Bishop.

Retired priests received \$2,340 per month for the years ended June 30, 2021 and 2020 if they live outside a rectory or Diocesan facility. If the priest lives in a rectory or a Diocesan facility, the monthly benefit to the participant was \$1,408 for the years ended June 30, 2021 and 2020, respectively, with the difference being paid each month to the parish or Diocesan facility providing residence. If a priest receives a pension benefit from another source, the monthly benefit is reduced by the amount of the outside benefit.

Contributions to the Priest Pension Plan are assessed by the Diocese to the parishes and affiliated organizations being served by priests in a Diocesan assignment. For the years ended June 30, 2021 and 2020, the amount assessed on behalf of each priest was \$7,350. As of the filing date, this plan was not fully funded.

The value of the Priest Pension Plan and the Priest Post-Retirement Plan (defined below) was \$ 28,794,406.73 as of June 30, 2021. The Priest Pension Plan and the Priest Post-Retirement Plan are combined investments. These assets are protected pension trust funds, not assets of the Diocese, and not available for distributions under a plan of reorganization.

b. Pension Plan for Certain Lay Employees of the Diocese of Camden

As part of its retirement programs, the Diocese has a Pension Plan for Certain Lay Employees of the Diocese of Camden (the "Lay Pension Plan"). The Lay Pension Plan is a non-contributory defined benefit plan covering certain employees of the Diocese and affiliated organizations designated by the Diocese as entitled to adopt the Lay Pension Plan. The Lay Pension Plan qualifies as a church institution under the Internal Revenue Code and is, therefore, not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), nor are the Lay Pension Plan's benefits guaranteed by the Pension Benefit Guarantee Corporation. The Lay Pension Plan is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Plan is covered under Code Section 414(e) - Church Plans.

An employee became eligible to participate in the Lay Pension Plan after age 21 and completing one full year of service to the Diocese or other affiliated organization. An employee received a 100% vested benefit after ten years of credited service. Effective July 1, 2009, participation in the Lay Pension Plan was frozen for employees hired on or after such date. Current Lay Pension Plan participants continue to participate in the Lay Pension Plan with no change. Any former participant who vested and left the Diocese can re-enter the Plan upon rehire. Non-vested former employees can re-enter the Lay Pension Plan within two years from the date of separation unless such participant was separated as part of a merger or closure in which case the participant may re-enter within four years of separation. Additionally, a participant is enrolled in the Lay Pension Plan as of his or her date of eligibility, and the participating organization is billed for his or her contribution.

The Lay Pension Plan provides for normal retirement on the last day of the month coinciding with or next following the later of the date the participant attains age 65 or the tenth anniversary of the date he or she becomes a plan participant. The Lay Pension Plan permits early retirement for participants on the last day of the month in which a participant attains age 62, or the tenth anniversary of the date he or she becomes a plan participant, if later. Benefits under early retirement are reduced by 1/2 of 1% for each month prior to normal retirement date.

A participant who retires on or after his or her normal retirement date is entitled to an annual pension benefit equal to 1.4% of annual earnings for the first ten years of credited service plus 1.8% of annual earnings for the next fifteen years of credited service plus 2.2% of annual earnings for the remaining years of credited service. In no event does a participant receive less than \$100 per month in full retirement.

In the event of the death of a vested active or vested terminated participant, a death benefit is paid to the employee's eligible spouse beginning when the deceased participant would have reached the age of 65. The benefit is equal to one-half of the amount the eligible employee would have received had the employee retired the day before the employee's death and elected a 50% contingent annuitant option.

Contributions to the Lay Pension Plan are assessed by the Diocese to each participating organization. For each of the years ended June 30, 2021 and 2020, these assessments were made based upon 14.5% and 14% of participating employees' W-2 salaries for the years ended December 31, 2020 and 2019, respectively. As of the filing date, this plan was also underfunded.

The value of the Lay Pension Plan was \$126,420,135 as of June 30, 2021. These assets are protected pension trust funds, not assets of the Diocese, and not available for distributions under a plan of reorganization.

c. Post-Retirement Benefits Plan for Priests of the Diocese of Camden

As part of its retirement programs, the Diocese has a Post-Retirement Benefits Plan for Priests of the Diocese of Camden (the "Priest Post-Retirement Plan"). The Priest Post-Retirement Plan is a non-contributory defined benefit plan that provides health benefits and automobile insurance for all incardinated priests in good standing of the Diocese. The Priest Post-Retirement Plan qualifies as a church institution under the Internal Revenue Code and is, therefore, not subject

to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Priest Post-Retirement Plan is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Priest Post-Retirement Plan is covered under Code Section 414(e) - Church Plans.

Under the Priest Post-Retirement Plan, participants who have served in a Diocesan assignment for at least 25 years receive health benefits (medical, dental, vision and prescription) upon retirement with approval from the Ordinary of the Roman Catholic Diocese of Camden. Normal retirement age is 70 with mandatory retirement at age 75. The Priest Post-Retirement Plan permits early retirement at age 65 due to permanent mental or physical disability, or with approval of the Bishop. Participants who retire at age 70 and have at least 10 years of service in a Diocesan assignment also receive full health benefits upon retirement. Automobile insurance premiums are also paid by the Priest Post-Retirement Plan for certain priests.

The Diocese assesses the parishes and affiliated organizations in which priests are serving for the Priests Post-Retirement Plan. For the years ended June 30, 2021 and 2020, the amount contributed on behalf of each priest was \$3,650 and \$3,150, respectively. As of the filing date, this plan was also underfunded.

The value of the Priest Post-Retirement Plan is set forth above. These assets are protected pension trust funds, not assets of the Diocese, and not available for distributions under a plan of reorganization.

d. The Diocese of Camden Retirement Plan

As part of its retirement programs, the Diocese has established The Diocese of Camden Retirement Plan (the "Lay Retirement Plan"). The Lay Retirement Plan is a non-contributory defined contribution "profit sharing" plan covering certain employees of the Diocese and affiliated organizations designated by the Diocese as entitled to adopt the Lay Retirement Plan. The Lay Retirement Plan qualifies as a church institution under the Internal Revenue Code and is, therefore, not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Lay Retirement Plan is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. The Plan is covered under Code Section 414(e) - Church Plans.

An employee becomes eligible to participate in the Lay Retirement Plan after age 21 and completing one full year of service. An employee has a 100% vested benefit after ten years of credited service.

Employer discretionary contributions are allocated to a participant's account as a uniform percentage of the employee's annual earnings. Each participant's account is credited with contributions, allocated forfeitures and earnings thereon. The benefit to which a participant is entitled is the benefit that can be provided by the participant's vested balance.

The Lay Retirement Plan provides for normal retirement on the first day of the calendar year month immediately following the date the participant attains age 65 with ten years of credited service. A participant's normal form of distribution is a single lump sum cash distribution. A participant who has not terminated employment and has attained age 59-1/2 may elect a withdrawal of all, or any portion of, his/her vested account benefit.

A person who terminates employment is entitled to elect to receive a distribution of all or any portion of his/her vested account benefit as soon as reasonably possible following the termination date. The participant may elect to receive a distribution of any deferred amount at any time.

The Diocese assesses participating organizations to the Plan. For each of the years ended June 30, 2021 and 2020, assessments were made based upon 3% of participating employees' W-2 wages for each of the years ended December 31, 2020 and 2019.

The benefit of a participant who is not vested is retained by the Diocese, as the Trustee of the Lay Retirement Plan, and deposited into the forfeiture account after that participant has incurred two consecutive one-year breaks in service and is applied to reduce employer contributions under the Lay Retirement Plan or to pay Lay Retirement Plan expenses. At June 30, 2021 and 2020, the forfeiture balance was \$233,901 and \$132,747, respectively. As of the filing date, this plan was also underfunded.

These assets are protected pension trust funds, not assets of the Diocese, and not available for distributions under a plan of reorganization.

E. Trust Funds and Foundations

a. Diocese of Camden Trusts, Inc. ("DOC Trusts")

DOC Trusts is a separate legal entity from the Diocese, formed in 2001, and is more fully described in Reverend Hughes' Declaration. DOC Trusts is organized for the purpose of assisting the Diocese in fulfilling its religious, charitable and educational mission by providing funding for education, religious personnel development, health care needs, canonically required offices and long-term capital needs.

The Bishop of the Diocese is the member. The current trustees are Monsignor Thomas Morgan, Judge Joseph Rodriguez, and Kenneth J. Bossong, Esq. The Board of Trustee of the DOC Trusts is responsible for the overall governance of the DOC Trusts. The Board of Trustees of the DOC Trusts are fiduciaries to the DOC Trusts. If the Diocese were to seek funds from the DOC Trusts, such requests would need to be reviewed and approved by the Board of the DOC Trusts before any disbursement can be made.

The Board of Trustees of DOC Trusts is assisted by the Diocese's Investment Committee with respect to the investment of the DOC Trusts' assets. All of the investments are managed based on the Diocese of Camden Trusts, Inc. Statement of Investment Policies and Objectives.

The Investment Committee's oversight of the portfolio includes:

a. Developing sound and consistent investment objectives, policies, and guidelines that each investment manager can use in formulating corresponding investment strategies and decisions;

b. Assuring that DOC Trusts' asset allocations among various asset classes and styles meet the allocations directed by the trustees;

- c. Determining the number of managers and investment styles/strategies for the equity, bond, and alternative strategy allocations;
- d. Selecting qualified investment managers;
- e. Monitoring and evaluating each investment manager's portfolio and performance to insure that the investment policy guidelines are being adhered to and that objectives and goals are being achieved;
- f. Taking appropriate action to replace an investment manager.;
- g. Communicating clearly the duties and responsibilities of each investment manager; and
- h. Reviewing investment portfolio data quarterly and monthly flash reports.

The investments of DOC Trusts are administered by Cobble Hill Financial Services, Inc. ("Cobble Hill"), which acts as the investment consultant and advisor for the Diocese and DOC Trusts.

As set forth below, DOC Trusts has pledged certain of its investment accounts as collateral for the Diocese's line of credit with PNC Bank.

The value of DOC Trusts was \$110,615,585 as of June 30, 2021. These assets are subject to market fluctuations. The Diocese's analysis of any potential causes of action against DOC Trusts is set forth herein.

b. The Diocese of Camden Healthcare Foundation

The Diocese of Camden Healthcare Foundation, Inc. (the "Healthcare Foundation") is a separate legal entity from the Diocese, formed in 2015, and is more fully described in Reverend Hughes' Declaration. Doc No. 3, ¶ 101. The Healthcare Foundation assists in funding the development, implementation and ongoing support of healthcare programs.

The Bishop of the Diocese is its member. The current trustees are Mary Bettina Kemps, R.N., Judge Donald Smith, and Reverend Monsignor Peter M. Joyce.

The Board of Trustees is responsible for the overall governance of the Healthcare Foundation. All of the investments are managed based on the Diocese of Camden Healthcare Foundation, Inc. Statement of Investment Policies and Objectives and are managed by the Investment Committee.

The investments of the Healthcare Foundation are administered by Cobble Hill Financial Services, Inc. ("Cobble Hill"), which acts as the investment consultant and advisor for the Healthcare Foundation.

The Foundation's assets are the result of an assignment of the net proceeds of the purchase price of the sale of three nursing homes (the "Nursing Homes") in 2015 pursuant to the Order and

Opinion of the Honorable Deborah Silverman Katz, Assignment Judge. The Nursing Homes were sold by the following entities: (i) St. Mary’s Catholic Home, Delaware Township, N.J., Inc.; (ii) Bishop McCarthy Residence, Inc.; and (iii) Our Lady’s Residence, Pleasantville, N.J., Inc. (collectively, the “Nursing Home Entities”). As part of the transaction, \$10 million must remain in an account with PNC Bank (the “Control Account”) until December 14, 2023 as a guarantee of certain covenants in the transaction.

Prior to the sale of the Nursing Homes, Catholic Charities was the sole member of each of the Nursing Home Entities. At the time of the sale, the Diocese had no legal interest in those entities. This is confirmed by the *cy pres* order entered by Judge Katz, which states that “Catholic Charities . . . is the sole member and owner of the three (3) nursing home facilities” See In the Matter of Approval of the Sale of the Assets of St. Mary’s Catholic Home Delaware Township, New Jersey, our Lady’s Residence, Pleasantville, N.J. d/b/a Our Lady’s Multi-Care Center, Inc. and Bishop McCarthy Residence to Center Management Group, LLC, Docket No. CAM-L-4377-15 (N.J. Super. Ct. Law Div. Camden Cty. Dec. 3, 2015) (the “Cy Pres Action”).

The Superior Court of New Jersey found in the *Cy Pres* Action that the continued operation of the Nursing Homes was financially unsustainable due to the decreased occupancy and the negative financial impact from the reduced per diem levels currently provided by Medicaid. *Id.* at 9. The Court further found that “Petitioner’s request to deposit net consideration from the sale of the facilities to the Camden Diocese Healthcare Foundation is appropriate, as its overriding purpose is to remain ‘responsible to the needs of God’s most vulnerable people and their families, by delivering care where people are most comfortable and best able to receive it – at home and within their community.’” *Id.* at 15.

As described below, two of the three facilities were owned by the Diocese at some point; however, much like the DOC Trusts, all such transfers are beyond that statute of repose set forth in N.J.S.A. 25:2-31 and the only possible way that such transfers could be avoided would be through an actual fraudulent transfer articulated in N.J.S.A. 25:2-25(a), which is impossible as described below.

Saint Mary’s Catholic Home was transferred from the Diocese to Catholic Charities of the Diocese of Camden, Inc. in 1940. Given the fact that such transfer is greater than 80 years old and Saint Mary’s Catholic Home continued its charitable mission for more than 75 years following the transfer from the Diocese, the Diocese believes that it is extremely unlikely that any fraudulent transfer claim exists regarding the transfer of Saint Mary’s Catholic Home. Our Lady’s Residence was never owned by the Diocese. It was originally acquired in 1966 by Catholic Charities of the Diocese of Camden, a nonprofit corporation. Accordingly, the Diocese has no grounds to avoid any transfer not related to the Diocese.

The Diocese transferred Bishop McCarthy Residence to a newly formed Bishop McCarthy Residence, Inc. on May 21, 2015. Such transfer was recorded in the Cumberland County Clerk’s Office on May 29, 2015. The transfer was completed in order to effectuate the ultimate transfer of the Nursing Homes to Center Management Group, LLC as described in the *Cy Pres* Action. The Diocese does not believe that it would be successful in any cause of action related to the 2015 transfer of Bishop McCarthy Residence for many of the reasons set forth with respect to the DOC Trusts. Additionally, it is important to consider that through the sale of the Nursing Homes, the

Diocese received repayment of \$8,653,326.00 in debt due from the Nursing Home Entities to the Diocese. This repayment was likely impossible without the sale of the Nursing Homes when considering the Nursing Homes' financial difficulties.

The value of the Healthcare Foundation's assets was \$44,564,025 as of June 30, 2021. These assets are subject to market fluctuations. The assets of the Healthcare Foundation are protected trust funds, assets of a separately incorporated entity of which the Diocese has no legal interest, not assets of the Diocese, and not available for distributions under a plan of reorganization. Furthermore, based upon the foregoing, the Diocese values any potential cause of action against the Healthcare Foundation or its predecessors at \$0.00.

c. The Tuition Assistance Fund, Inc.

The Tuition Assistance Fund, Inc. (the "Tuition Fund") is a nonprofit membership corporation that was incorporated in 1980. The Tuition Fund provides tuition assistance to needy families whose children attend schools affiliated with the Diocese. The members are, ex officio, the Bishop of the Diocese, the Vicar for Administration, and the Chancellor of the Diocese. The current members are Bishop Dennis Sullivan, Reverend Robert Hughes and Reverend Jason Rocks. In addition, there are five trustees: (i) the Bishop or his designee; (ii) the Superintendent of Catholic Schools or his/her designee; and (iii) three trustees elected by the members.

The value of the Tuition Fund's assets was \$1,134,788 as of December 31, 2021. The assets of the Tuition Fund are protected trust funds, assets of a separately incorporated entity of which the Diocese has no legal interest, not assets of the Diocese, and not available for distribution under a plan of reorganization.

d. The Sharkey Family Charitable Trust

The Sharkey Family Charitable Trust (the "Sharkey Family Trust") was established in 1988 to contribute to Catholic organizations and engage in activities supported by the Church.

The Sharkey Family Trust regularly provides scholarships for students in Catholic secondary schools. There are three trustees, two of whom are appointed by the Bishop of the Diocese, and the third of whom is elected by the two appointed trustees. The current trustees are Reverend Robert Hughes, Reverend Jason Rocks, and Mrs. Laura J. Montgomery.

The value of the Sharkey Family Trust's assets was \$2,162,536 as of December 31, 2020. The assets of the Sharkey Family Trust are protected trust funds, assets of a separately incorporated entity of which the Diocese has no legal interest, not assets of the Diocese, and not available for distribution under a plan of reorganization.

e. The Frank J. and Rosina W. Suttill Catholic Foundation

The Frank J. and Rosina W. Suttill Catholic Foundation (the "Suttill Foundation") is a nonprofit membership corporation and was incorporated in 1972. The principal purpose of the Suttill Foundation is to provide a scholarship program for students from Camden to attend college.

The members are the Bishop of the Diocese, the Vice President of the Diocesan Corporation, and an individual selected by the Diocese. The current members are Bishop Dennis Sullivan, Reverend Robert Hughes, and Reverend Joseph Szolack. There are two Priest Directors (trustees) and one Lay Director (trustee) who are appointed by the Bishop. The current directors are Reverend Joseph Szolack, Reverend Robert Hughes, and Mrs. Laura J. Montgomery.

The value of the Sutill Foundation's assets was \$2,466,004 as of December 31, 2020. The assets of the Sutill Foundation are protected trust funds, assets of a separately incorporated entity of which the Diocese has no legal interest, not assets of the Diocese, and not available for distribution under a plan of reorganization.

F. Catholic Ministry Entities

a. Sacred Heart Residence for Priests, Inc.

Sacred Heart Residence for Priests, Inc. (the "Residence") is a nonprofit corporation that was incorporated in 1996 to provide accommodations for retired priests. The three trustees are, *ex officio*, the Bishop for the Diocese, the Vicar General of the Diocese, and the Vicar for Priests. The current trustees are Bishop Dennis Sullivan, Reverend Robert Hughes, and Reverend Nicholas Dudo.

The Diocese does not believe the Residence has any significant assets. To the extent assets exist, these are assets of a separately incorporated entity of which the Diocese has no legal interest, are not assets of the Diocese, and are not available for distribution under a plan of reorganization.

b. Catholic Business Network of South Jersey, Inc.

Catholic Business Network of South Jersey Inc. (the "Network") is a nonprofit membership corporation that was incorporated in 2016 and is intended to strengthen and support the application of faith and charity in the marketplace. The Bishop of the Diocese is the member.

Upon information and belief, the Network has no assets of value. Any assets of the Network are assets of a separately incorporated entity of which the Diocese has no legal interest, are not assets of the Diocese, and are not available for distribution under a plan of reorganization.

c. The Catholic-Jewish Commission of Southern N.J., Incorporated

The Catholic Jewish Commission of Southern N.J., Incorporated (the "Commission") is a nonprofit membership corporation that was incorporated in 2002 and is intended to promote communication between the Jewish and the Catholic communities. The members are the Jewish Federation of Southern New Jersey and the Diocese.

Upon information and belief, the Commission has no assets of value. Any assets of the Commission are assets of a separately incorporated entity of which the Diocese has no legal interest, are not assets of the Diocese, and are not available for distribution under a plan of reorganization.

d. The Catholic Star Herald

The *Catholic Star Herald* (the “Herald”) is a nonprofit corporation that was incorporated in 1951 to publish newspapers, journals, magazines and books. It publishes thirty-six (36) issues per year. The Bishop, the Vicar General, and the Chancellor are *ex officio* trustees and they elect two priests as the other trustees. The *ex officio* trustees are Bishop Dennis Sullivan, Reverend Robert Hughes, and Reverend Jason Rocks. The elected trustees are Reverend Monsignor John Burton and Reverend Joseph Szolack.

The Herald has no assets of value. Any assets of the Herald are assets of a separately incorporated entity of which the Diocese has no legal interest, are not assets of the Diocese, and are not available for distribution under a plan of reorganization.

e. The Collegium Center for Faith and Culture

The Collegium Center for Faith and Culture (the “Collegium Center”) is a nonprofit membership corporation that was incorporated in 1994 to engage in evangelization, and spiritual and moral formation. Since 2003, the Diocese has been the member.

Upon information and belief, the Collegium Center has no assets of value. Any assets of the Collegium Center are assets of a separately incorporated entity of which the Diocese has no legal interest, are not assets of the Diocese, and are not available for distribution under a plan of reorganization.

f. VITALity Catholic Healthcare Services

VITALity Catholic Healthcare Services (“VITALity”) is a department of the Diocese and provides various healthcare services within the Diocese. VITALity began in 2015 with funding from The Diocese of Camden Healthcare Foundation, Inc. (the “Healthcare Foundation”). VITALity employs approximately 30 people, including registered nurses, social workers, chaplains and associate chaplains. VITALity is funded through the Diocese and grants from the Healthcare Foundation. In 2019, VITALITY had annual funding of \$2,383,964, which came from the House of Charity/Bishop’s Annual Appeal (\$916,105), the Healthcare Foundation (\$1,347,856), and a grant through Diocesan Housing Services (\$120,000). A copy of the 2019 Annual Report is annexed to the Reverend Hughes’ Declaration at Exhibit J. [ECF 3].

VITALity provides the following programs and missions, amongst others:

a. Staffed by registered nurses and social workers, VITALity Care Coordination provides assistance to individuals and families to navigate healthcare options and support services available. VITALity gives guidance and assistance to help access medical services that are needed, as well as monitor and oversee those services to evaluate their quality and effectiveness. The most used services through VITALity’s Care Coordination Programs are home health aides, insurance assistance, housing/assisted living, nutritional services/Meals on Wheels, utility assistance, Catholic Charities referrals, prescription assistance, mental health counseling, transportation and in-home medical care. VITALity provides assistance to individuals in completing Medicaid applications for expanded Medicaid in New Jersey. This is a long, complicated, and detailed process.

b. Through the Hospital Chaplaincy Program, VITALity ensures that all parishioners have timely access to Catholic Chaplains when hospitalized. Priest chaplains are partnered with deacons, religious sisters or lay ministers, as associate chaplains to administer pastoral care to patients, families and hospital staff. The chaplaincy team helps in coordinating the visits of parish Extraordinary Ministers of the Eucharist; maintaining communication with the local parishes and pastors to inform them of parishioners that are hospitalized; and assisting patients being discharged to access other health-related services. Through the Hospital Chaplaincy Program, VITALity gave the following care in 2019:

1. Pastoral care visits with patients: 128,863
2. Pastoral care visits with staff and families: 14,276
3. Holy Communion distributed: 68,625
4. Sacrament of the Sick administered: 4,563
5. Pastoral care hours by chaplains and associate chaplains: 25,116

c. Ministry to Persons with Disabilities, which facilitates access to spiritual development for persons with disabilities. The Ministry works to evangelize and serve persons with disabilities in the Diocese, so that they may be affirmed in all aspects of their faith life and reach their full potential as baptized members of the Church. In this regard, VITALity assists families in finding transitional care after persons with disabilities age out of the education system and assist families in applying for state aid and grants.

d. Ministry of the Deaf, which facilitates access to spiritual development for the deaf. The Ministry works to evangelize and serve the deaf in the Diocese of Camden, so that they may be affirmed in all aspects of their faith life and reach their full potential as baptized members of the Church. VITALity provides for a special mass each Sunday for deaf individuals. In addition, VITALity establishes programs in the Parishes to provide opportunity for deaf individuals to gather in social environments.

e. Parish Nurses Program, which provides parishioners ongoing access to trained registered nurses at their parish. These nurses can screen, educate, and coordinate care needs, all with an added spiritual dimension, allowing seniors and those dealing with health challenges, to stay healthy and more effectively deal with chronic medical conditions in order to remain safe and independent at home, while continuing to be a vital part of their community. The parish nurse ministries sponsor programs such as “Opioid Prevention and Awareness”, “Alzheimer’s Awareness”, and “The Dangers of Vaping”. In addition, VITALity works to ensure that each Parish has an AED in all facilities for emergencies.

f. The Resource and Referral Help Line (1-888-26VITAL) is available 24/7 and provides information on programs and services within the parish or community to address pertinent issues related to aging and disability. Callers are connected to the resource they need to provide appropriate care and support. Live email chats also provide additional access and a means to connect with VITALity staff.

g. With the support of VITALity, three Parishes provide daily programs for physical activity, nutritious meals, social interaction and recreation, spiritual exercises along with health screening and monitoring for the elderly. VITALity currently supports the three Senior Social Day Centers: (i) “The Renaissance Center Senior Ministry” at St. Andrew the Apostle in Gibbsboro, New Jersey; (ii) “Prime Timers” at Church of the Incarnation in Mantua, New Jersey; and (iii) “Golden Slippers Senior Ministry at St. Simon Stock in Berlin, New Jersey. VITALity assists the Parishes in organizing senior day centers, including providing grants for renovations to Senior Day Centers areas of the Parish and ensuring there is appropriate programming and activities. VITALity also provides a grant for 50% of the salary of the director for each Senior Day Centers up to \$16,000 per year. While the Senior Day Centers were closed due to COVID-19, isolation for seniors was even more pronounced, with individuals confined to their own homes and separated from their loved ones. As a result, VITALity continued to ensure that seniors were provided with social activities and, in this regard, supported the Renaissance Center in having weekly Zoom meetings for its seniors. The weekly sessions lasted approximately two hours, with the first hour devoted to Bible study or a fun activity like trivia, while the second half of the meetings are time to chat amongst themselves. Prior to COVID-19, the Senior Day Centers served approximately 60-100 seniors each.

h. The Stephen Ministry is a program through which selected parishioners of a parish are trained and organized to help provide one on one confidential Christian care to parishioners of parishes and communities. Trained Stephen Ministers are paired with individuals in order to help them through any crisis, including the loss of a loved one, divorce, grief, terminal illness, loss of job, hospitalization, loneliness, being a caregiver to a loved one, and other stresses and challenges. Stephen Ministers receive at least 50 hours or training through the Stephen Ministry International Christian program or from “Stephen Leaders” within the Parish. Currently, there are 15 Stephen Ministry Parishes with 36 trained “Stephen Leaders” and 295 trained “Stephen Ministers,” all of whom are volunteers.

Even during COVID-19 and the subsequent lockdown orders, VITALity has continued to provide assistance to the community. From January 1 through July 31, 2020, VITALity provided for: (i) 613 intakes, compared to 585 during the same time period in 2019; (ii) 486 in person visits by a nurse or social worker, compared to 705 during the same time period in 2019; and (iii) 1,124 phone consultations by a nurse or social worker, compared to 425 during the same time period in 2019. In total, VITALity has served approximately 4,000 persons from January 1, 2020 through July 31, 2020.

In addition, VITALity has approximately 2,000 participants in its “Life to the Fullest” program, which is a health and well-being membership program. “Life to the Fullest” is a free program available to all residents 65 and older. As a member, participants receive quarterly newsletters with upcoming events, health topics and information about VITALity programs.

VITALity is a department of the Diocese and is funded by the Diocese. It has no assets other than its yearly funding by the Diocese and other grants set forth herein.

g. The Camden Center for Law and Social Justice

The Camden Center for Law and Social Justice (the “Center”) (i) provides direct legal services to poor or moderate-income individuals and families in the City of Camden and its environs; (ii) promotes justice for all under the law through education, cooperation with other legal service providers, and litigation of wide impact; and (iii) brings together individuals and agencies to advocate for social justice and the vindication of individual rights through the law.

Reverend David Brooks incorporated the Center on December 23, 1993. The certificate of incorporation was filed with the New Jersey Department of the Treasury on December 29, 1993.

The Center is a New Jersey nonprofit legal services corporation that provides services to clients who are the victims of domestic violence and offers immigration services. It also helps those who cannot afford to pay for legal services, or who can only pay at a reduced rate. It is supported by the Diocese at the rate of \$50,000 per year, plus in-kind support such as office space. The rest of its income is obtained from government grants, direct donations, and fees. Support from the Diocese is about 9-12% of its budget each year. It has offices in Camden, Atlantic City, and Bridgeton, and has 2,500-3,500 contacts per year for legal advice, attendees at information sessions, and clients.

Upon information and belief, the Center has no assets of value. Any assets of the Center are assets of a separately incorporated entity of which the Diocese has no legal interest, are not assets of the Diocese, and are not available for distribution under a plan of reorganization.

h. Guadalupe Family Services, Inc.

Guadalupe Family Services, Inc. (“GFS”) was incorporated in 1995 with the belief that the complex needs of urban family life in North Camden must be better served. From its offices in North Camden, GFS offers clinical counseling and direct social services focusing on families in distress. These services are offered with particular sensitivity to the cultural needs of the community. GFS directly serves one thousand persons annually.

GFS offers professional counseling, in English and Spanish, for individuals and families for anxiety, depression, PTSD, grief and loss, sexual abuse, behavioral problems, school problems, and more. Through its Community Adolescents Striving for Achievement program (CASA), GFS provides a safe, empowering, and enriching environment for underserved, inner-city Camden youth enabling them to develop a strong sense of self, healthy relationships and a vision for their future. CASA teaches Camden youth necessary life skills to overcome adversity and experience success and fulfillment through academic, social, spiritual, and service programs.

GFS is supported by the Diocese at the rate of \$20,000 per year and operates in property owned by The Parish of the Cathedral of the Immaculate Conception.

Upon information and belief, GFS has no assets of value. Any assets of GFS are assets of a separately incorporated entity of which the Diocese has no legal interest, are not assets of the Diocese, and are not available for distribution under a plan of reorganization.

G. Parish Trusts

The Diocese holds investments in the following accounts:

- a. PNC Bank NA as Custodian under agreement dated 12/12/11 for Diocese of Camden CHFS - Special Gifts;
- b. PNC Bank NA as Custodian under agreement dated 12/12/11 for Diocese of Camden Stock CHFS;
- c. PNC Bank NA as Custodian under agreement dated 12/12/11 for Diocese of Camden CHFS - Targeted General; and
- d. PNC Bank NA as Custodian under agreement dated 12/12/11 for Diocese of Camden CHFS - Treasury General.

These accounts hold funds in trust for the Parishes in accordance with the Trust Agreements.

In addition to the investment of Diocese funds, the Diocese also holds and invests certain Parish funds (collectively, the "Parish Trusts"). Each of the Parishes are separately formed and incorporated under civil law. The finances of these entities are maintained separate and apart from the Diocese. Each Parish has a Trust Agreement, an example of which provides, in relevant part, as follows:

WHEREAS the Diocese has held for purposes of management and investment certain assets which are the property of St. Elizabeth Ann Seton, Absecon, NJ, a juridic person of the Roman Catholic Church operating pursuant to Canon 515 of the aforesaid Code of Canon Law, and a religious corporation of New Jersey operating pursuant to Title 16:15-1, et seq. of the aforementioned Revised Statutes (and which is hereinafter referred to as "the Parish" or "the Beneficiary"), which maintains an office at 591 New Jersey Avenue in Absecon, NJ, in the County of Atlantic in the State of New Jersey, and has attributed interest on such funds to such Beneficiary; and

WHEREAS the Diocese wishes to memorialize the trustee relationship which governs its holding of certain funds of the Parish in custody, which trustee relationship has existed since it first undertook to so hold such funds in custody;

NOW, THEREFORE, the Diocese does hereby publish and affirm the fact that such Trust Assets (as hereinafter defined) of the Parish as it holds in custody are held as a charitable trust, for the exclusive use and benefit of the said Parish, and with the equitable ownership thereof being vested in the said Parish, on the terms and conditions hereinafter set forth; and

...

1.2 Trust Assets

(a) The assets of the Trust (which are also referred to herein as the funds of the Trust) consist of such amounts that the Parish may have from time to time consigned to the Trustee for management and investment, together with such interest attributable thereto which the Trustee and the Beneficiary understand to be fixed at three percent (3%) on an annualized basis.

(b) The assets of the Trust may, in the discretion of the Trustee, be commingled with its own assets and with other assets which it holds in trust, and the Trustee is expressly authorized and empowered to do so; provided, however, that the Trustee shall maintain such records so as to make the assets held upon behalf of the Beneficiary readily identifiable, and records of such accounting must be maintained in the trust records by the Trustee and be readily available to the Beneficiary for inspection during normal business hours.

(c) The assets of this Trust shall be used to further the religious, charitable and educational purposes of the Beneficiary **and shall not be subject (in whole or in part) to voluntary or involuntary assignment, anticipation, or legal process, or to the claims of creditors of the Trustee, or the creditors of any other entity whose assets are held in trust by the Trustee. . .**

Each of the parish trust agreements (collectively, the “Trust Agreements”) are identical to this agreement. The Diocese has operated in conformance with the Trust Agreements. While the Diocese administers and monitors the Parishes’ liquid assets and provides administrative services related to the Parish, all Parish assets are separate and distinct from the Diocese assets and fully accounted for in such a manner. These accounts are managed by Cobble Hill and are in the custody of PNC Bank.

The funds held by the Diocese pursuant to the Trust Agreements are not property of the Diocese’s bankruptcy estate and are not available for distribution to creditors in a plan of reorganization. These funds are held solely in connection with the Trust Agreements.

H. Catholic Cemeteries

The Diocese administers several Catholic Cemeteries within its territory. The Diocese has been serving Catholic families in this capacity since before the establishment of the Diocese of Camden in 1937. There are fifteen Diocesan cemeteries throughout the six counties in southern New Jersey. The fifteen locations are as follows: (i) Calvary Cemetery and Mausoleum in Cherry Hill, NJ; (ii) New St. Mary Cemetery and Mausoleum in Bellmawr, NJ; (iii) Gate of Heaven Cemetery in Berlin, NJ; (iv) St. Joseph Cemetery in Swedesboro, NJ; (v) St. Mary’s Cemetery in Williamstown, NJ; (vi) All Saints Cemetery and Mausoleum in Newfield, NJ; (vii) Our Lady of

Assumption Cemetery in Pleasant Mills, NJ; (viii) Our Lady of Victories in Landisville, NJ; (ix) Holy Cross Cemetery and Mausoleum in Mays Landing, NJ; (x) Sacred Heart Cemetery and Mausoleum in Vineland, NJ; (xi) St. Casimir's Cemetery in Woodbine, NJ; (xii) St. Bernard Cemetery in Dorothy, NJ; (xiii) St. Elizabeth's Cemetery in Goshen, NJ; (xiv) Resurrection Cemetery in Clermont, NJ; and (xv) St. Mary's Cemetery and Mausoleum in Cape May, NJ.

The Catholic Cemeteries offer in-ground and above-ground burial options such as cemetery plots, cremation graves, chapel and garden mausoleums, and cremation niches.

The cemeteries are not separately incorporated. Except as set forth herein, the above-referenced cemeteries are owned by parishes, but administered and operated by the Diocese. The Diocese owns the land for All Saints Cemetery and Mausoleum in Newfield, New Jersey and Resurrection Cemetery in Clermont, New Jersey.

The employees of the cemeteries are members of Teamsters Local Union No. 676 (the "Union"). The Union is the sole and exclusive representative for all full-time cemetery field workers/foremen employed by the Diocese. The Diocese is current on all its obligations to the Union.

The Diocese asserts that it has a fiduciary responsibility to ensure that its cemeteries are maintained in perpetuity with adequate funding. As of the Petition Date, no reserves existed. The Diocese has been advised by its financial advisers that, as part of its reorganization, it must establish reserves for the care and maintenance of the cemeteries and mausoleums. Pursuant to Court Order, the Debtor assumed a contract with Perpetualcareadequacy.com for the purpose of conducting a perpetual care analysis to fulfill the above noted needs of the cemeteries. [ECF 201]. The Diocese filed the actuarial report on July 28, 2021. [ECF 731]. The actuarial report demonstrated that the Diocese needed to invest \$2,305,000 immediately in a perpetual care fund plus additional money annually in order to provide for the perpetual care of the cemeteries. Id.

I. The Debtor's Prepetition Capital Structure

a. Revolving Line of Credit

On December 9, 2011, the Diocese entered into a Loan Agreement with PNC Bank, National Association ("PNC") for a revolving line of credit (the "Loan") wherein the Diocese may borrow the lesser of (a) \$25 million dollars or (b) 90% of the margin value of the "Pledged Collateral" (as defined in the Loan Agreement).

In addition to the Loan Agreement, the Diocese and PNC entered into a Committed Line of Credit Note (the "Note"). Pursuant to the note, the Loan carries a rate of interest equal to (a) the Daily LIBOR Rate plus (b) the "Applicable Margin" (as that term is defined in the Note). The current "Applicable Margin" is .55%. Interest payments are due monthly, and the entire principal balance of the Loan is due upon expiration of the Loan. The original expiration date of the Loan was December 9, 2014, which was extended to December 9, 2017, and further extended to December 9, 2020. PNC is aware of this filing for reorganization, and the Diocese is working with PNC to continue or amend the Loan.

In connection with, and as security for, the Loan, DOC Trusts entered into a Pledge Agreement with PNC. Through the Pledge Agreement, DOC Trusts pledged the following collateral as security for the Loan: all investment property held in security account nos. xx-xx-xxx-xxx7115; xx-xx-xxx-xxx7123; xx-xx-xxx-xxx7131; xx-xx-xxx-xxx7149; xx-xx-xxx-xxx7157; xx-xx-xxx-xxx7165; and xx-xx-xxx-xxx7173 maintained with PNC Investments, LLC in its capacity as custodian (collectively, the “Pledged Accounts”), all assets credited to the Accounts and all additions, substitutions, replacements, proceeds, income, dividends and distributions thereon.

In addition to the Pledge Agreement, the Diocese of Camden Trusts, Inc. entered into a Guaranty and Suretyship Agreement (the “Guaranty”) with PNC, whereby the Diocese of Camden Trusts, Inc. unconditionally guaranteed and became the surety for, the prompt payment of all amounts due under the Loan.

On December 11, 2017, the Diocese entered into an Amendment with PNC. Pursuant to the Amendment, the expiration date of the Loan was extended to December 9, 2020.

As of September 30, 2020, the outstanding balance of the Loan is \$22,807,500. The value of the Pledged Accounts as of September 30, 2020 was \$81.7 million. The existing Loan expired on December 9, 2020. Despite continuing discussions, no extension has occurred.

b. Other Unsecured Debt

The Diocese owed its vendors approximately \$2,000,000 as of the Petition Date. These claims are for the delivery of goods and services to the Diocese, which are used in the operation of the Diocese’s business, including providing support for its ministries and other outreach programs.

J. Survivor Claims Against the Diocese

The Diocese publicly released the names of fifty-six (56) priests (which was reduced to fifty-five (55) after further review) and one (1) deacon of the Diocese who have been credibly accused of abuse of minors. These fifty-five (55) priests are a small percentage of the more than 800 priests who have faithfully served the people of South Jersey since the Diocese was founded in 1937.

From 1990 to 2019, the Diocese paid 99 settlements to abuse victims totaling approximately \$10,120,000 (approximately \$102,222 per claim). In addition, the Diocese has expended approximately \$945,000 to provide therapeutic assistance to victims.

On December 1, 2019, amendments to New Jersey’s statute of limitations went into effect allowing individuals to assert claims of child 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.

From December 1, 2019 through the Petition Date, fifty-five (55) lawsuits were filed against the Diocese by plaintiffs who are seeking damages as a result of alleged abuse, three (3) of which have been voluntarily withdrawn. In addition, demand letters and or notices have been received from other claimants who have not commenced lawsuits against the Diocese.

The Diocese does not believe it has insurance coverage for any claims that occurred before November 27, 1969. The Diocese and the Tort Committee have jointly retained an insurance archeologist to determine if there are any insurance policies for the pre-1969 period.

From November 27, 1969 to November 27, 1972, the Diocese had insurance coverage for sex abuse claims with Insurance Company of North America. Century Indemnity Company, as successor to CCI Insurance Company, is successor to Insurance Company of North America. From November 27, 1972 to November 27, 1987 the Diocese had underlying coverage with Lloyd's of London ("Lloyds"), with a self-insured retention of \$50,000 from 1973 to 1975 and \$75,000 from 1975 to 1987, and also had excess layers and aggregates. There was no coverage at all for sex abuse claims from November 27, 1987 to November 27, 1988. On November 27, 1988 coverage began with the National Risk Retention Group, which continues to the present, but with a self-insured retention of \$250,000. 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. However, the settlement agreement does not preclude coverage for claimants who were only receiving payments for therapy, and for claimants who were unknown to the Diocese.

a. New Jersey Independent Victim Compensation Program

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.

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.

The IVCP provided 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 the particular diocese.

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

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. The funding of IVCP payments came from diocesan operations or the Diocese's line of credit from PNC.

Through the IVCP, the Diocese has resolved seventy-one (71) claims since the IVCP began, but 141 claims remain pending. Of those 141 claims, offers were made by the IVCP to twenty-one (21) of those claimants before the effective suspension of the IVCP on August 1, 2020. The Diocese anticipates, therefore, that in excess of 141 individuals may assert abuse claims for which they may seek to hold the Diocese responsible. This is in addition to the fifty-two (52) lawsuits that are currently pending.

Through the IVCP Administrators, seventy-one (71) claims were resolved with payments totaling \$8,102,500 (average claim settled for approximately \$114,000). Effective July 31, 2020, the Diocese suspended its participation in the operation of the IVCP due to its fiscal realities, which were worsened by the COVID-19 pandemic.

b. Steps Taken by the Diocese to Protect Children

In 2002, there was widespread recognition on the part of both civil and church authorities that the abuse and exploitation of minor children by Catholic priests was a serious problem that needed to be urgently and comprehensively addressed. The Catholic dioceses in New Jersey, including the Diocese of Camden, responded by entering into a *Memorandum of Understanding* with the New Jersey Division of Law and Public Safety and the twenty-one prosecutors of the counties in which each diocese is located. In addition, the United States Conference of Catholic Bishops addressed this issue by adopting the *Charter for the Protection of Children and Young People* and, at the request of the Conference of Bishops, the Holy See approved the *Essential Norms for Diocesan/Eparchial Policies Dealing with Allegations of Sexual Abuse of Minors by Priests or Deacons*.

i. Memorandum of Understanding

In the December 2002 *Memorandum of Understanding* (the "MOU"), the Attorney General of New Jersey, the twenty-one county prosecutors of New Jersey, and New Jersey's Catholic bishops, including the Bishop of Camden, pledged "their continuing commitment to work together to protect victims of crimes," acknowledging "the value of cooperation and communication and the need to have in place clearly defined policies and procedures so that all employees" of Catholic

dioceses and parishes “know what they are expected to do” when they have cause to believe that criminal activity – primarily the exploitation or abuse of children – has been committed. See Reverend Hughes’ Declaration at Exhibit C. [ECF 3]. The MOU added that the parties “are committed to addressing and alleviating the injuries caused by these crimes and to preventing the reoccurrence of such crimes to the greatest extent possible.” Id. It stated that “the parties to this *Memorandum* will continue to work together to prevent criminal activity,” recognizing that “the crimes addressed in this Memorandum are serious matters that warrant a full and prompt investigation by appropriate law enforcement authorities.” Id.

In accordance with the MOU, since 2002 the Diocese has reported every allegation of the abuse of a minor by diocesan priests – whether or not it was believable – to law enforcement authorities in the locales where the abuse was said to have happened. These reports have been made to county prosecutors in Atlantic, Burlington, Camden, Cape May, Cumberland, Essex, Gloucester, Mercer, Monmouth, Ocean, Salem and Union counties, the Crown Prosecution Service in London, the Director of Prosecutions in San Juan, the district attorneys in Philadelphia and Allegheny counties, and the consular representatives of Mexico, Portugal, and Spain.

Even prior to the MOU, the Diocese reported the names of 43 diocesan priests, whether living or dead, against whom an allegation of child abuse had been received to the prosecutor of each county in the Diocese in which the abuse was reported to have occurred. Where a Prosecutor requested additional information (civil complaints, correspondence, *etc.*) it was readily provided.

ii. Charter for the Protection of Children and Young People

In addition, the *Charter for the Protection of Children and Young People* is a comprehensive set of procedures originally established by the United States Conference of Catholic Bishops in June 2002 (and subsequently revised and expanded in 2005, 2011, and 2018) for addressing allegations of sexual abuse of minors by Catholic clergy. See Reverend Hughes’ Declaration at Exhibit D. [ECF 3]. The *Charter* also includes guidelines for reconciliation, healing, accountability, and prevention of future acts of abuse, and it urges actions by Catholic dioceses in the United States for creating a safe environment for children and young people, the healing and reconciliation of victims and survivors, the establishment of methods for making prompt and effective response to allegations of abuse, the disciplining of offenders, and cooperation with civil authorities. Id.

The *Charter* states that “the sexual abuse of children and young people by some priests and bishops, and the ways in which we bishops addressed these crimes and sins, have caused enormous pain, anger, and confusion. Id. Innocent victims and their families have suffered terribly.” Id. The Conference of Bishops added that “as bishops, we acknowledge our mistakes and our role in that suffering, and we apologize and take responsibility for too often failing victims and our people in the past. We also take responsibility for dealing with this problem strongly, consistently, and effectively in the future.” Id.

The *Charter* requires mandatory background checks for all personnel of the Diocese who have regular contact with minors. In this regard, Article 13 of the *Charter* provides as follows:

Dioceses/eparchies will evaluate the background of all diocesan/eparchial and parish personnel who have regular contact with minors. Specifically, they will utilize the resources of law enforcement and other community agencies. In addition, they will employ adequate screening and evaluative techniques in deciding the fitness of candidates for ordination (cf. National Conference of Catholic Bishops, *Program of Priestly Formation*, 1993, no. 513).²² Id.

In accordance with the *Charter*, the Diocese has issued its policy with respect to employees and volunteers. It applies to all priests, and to all adult employees and volunteers (18 years of age or older) who have regular contact with minors (under 18 years of age). The policy requires the employee or volunteer to undergo appropriate evaluation, which must include a fingerprint-facilitated criminal history background check. See Father Hughes' Declaration at Exhibit E. [ECF 3]. The policy is comprehensive and mandatory.

iii. Other Actions Taken by the Diocese

Since 2002, the Diocese of Camden has reviewed, updated, strengthened, and enforced its safe environment protocols, including but not limited to conducting criminal history background checks of all clergy, employees, and volunteers who have regular contact with minors, and instituting, maintaining, and enhancing safe environment education and training. In addition, the Diocese routinely updates its guidelines for reporting abuse. See Reverend Hughes' Declaration at Exhibit F. [ECF 3].

K. Litigation Involving Public Nuisance Claim

On November 14, 2019, the Superior Court of New Jersey, Essex County, Civil Division, dismissed a lawsuit captioned Hanratty v. New Jersey Catholic Conference; Archdiocese of Newark; Diocese of Trenton; Diocese of Camden; Diocese of Paterson; and Diocese of Metuchen, Docket No. ESX-L-003360-19. The Hanratty complaint alleged two counts involving public nuisance and civil conspiracy. The Honorable Jeffrey B. Beacham, Judge of the Superior Court, issued a seventeen (17) page Opinion. No appeal was taken.

L. Events Precipitating the Chapter 11 Filing

The Diocese comes before this Court for the purpose of reorganizing and maximizing its assets for the benefit of all individuals presenting bona fide claims of abuse while ensuring that the critical mission of the Diocese is accomplished for its congregants and the greater community especially during the global COVID-19 pandemic. Although there has been no claim of abuse having occurred within the past 19 years (since the 2002 *Charter for the Protection of Children and Young People*, the *Essential Norms* and the *Memorandum of Understanding*, all of which are discussed above), that does not diminish the pain of the horrific acts which occurred before then, and which have affected far too many.

Rebuilding the confidence of the Diocese's congregants and society is a paramount goal for the Diocese, and in this regard the Diocese has taken substantial steps. In addition to what was discussed above, every adult having regular contact with minors is required to take a safe

²² "Eparchies" in the churches of the Eastern rite are the functional equivalent of dioceses in the Latin (or "western") rite.

environment training program. In July 2018, the Diocese transitioned from Child Assault Prevention (CAP) to the VIRTUS child abuse training awareness program entitled “*Protecting God’s Children*.” The Diocese requires retraining every five years. Also, the VIRTUS training program “*Empowering God’s Children*” teaches such matters as “protecting our bodies,” “safe adults” and “boundaries” and is presented to children in diocesan-affiliated educational programs in age-appropriate tiers.

During COVID-19, while government stay-at-home orders were in place, Diocese revenue was reduced by nearly 25%. Moreover, collections have reduced significantly over the past two years.

ARTICLE V.
THE DIOCESE’S BANKRUPTCY

A. The Diocese’s Chapter 11 Filing

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

a. First Day Orders

Concurrently with the filing of its chapter 11 petition, the Diocese filed certain motions and proposed Orders (collectively, the “First-Day Orders”). A summary of the relief granted in the First Day Orders is set forth below:

- i. **Complex Case Order.** Pursuant to the *Application for Designation As Complex Chapter 11 Cases* [ECF 5], the Court entered an Order [ECF 52] designating this Chapter 11 Case as a Complex Chapter 11 Case.
- ii. **Motion to Seal Order.** Pursuant to *Motion to Seal Portions of Schedule F, The Master Creditor Matrix, and Other Pleadings and Documents Under Seal* [ECF 6], the Court entered an Order [ECF 54] that, among other things, sealed certain portions of Schedule F and the Master Creditor Matrix relating to Survivor Claims.
- iii. **Cash Management Order.** Pursuant to the *Motion For An Order (I) Authorizing The Debtor To Continue And Maintain Their Existing Cash Management System, Bank Accounts And Business Forms, (II) Modifying The Investment Guidelines, (III) Providing The United States Trustee With A 60-Day Objection Period, And (IV) Granting Related Relief* [ECF 7], the Court entered an Interim Order [ECF 34], a Second Interim Order [ECF 57], a Third Interim Order [ECF 199], and a Fourth Interim Order [ECF 248] that, among other things, (i) authorized the Debtor to continue to use its existing bank accounts and cash management system, and existing checks and business forms; and (ii) waived certain bank account and related requirements of the Office of the United States Trustee. On December 16, 2020, the Court entered a final order in connection with the Cash Management Motion. [ECF 284].

- iv. **Wages Order.** Pursuant to the *Motion For An Order (I) Authorizing The Debtor To (A) Pay Prepetition Wages, and Related Obligations, (B) Pay And Remit Payroll Taxes And Other Deductions To Third Parties, And (C) Honor And Process Workers' Compensation And Employee Benefit Obligations, And (II) Authorizing and Directing All Banks To Honor Checks And Transfers For Payment of Prepetition Employee Obligations* [ECF 8], the Court entered an Interim Order [ECF 44] and a Final Order [ECF 130] authorizing the Debtor to, among other things, pay certain prepetition wages and other compensation, continue various benefit programs, and pay other employee-related obligations.
- v. **Self-Insurance Order.** Pursuant to the *Motion for Entry of Interim & Final Orders (i) Authorizing the Continued Maintenance of the Diocese's Self Insurance Programs; and (ii) Authorizing the Payment of Prepetition Obligations in Respect Thereof* [ECF 9], the Court entered an Interim Order [ECF 50] and a Final Order [ECF 131] authorizing the Debtor to, among other things, continue its self-insurance program and pay prepetition obligations related thereto.
- vi. **Premium Finance Order.** Pursuant to the *Motion For Interim And Final Orders Authorizing (I) The Continuation Of The Debtor's Insurance Policies (II) The Continuation Of The Debtor's Premium Financing Agreements And (III) The Performance Of All Prepetition Obligations Related Thereto* [ECF 10], the Court entered an Interim Order [ECF 49] and a Final Order [ECF 132] authorizing the Debtor to continue to pay and perform under various prepetition insurance policies and the Debtor's premium financing agreement, and to pay all prepetition and post-petition obligations in respect thereof in the ordinary course of their business.
- vii. **Utilities Order.** Pursuant to the *Motion For Entry Of Interim And Final Orders (I) Prohibiting Utility Companies From Discontinuing, Altering Or Refusing Service On Account Of Prepetition Invoices, (II) Approving The Debtor's Proposed Form Of Adequate Assurance Of Future Payment And (III) Establishing Procedures For Resolving Requests For Additional Adequate Assurance* [ECF 14], the Court entered an Interim Order [ECF 51] and a Final Order [ECF 136] authorizing and approving the provision of adequate assurance of payment to the Debtor's utility service providers under section 366 of the Bankruptcy Code, while allowing the Debtor to avoid the threat of imminent termination of their utility services from those utility companies.
- viii. **Credit Card Facilities Order.** Pursuant to the *Motion for an Order Authorizing Debtor to Continue Credit Card Facilities* [ECF 12] the Court entered an order [ECF 53] directing certain payment card processors to honor its prepetition agreement with the Debtor pending assumption or rejection.
- ix. **Prime Clerk LLC Retention Order.** Pursuant to the *Application for Entry Of An Order Authorizing The Retention And Appointment Of Prime Clerk LLC As Claims And Noticing Agent Effective As Of The Petition Date* [ECF 17], the Court entered an Order authorizing the Debtor to retain Prime Clerk LLC as claims and noticing agent for the Chapter 11 Cases. [ECF 55].

b. Appointment of Tort Committee

On October 23, 2020, the Office of the United States Trustee appointed the Tort Committee in this Chapter 11 Case. The *Notice of Appointment of Official Committee of Tort Claimant Creditors* [ECF 111] sets forth the nine (9) appointed Tort Committee members: (i) Dr. James Reuter; (ii) Mr. Jack Lechner; (iii) Ms. Jennifer Wydra; (iv) Mr. Paul Harrington; (v) Mr. Robert Polt; (vi) Mr. Edward Henkel; (vii) Dr. Patrick Lloyd; (viii) Mr. John Collins; and (ix) Mr. Andrew Napoli.

c. Appointment of Trade Committee

On December 24, 2020, the Office of the United States Trustee appointed the Trade Committee in this Chapter 11 Case. The *Notice of Appointment of Official Committee of Unsecured Trade Creditors* [ECF 293] sets forth the nine (3) appointed Trade Committee members: (i) Porter & Curtis, LLC; (ii) Seton Hall University; and (iii) St. Mary's Villa.

d. Employment of Professionals and Advisors

i. Debtor's Professionals

On October 1, 2020, the Diocese filed an application to approve the retention of McManimon, Scotland & Baumann, LLC ("MSB") as counsel. [ECF 15]. MSB's retention was approved on October 16, 2020. [ECF 86].

On October 1, 2020, the Diocese filed an application to approve the retention of EisnerAmper as Financial Advisor. [ECF 16]. EisnerAmper's retention was approved on October 16, 2020. [ECF 87].

On October 1, 2020, the Diocese filed an application to approve the retention of Cooper Levenson, P.A. ("Cooper") as Special Counsel relating to Survivor Claims. [ECF 18]. Cooper's retention was approved on October 16, 2020. [ECF 88].

On October 1, 2020, the Diocese filed an application to approve the retention of Duane Morris LLP ("Duane") as Special Counsel relating to eminent domain litigation. [ECF 19]. Duane's retention was approved on October 16, 2020. [ECF 89].

On October 16, 2020, the Diocese filed an application to approve the retention of A. Atkins Appraisal Corp. ("Atkins") as Appraiser. [ECF 81]. Atkin's retention was approved on October 28, 2020. [ECF 133].

On March 15, 2021, the Diocese filed an application to approve the retention of Binswanger Company ("Binswanger") as Appraiser in order to appraise certain real property owned by the Diocese. [ECF 496]. Binswanger's retention was approved on March 23, 2021. [ECF 523].

On April 27, 2021, the Diocese filed an application to approve the retention of Trenk Isabel, P.C. ("Trenk Isabel") as counsel. [ECF 598]. Trenk Isabel's retention was approved on May 5, 2021. [ECF 616].

On September 20, 2021, the Diocese and the Tort Committee jointed filed an application to approve the retention of Insurance Archeology Group (“IAG”) as Insurance Archeologist. [ECF 824]. IAG’s retention was approved on September 28, 2021. [ECF 832].

ii. Tort Committee Professionals

On November 9, 2020, the Tort Committee filed an application to approve the retention of Lowenstein Sandler LLP (“Lowenstein”) as counsel. [ECF 182]. Lowenstein’s retention was approved on November 17, 2020. [ECF 218].

On November 13, 2020, the Tort Committee filed an application to approve the retention of undisclosed experts in connection with this matter. [ECF 204]. Following various objections, the Tort Committee sought approval to retain Dr. Jennifer Hasselberger and Marci Hamilton as experts in connection with the hearing on the bar date. The Court entered an order approving such retention on February 3, 2021. [ECF 392].

On January 5, 2021, the Tort Committee filed an application to approve the retention of Berkeley Research Group, LLC (“BRG”) as financial advisor. [ECF 309]. BRG’s retention was approved on February 5, 2021. [ECF 400].

On March 3, 2021. The Tort Committee filed an application to approve the retention of Finance Scholars Group, Inc. (“FSG”) as a consultant on the valuation of abuse claims and expert witness. [ECF 455]. FSG’s retention was approved on April 28, 2021. [ECF 604].

iii. Trade Committee Professionals

On January 15, 2021, the Trade Committee filed an application to approve the retention of Porzio, Bromberg & Newman, P.C. (“Porzio”) as counsel. [ECF 347]. Porzio’s retention was approved on February 1, 2021. [ECF 388].

e. Claims Process and Bar Date

i. Schedules and Statement of Financial Affairs

On the Petition Date, the Diocese filed for protection under Chapter 11 of the Code. [ECF 1]. The Diocese’s schedules and statement of financial affairs were filed simultaneously with the Chapter 11 Petition. The Debtor filed amended Schedules on October 6, 2020 [ECF 41 & 42], October 19, 2020 [ECF 92] and November 11, 2020 [ECF 198] (as amended, the “Debtor’s Schedules”).

ii. Section 341(a) Meeting of Creditors

The Debtor’s Initial Debtor Interview was held on October 16, 2020. The Debtor’s Section 341(a) Meeting of Creditors was held on November 13, 2020.

iii. Bar Date

Pursuant to an order of the Court dated February 11, 2021 [ECF 409] (the “Bar Date Order”), June 30, 2021 at 11:59 p.m. (prevailing Eastern Time) (the “Bar Date”) was established as the deadline for Creditors, including Governmental Units and Survivors, to file proofs of Claim in this Chapter 11 Case. Notice of this deadline was served on all potential creditors of the Debtor’s Estate and published in various newspapers as required by the Bar Date Order.

f. Other Significant Events During the Bankruptcy

On October 14, 2020, the Debtor filed a *Motion for Entry of Order Establishing a Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* (the “Bar Date Motion”) [ECF 74]. Through the Bar Date Motion, the Debtor seeks to set bar dates for general, abuse and governmental unit related claims against the Debtor. On February 11, 2021, the Court entered the Bar Date Order, as set forth above.

On October 19, 2020, the Debtor filed a *Motion for an Order Authorizing and Approving Sale of (i) 276 White Horse Pike, Galloway Township, New Jersey; and (ii) 1597 Almonesson Road, Deptford, New Jersey* (the “Sale Motion”) [ECF 90]. Through the Sale Motion, the Debtor sought approval to sell the following real property: (i) 276 White Horse Pike, Galloway Township, New Jersey (the “Galloway Property”); and (ii) 1597 Almonesson Road, Deptford, New Jersey (the “Deptford Property”). The Galloway Property is under contract with Ark Innovations, LLC for \$3.9 million. The Deptford Property is under contract with Raphael Braschoss and Melissa Fleming for \$75,000. On December 23, 2020, the Court entered an order granting the Sale Motion. [ECF 290].

On October 21, 2020, the Debtor filed a *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* (the “Mediation Motion”) [ECF 99]. Through the Mediation Motion, the Diocese requested that the Court establish certain mediation procedures to fix the Survivor and Tort Claims and related issues. In the alternative, the Diocese requested estimation of the Survivor and Tort Claims pursuant to 11 U.S.C. § 502(c)(1) and Fed. R. Bankr. P. 3018(a) for any claimant who is unwilling to participate in the mediation process. The Court denied the Mediation Motion.

On October 21, 2020, the Debtor filed a *Motion for Entry of an Order Approving Settlement and Compromise by and Between the Debtor and State of New Jersey, Department of Transportation Pursuant to Fed. R. Bankr. P. 9019* (the “Settlement Motion”) [ECF 97]. Through the Settlement Motion, the Debtor seeks approval of a settlement and compromise relating to an eminent domain taking by the State of New Jersey, Department of Transportation. The anticipated net proceeds to the Diocese from the proposed settlement is \$250,250. On November 13, 2020, the Court entered an Order granting the Settlement Motion. [ECF 203].

On October 30, 2020, the Debtor filed a *Motion for Entry of an Order Approving Payment of Certain De Minimis Claims, Refunds and Reimbursements* (the “De Minimis Motion”) [ECF

140]. The De Minimis Motion sought payment of certain de minimis unsecured claims against the Debtor. On November 13, 2020, the Court entered an Order granting the De Minimis Motion. [ECF 202].

On October 30, 2020, the Debtor filed a *Motion for the Entry of an Order Approving and Authorizing the Diocese to Assume Contract with PerpetualCareAdequacy.com Pursuant to 11 U.S.C. §§ 105(a) and 365(a) and Approving Cure Cost* (the “Motion to Assume”) [ECF 142]. The Motion to Assume sought approval from the Court to assume a contract with PerpetualCareAdequacy.com and pay all cure costs associated therewith. On November 13, 2020, the Court entered an Order granting the Motion to Assume Motion. [ECF 201].

On October 30, 2020, the Debtor filed a *Motion to Extend Time to Remove Civil Actions* (the “Removal Motion”) [ECF 146]. Through the Removal Motion, the Debtor sought to extend the time that it has to remove related actions from state court to the Bankruptcy Court pursuant to Rules 9006(b) and 9027 of the Federal Rules of Bankruptcy Procedure. On November 30, 2020, the Court entered an Order granting the Removal Motion. [ECF 251].

On November 13, 2020, the Tort Committee filed a *Motion for the Entry of an Order Authorizing the Retention of Experts* (the “Experts Motion”) [ECF 204]. The Experts Motion seeks authorization for the Tort Committee to retain undisclosed experts in connection with the Debtor’s Bar Date Motion. On February 3, 2021, the Court entered an Order granting the Experts Motion. [ECF 392].

On November 19, 2020, the Debtor filed a *Motion for a Final Order Authorizing the Diocese to (i) Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105(a), 362 and 364(c) and (d), (ii) Granting Liens and Superpriority Claims to the Lender Pursuant to 11 U.S.C. § 364(c), and (iii) Modifying the Automatic Stay* (the “Premium Financing Motion”) [ECF 221]. Through the Premium Financing Motion, the Debtor sought approval of its entry into a premium financing agreement with AFS/IBEX in connection with the Debtor’s insurance program for 2021. On November 25, 2020, the Court entered an Order granting the Premium Financing Motion. [ECF 247].

On December 1, 2020, the Debtor filed a *Motion to Extend Exclusive Period to File a Chapter 11 Plan and Solicit Votes for Chapter 11 Plan Pursuant to 11 U.S.C. § 1121(d)* (the “Exclusivity Motion”) [ECF 252]. Through the Exclusivity Motion, the Diocese sought to extend the exclusive period for the Debtor to file a chapter 11 plan and solicit votes thereon pursuant to section 1121(d) of the Bankruptcy Code. On December 23, 2020, the Court entered an Order granting the Exclusivity Motion. [ECF 291].

On December 2, 2020, the Diocese filed a *Motion for Entry of an Order Extending the Deadline to Assume or Reject Unexpired Leases of Nonresidential Real Property Pursuant to Section 365(d)(4) of the Bankruptcy Code* (the “Extension Motion”) [ECF 256]. On December 23, 2020, the Court entered an Order granting the Extension Motion. [ECF 292].

On December 31, 2020, the Diocese filed its first Plan and Disclosure Statement. Various parties filed objections to the Disclosure Statement. The Court denied approval of the Disclosure Statement.

On February 25, 2021, Century Indemnity Company filed a Notice of Appeal of the Bar Date order. [ECF 446]. This appeal is fully briefed but has not been decided by the District Court.

On March 17, 2021, the Debtor filed a *Motion of The Diocese of Camden, New Jersey, Chapter 11 Debtor and Debtor-In-Possession, for Entry of an Order Further Extending Time to File Notices of Removal of Civil Actions* seeking to extend the deadline to remove civil actions. [ECF 502]. The Court granted the Motion on April 14, 2021. [ECF 574].

On December 1, 2020, the Debtor filed a *Second Motion to Extend Exclusive Period to File a Chapter 11 Plan and Solicit Votes for Chapter 11 Plan Pursuant to 11 U.S.C. § 1121(d)* (the “Second Exclusivity Motion”) [ECF 541]. Through the Second Exclusivity Motion, the Diocese sought to extend the exclusive period for the Debtor to file a chapter 11 plan and solicit votes thereon pursuant to section 1121(d) of the Bankruptcy Code. On May 12, 2021, the Court entered an Order granting the Second Exclusivity Motion. [ECF 628].

On April 7, 2021, the Debtor and the Tort Committee filed a *Joint Motion of the Diocese and the Official Committee of Tort Claimant Creditors for Entry of an Order (i) Appointing a Mediator, (ii) Referring Matters to Mandatory Global Mediation, and (iii) Granting Related Relief* (the “Joint Mediation Motion”). [ECF 562]. On May 20, 2021, the Court entered an order granting the Joint Mediation Motion and appointed the Honorable Jose L. Linares (ret.). [ECF 640].

On June 23, 2021, the Debtor filed a *Third Motion to Extend Exclusive Period to File a Chapter 11 Plan and Solicit Votes for Chapter 11 Plan Pursuant to 11 U.S.C. § 1121(d)* (the “Third Exclusivity Motion”) [ECF 678]. Through the Third Exclusivity Motion, the Diocese sought to extend the exclusive period for the Debtor to file a chapter 11 plan and solicit votes thereon pursuant to section 1121(d) of the Bankruptcy Code. On July 14, 2021, the Court entered an Order granting the Second Exclusivity Motion. [ECF 703].

On June 23, 2021, the Debtor filed a *Second Motion of The Diocese of Camden, New Jersey, Chapter 11 Debtor and Debtor-in-Possession, for Entry of an Order Further Extending Time to File Notices of Removal of Civil Actions* seeking to extend the deadline to remove civil actions. [ECF 679]. The Court granted the Motion on July 16, 2021. [ECF 706].

On June 25, 2021, the Debtor filed a *Motion for Entry of an Order to Approve Settlement of Controversary by and Among the Diocese and the RH Claimants Pursuant to Federal Rule of Bankruptcy 9019(a)* (the “RH Settlement Motion”). [ECF 682]. The RH Settlement Motion sought approval of settlements with the RH Claimants, providing them with payment on their claim over ten years in equal annual installments. *Id.* At the time of filing this Disclosure Statement, the RH Settlement Motion has been granted, but no order has been entered by the Court.

On August 12, 2021, the Diocese filed a Motion for Entry of an Order Approving Settlement of Controversary by and Between the Diocese and PNC Bank, National Association Pursuant to Federal Rule of Bankruptcy 9019(a) (the “PNC Settlement Motion”). [ECF 749]. The PNC Settlement Motion was heard by the Court on September 9, 2021. On October 5, 2021, the Court ruled that an evidentiary hearing would be held on the PNC Settlement Motion.

B. Adversary Proceedings

On October 1, 2020, the Debtor filed an adversary complaint, commencing Adv. Pro. No. 20-1544 against certain Survivor Claimants. Through the complaint, the Diocese sought entry of an order, pursuant to 11 U.S.C. §§ 105 and 362, enjoining the continued prosecution of certain lawsuits against the Diocese and/or non-debtor parishes, schools and other Catholic ministry entities and institutions within the geographical territory of the Diocese which assert claims arising from or related to alleged child abuse and which could negatively impact upon the Diocese's ability to successfully reorganize. In the alternative, the Diocese sought an order, pursuant to Rule 7065 of the Federal Rules of Bankruptcy Procedure enjoining or restraining the Abuse Plaintiffs from continuing their prosecution of the Abuse Cases.

On October 21, 2020, the Debtor filed an adversary complaint, commencing Adv. Pro. No. 20-1573 against Insurance Company of North America, now known as Chubb Limited, Underwriters at Lloyd's, London, National Catholic Risk Retention Group, Inc., Interstate Fire & Casualty Company d/b/a Allianz Insurance Group, Berkshire Hathaway Inc., d/b/a Resolute Management Services Limited, Athena Assurance Co., United National Insurance Co., Hartford Fire Insurance Co., Kemper Insurance, Lexington Insurance Co., U.S. Fire Insurance Co., International Fidelity Insurance Co., North River Insurance Co., Century Indemnity Co., Granite State Insurance Co., Integrity Insurance Co., Colonial Penn Life Insurance, Northbrook Insurance Associates, Inc. and potentially other insurance companies which may have insured the Diocese during the relevant time periods described below (collectively, the "Insurance Defendants"). Through the complaint, the Diocese is seeking an order, pursuant to 11 U.S.C. § 105, for declaratory judgment regarding the rights, duties and liabilities of the Insurance Defendants regarding certain insurance policies and certificates that the Insurance Defendants sold or which the Insurance Defendants acquired responsibility for as they relate to insurance coverage for Survivor Claims against the Diocese and/or non-debtor parishes, schools, or other Catholic ministry entities and institutions within the geographical territory of the Diocese. This action also seeks declaratory relief to determine the extent of the rights of the Diocese in said Policies and Certificates to the extent they are property of the Diocese's bankruptcy estate pursuant to 11 U.S.C. § 541.

C. Current and Historical Conditions

The Diocese is current on all post-petition obligations. [ECF 856]. The Diocese has filed all Monthly Operating Reports in accordance with the United States Trustee Guidelines. [ECF 265, 297, 373, 461, 544, 597, 655, 676, 736, 802, 856].

ARTICLE VI.

ASSETS OF THE DIOCESE

A. The Debtor's Assets

This section contains a discussion of the Diocese's potential assets available for distribution to creditors. Earlier sections of the Disclosure Statement discuss entities located within the territory of the Diocese, which are all separately incorporated and, are, therefore, not included in the Diocese's analysis of its assets.

a. Gross Revenue and Support

Under New Jersey law, the Diocese is an incorporated legal entity formed pursuant to Article 2 of Chapter 15 of Title 16 of the Revised Statutes of New Jersey (N.J.S.A. 16:15-9 to 15-17) with its own corporate structure and governance separate and distinct from the other Catholic entities located within the geographic area of the Diocese.

Gross revenue and support (“Gross Revenue”) for the recently ended fiscal year (July 1, 2020 through June 30, 2021) is approximately \$43.0 million. Gross Revenue for the fiscal year ending on June 30, 2020 was approximately \$49.5 million while expenses were approximately \$58.2 million. Gross Revenue for the fiscal year ending on June 30, 2019 was approximately \$50.7 million and expenses were approximately \$64.8 million. Expenses include non-cash items including depreciation and reserves.

The primary source of funds used by the Diocese to support its daily operations comes from parish assessments, which in turn are funded primarily by contributions from parishioners. The Diocese assesses parishes ten percent of their annual Ordinary Income. Assessments are due on a monthly basis and provide financial support for pastoral, education, religious personnel development (education and care of priest and seminarians), youth and administrative program areas.

The Diocese’s Gross Revenue is derived substantially from voluntary contributions of its congregants and is wholly reliant on the continuing support of the faithful.

Additional sources of operating funds include: (i) revenue from the share of the *House of Charity – Bishop’s Annual Appeal* designated for Diocesan activities and the Diocesan share (30%) of the *Catholic Strong* appeal; (ii) contributions and bequests from the faithful and grants from the Diocese of Camden Trusts, Inc. and the Diocese of Camden Healthcare Foundation, Inc.; and (iii) realized investment gains.

The House of Charity – Bishop’s Annual Appeal is an annual campaign undertaken early in the calendar year, proceeds of which are used to support various charitable, pastoral, educational, and human service activities. As of June 30, 2021, pledges for the House of Charity – Bishop’s Annual Appeal were over \$942,000 to be collected through June 30, 2022. The House of Charity provides the day-to-day operational income that supports ministries of the Diocese, including support for seminarian education and housing for retired priests, support for VITALity Catholic Healthcare Services, support for Catholic education, as well as support for our various pastoral ministries. Monies that are raised in this fiscal year are expended next fiscal year. Without the House of Charity, the Diocese could not fulfill its mission. These funds are restricted as they are done through a solicitation that describes how the funds will be used. Accordingly, the House of Charity Funds are not property of the estate.

The Catholic Strong Campaign (“CSC”) was a capital campaign that sought to raise \$40 million to primarily benefit the parishes. Of the funds raised through the CSC, 70% was designated solely for the parishes. Their needs include updates to physical plant, new or expanded youth and pastoral ministries, and the hiring of staff to support parish programs. Thirty (30%) percent of the funds raised are designated for the Diocese for supporting stronger faith, stronger service and

stronger Catholic schools. These funds are restricted funds and, therefore, are not assets of the estate. These funds are restricted because they were donated for a specific purpose and the Diocese cannot use such funds outside of the donor’s intent. As of June 30, 2021, the CSC had \$40.1 million in pledges, of which \$24.6 million has been collected and \$17.2 million has been distributed, or deposited to the credit of the parishes accounts in the Revolving Fund.

b. Personal Property

The Diocese owns certain personal property, including, but not limited to office equipment, furniture, fixtures, vehicles, and religious accessories (collectively, the “Personal Property”). The details of Personal Property are set forth in the Appraisal Report prepared by A. Atkins Appraisal Corporation. Pursuant to that appraisal, the Personal Property is valued at \$192,620. A copy of each appraisal is available on the docket at ECF 301.

c. Real Estate

The Diocese owns the following pieces of real property:

<u>.</u>	<u>Property Address</u>	<u>Acreage</u>	<u>Block</u>	<u>Lot</u>	<u>Acquired</u>
1	419 George Street, Galloway, NJ	0.42	527	7	2010-12-16
2	430 S. Pomona Road, Galloway, NJ	1.13	527	1	2010-12-17
3	440 Whig Lane, Glassboro, NJ	26.85	172	7	2006-04-27
4	510 Cooper Street, Woodbury, NJ	1.094	161	2	2013-12-23
5	626 Cooper Street, Camden, NJ	0.331	125	8	1998-05-26
6	631 Market Street, Camden, NJ	0.275	125	24	1999-12-28
7	633-637 Market Street, Camden, NJ	0.319	125	21	1998-05-26
8	700 College Drive, Gloucester, NJ	0.28	14003	2.01	
9	1000 Williamstown Road, Gloucester, NJ	16	18302	1	2001-12-21
10	1845 Haddon Ave, Camden, NJ	1.43	1279.02	17, 23, & 25	1969-09-05
11	2209 Route 9, Dennis Township, NJ	4.91	256.05	44	1999-08-03
12	2221 Route 9, Dennis Township, NJ	41.66	256.05	43	1968-10-23
13	6075 West Jersey Ave, Egg Harbor Township, NJ	15	2610	14	2003-08-07
14	Center Street, Mantua, NJ	8.62	199	6, 7	1972-10-24
15	Cross Keys Road, Winslow, NJ	29.97	302	1.01	2004-02-10
16	1145 Delsea Drive, Deptford, NJ	12.36	4	5	1965-04-08
17	1139 Delsea Drive, Deptford, NJ	1.076	4	25	1971-02-25
18	1597 Almonesson Road, Deptford, NJ	4.38	226	3	1971-05-10
19	Blackwood Barnsboro, Deptford, NJ	20.55	417	8	2000-12-22
20	70 Blackwood Barnsboro, Deptford, NJ	26.64	418	1	2004-12-14
21	90 Blackwood Barnsboro, Deptford, NJ	18.14	418	2	1997-10-27
22	450 Salina Road, Deptford, NJ	4.42	418	3	2007-08-27

<u>.</u>	<u>Property Address</u>	<u>Acreage</u>	<u>Block</u>	<u>Lot</u>	<u>Acquired</u>
23	52 Blackwood Barnsboro, Deptford, NJ	6.89	418	4	2004-12-14
24	54 Blackwood Barnsboro, Deptford, NJ	3.49	418	5	2004-12-14
25	Blackwood Barnsboro, Deptford, NJ	4.01	418	6	2004-12-14
26	Washington Ave, Franklin, NJ	14.71	103	59	1964-05-18
27	Tuckahoe Road, Franklin, NJ	12	6702	40	1963-09-03
28	1300 Tuckahoe Road, Franklin, NJ (Back)	10.83	6503	2	see line 31
29	1300 Tuckahoe Road, Franklin, NJ	17.11	6503	1	1963-09-03
30	Tuckahoe Road, Franklin, NJ	198.41	6503	1	see line 30
31	1300 Tuckahoe Road, Franklin, NJ (Back)	8	6503	2	*1963
32	Victoria Ave, Franklin, NJ	306	6503	7	1963-10-04
33	Tuckahoe Road, Franklin, NJ	20.5	6702	39	*1963
34	Tuckahoe Road, Franklin, NJ	308.92	6702	40	see line 27
35	Piney Lane, Franklin, NJ	75.49	6702	43	*1963
36	Weatherby Road, Maurice River, NJ	3.94	248	3	1984-12-31
37	Weatherby Road, Maurice River, NJ	35.91	122.01	19	1984-12-31
38	101-107 No 7th Street, Camden, NJ	0.109	125	12, 11, & 13	1999-03-11
39	124-128 No Broadway, Camden, NJ	0.081	125	57	2000-05-12
40	235 S. Pomona Road, Galloway, NJ	4.86	648	10	1981-11-16
41	336 Kings Highway, Dennis Township, NJ	42.15	256.05	13	1979-03-30
42	Tuckahoe & Blue Bell, Franklin, NJ	0.43	6001	1	1980-11-25
43	NJSH Route 45, South Harrison, NJ	39.23	28	9	1998-02-20
44	261 Cross Keys Road, Berlin, NJ	2	118	2	2000-09-18
45	263 Cross Keys Road, Berlin, NJ	4.317	118	3	2000-09-18
46	1 Redmond Avenue, Glassboro, NJ	0.3	21	7.01	2003-07-28
47	641 Bridgeton Pike, Elk, NJ	27.95	7	1	2005-03-29
48	248 Clayton-Aura Road, Clayton, NJ	55.4	502	4	see line 3
49	730 N. Delsea Drive, Clayton, NJ	3.208	1902	31	1995-06-16
50	312 Cumberland Street, Gloucester City, NJ	10x146	60	10	2005-09-30
51	Ferrel Road, South Harrison, NJ	21.5	15	4	1973-06-01
52	Pitney Rd, Galloway, NJ	22.17	988.01	26	1989-08-02

On March 15, 2021, the Diocese filed an Application for Retention of Professional Binswanger Company as Appraiser (the “Application”) in order to appraise and certain real property owned by the Diocese’s. [ECF 496]. The Application was granted by Order of the Court on March 23, 2021. [ECF 523]. On June 3, 2021, the Diocese filed a copy of the Appraisal Report dated May 25, 2021, prepared by Binswanger Company for the real property of the Diocese. [ECF 657]. Binswanger determined that the value of the Diocese’s real estate is \$20,470,000.

d. Parish Loans and Accounts Receivable

In the ordinary course of its business, the Diocese made various unsecured loans to the parishes and schools located within the territory of the Diocese. The following chart details the loans as of the Petition Date:

Loan No.	Description	Principal Balance	Doubtful or Uncollectible Amount
L-2003-228	Memorandum of Indebtedness (Amended) entered into January 1, 2013 between the Debtor and Camden Catholic High School, Cherry Hill, N.J. for outstanding payables. *This MOI was superseded.	\$757,300.35	\$189,325.09
L-2003-227	Memorandum of Indebtedness (Amended) entered into October 21, 2015 between the Debtor and Camden Catholic High School, Cherry Hill, N.J. for various capital improvements. (Consolidated Loan) *This MOI replaces and supersedes the MOI dated January 1, 2013.	\$786,285.15	\$196,571.29
L-1418-102	Memorandum of Indebtedness entered into on October 8, 2015 between the Debtor and The Parish of the Holy Cross, Bridgeton, NJ, for outstanding payables.	\$49,513.72	\$0.00
L-2001-221	Memorandum of Indebtedness entered into on October 13, 2017 between the Debtor and Holy Spirit High School, Absecon, NJ for payroll and outstanding accounts payable.	\$546,279.81	\$409,709.86
L-1435-007	Memorandum of Advances entered into on March 20, 2007 between the Debtor and St. Vincent Pallotti Parish, Haddon Township, NJ, for the purpose of rectory renovations (St. Joseph the Worker Rectory/Meeting Room).	\$256,875.51	\$192,656.63
L-1428-006	Memorandum of Indebtedness entered into July 1, 2005 between the Debtor and Resurrection (St. Maximilian Kolbe Deferred Bishop McHugh Regional School Loan).	\$247,955.54	\$123,977.77
L-1428-007	Memorandum of Indebtedness entered into July 1, 2005 between the Debtor and Resurrection (St. Maximilian Kolbe Deferred Bishop McHugh Regional School Loan).	\$561,000.00	\$280,500.00
L-1104-002	Memorandum of Indebtedness entered into September 1, 2012 between the Debtor and St. Joseph's Catholic Church, Sea Isle City, NJ, for the construction of a new church	\$4,847,715.17	\$0.00

Loan No.	Description	Principal Balance	Doubtful or Uncollectible Amount
L-1113-006	Memorandum of Indebtedness entered into on October 1, 2016 between the Debtor and St. Padre Pio Parish, Vineland, NJ, for the building of a gymnasium (St. Mary's Regional School renovation).	\$677,624.52	\$169,406.13
L-1113-007	Memorandum of Indebtedness entered into October 1, 2016 between the Debtor and St. Padre Pio Parish, Vineland, NJ, for the building of a gymnasium	\$267,355.22	\$66,838.81
L-1113-008	Memorandum of Indebtedness entered into October 1, 2016 between the Debtor and St. Padre Pio Parish, Vineland, NJ, for parish and school expenses	\$407,780.19	\$101,945.05
L-1119-006	Memorandum of Advances and Indebtedness No. 2 entered into July 1, 2009 between the Debtor and St. Agnes' Church, Blackwood Terrace, N.J.; The Roman Catholic Church of St. Jude, Gloucester Township, N.J.; The Church of St. Charles Borromeo, Washington Township, N.J.; The Church of Saints Peter and Paul, Washington Township, N.J.; and the Church of the Holy Family, Washington Township, N.J., for renovations of, and the addition of, a gymnasium to Our Lady of Hope Regional School building. (This Memorandum was replaced by Memorandum of Advances and Indebtedness No. 2A.)	\$52,228.48	\$0.00
L-1120-006	Memorandum of Advances and Indebtedness No. 2A entered into March 1, 2011 between the Debtor and Our Lady of Hope Parish, Blackwood, N.J. (formerly St. Agnes' Church, Blackwood Terrace, N.J.); The R.C. Church of St. Jude, Gloucester, Township, N.J. (Our Lady of Hope); The Church of St. Charles Borromeo, Washington Township, N.J.; The Church of Saints Peter and Paul, Washington Township, N.J.; and The Church of the Holy Family, Washington Township, N.J., for renovation and expansion of Our Lady of Hope Regional School and Our Lady of Hope Parish, Blackwood, N.J. (St Charles – Our Lady of Hope School Renovation Loan).	\$196,472.36	\$0.00

Loan No.	Description	Principal Balance	Doubtful or Uncollectible Amount
L-1417-006	Memorandum of Advances and Indebtedness No. 2A entered into March 1, 2011 between the Debtor and Our Lady of Hope Parish, Blackwood, N.J. (formerly St. Agnes' Church, Blackwood Terrace, N.J.); The R.C. Church of St. Jude, Gloucester, Township, N.J. (Our Lady of Hope); The Church of St. Charles Borromeo, Washington Township, N.J.; The Church of Saints Peter and Paul, Washington Township, N.J.; and The Church of the Holy Family, Washington Township, N.J., for renovation and expansion of Our Lady of Hope Regional School and Our Lady of Hope Parish, Blackwood, N.J.	\$628,133.40	\$0.00
L-1137-001	Memorandum of Indebtedness entered into December 12, 2003 between the Debtor and Mater Ecclesiae Chapel.	\$118,112.51	\$0.00
L-1401-001	Memorandum of Indebtedness entered into December 31, 2006 between the Debtor and Our Lady of Mt. Carmel/Fatima for Cathedral Immaculate Conception.	\$507,065.04	\$507,065.04
L-1416-001	Memorandum of Indebtedness entered into December 31, 2006 between the Debtor and Church of St. Edward.	\$335,743.10	\$167,871.55
L-1417-222	Memorandum of Indebtedness No. 1A entered into January 31, 2012 between the Debtor and Our Lady of Hope Parish, Blackwood, N.J. for the renovation and expansion of Our Lady of Hope Regional School (facility loan). (*This Memorandum, together with Memorandum of Indebtedness No. 1B, replace Memorandum of Advances and Indebtedness No. 1.))	\$100,263.89	\$25,065.97
L-1417-223	Memorandum of Indebtedness No. 1B entered into January 31, 2012 between the Debtor and Our Lady of Hope Parish, Blackwood, N.J. for the renovation and expansion of Our Lady of Hope Regional School.	\$428,542.55	\$107,135.64

Loan No.	Description	Principal Balance	Doubtful or Uncollectible Amount
L-1419-018	Memorandum of Indebtedness entered into July 10, 2015 between the Debtor and Saint Gabriel the Archangel Parish, Carneys Point, N.J. for prior year DSIP, pension and health insurance premiums owed to the Diocese.	\$149,967.98	\$0.00
L-1419-019	Memorandum of Indebtedness entered into between the Debtor and Saint Gabriel the Archangel Parish (debt forgiveness loan).	\$25,885.90	\$0.00
L-1420-002	Memorandum of Advances entered into April 21, 2016 between the Debtor and The Catholic Community of Christ Our Light for the purpose of constructing a parish center/gym.	\$1,584,918.24	\$0.00
L-1422-001	Memorandum of Advances entered into January 28, 2011 between the Debtor and Blessed Teresa of Calcutta for the purpose of replacing a heating and air conditioning system at St. John Church (\$85,000—partial of total loan).	\$425,610.27	\$319,207.70
L-1438-226	Memorandum of Indebtedness entered into March 31, 2012 between the Debtor and The Church of the Assumption at Pomona for the construction of Assumption Regional Catholic School.	\$2,890,348.65	\$2,890,348.65
L-1441-003	Memorandum of Indebtedness entered into July 22, 2011 between the Debtor and Divine Mercy Parish to pay school subsidy to Bishop Shad Regional School.	\$78,102.72	\$78,102.72
L-1442-022	Memorandum of Indebtedness entered into June 26, 2012 between the Debtor and Sacred Heart High School, Vineland, N.J. for operational expenses for the 2011-2012 school year.	\$308,000.00	\$308,000.00
L-1445-221	Memorandum of Advances entered into August 30, 2018 between the Debtor and Holy Angels Elementary School for the purpose of providing cash to pay outstanding accounts payable owed to outside parties.	\$428,329.00	\$107,082.00
L-1447-006	Memorandum of Indebtedness entered into September 1, 2012 between the Debtor and St. Vincent de Paul Catholic Church, Mays Landing, N.J. for the construction of a new church.	\$2,036,202.52	\$0.00

Loan No.	Description	Principal Balance	Doubtful or Uncollectible Amount
L-2006-227	Memorandum of Advances entered into June 7, 2019 between the Debtor and St. Joseph High School, Hammonton, N.J. for the purpose of providing cash to pay the outstanding invoices owed to Northeast Mechanical Services and to provide cash for operations in June 2019.	\$242,000.00	\$242,000.00
L-6133-661	Memorandum of Indebtedness entered into October 20, 2017 between the Debtor and John Wasilewski for federal tax liability and penalties.	\$8,319.43	\$0.00
L-1029-001	St. Joseph Pro. Cathedral Loan (No Loan Agreement)	\$948,570.05	\$948,570.05
L-1029-101	St. Joseph's SAP Ch. Loan (No Loan Agreement)	\$284,463.09	\$284,463.09
L-1029-102	St. Joseph's SAP Sch. Loan (No Loan Agreement)	\$5,000.00	\$5,000.00
L-1031-006	Our Lady of the Angels Bishop Mc Hugh Regional School Loan (No Loan Agreement)	\$397,215.33	\$238,329.20
L-1031-007	Our Lady of the Angels – Property Loan – Steel Road Properties (No Loan Agreement)	369,604.74	\$221,762.84
L-1401-006	Cathedral Immaculate Conception Loan (cathedral preservation) (No Loan Agreement)	\$3,481,397.95	\$3,481,397.95
L-1401-021	Holy Name Grade School Loan (No Loan Agreement)	\$64,072.00	\$64,072.00
L-1401-022	Holy Name School Operating Loan (No Loan Agreement)	\$199,737.00	\$199,737.00
L-1426-001	Our Lady of Guadalupe Loan (No Loan Agreement)	\$1,125,115.46	\$843,836.60
L-1426-221	Our Lady of Guadalupe – JP II School Renovation Loan (No Loan Agreement)	\$2,698,807.82	\$2,698,807.82
L-1426-222	St. JP II Regional Elementary School Loan (No Loan Agreement)	\$363,238.00	\$363,238.00
L-1438-010	Loan to Our Lady of Perpetual Help, 146 S. Pitney Road, Galloway, NJ 08205 (No Loan Agreement)	\$3,648,310.93	\$3,648,310.93
L-1442-001	Loan to Christ the Good Shepherd, 1655 Magnolia Road, Vineland, NJ 08361 (Sacred Heart Church) (No Loan Agreement)	\$2,238,571.26	\$2,238,571.26
L-1442-006	Loan to Christ the Good Shepherd, 1655 Magnolia Road, Vineland, NJ 08361 (Sacred Heart Prop. Loan) (No Loan Agreement)	\$61,234.02	\$61,234.02

Loan No.	Description	Principal Balance	Doubtful or Uncollectible Amount
L-1442-011	Loan to Christ the Good Shepherd, 1655 Magnolia Road, Vineland, NJ 08361 (St. Isadore) (No Loan Agreement)	\$169,320.63	\$169,320.63
L-1442-012	Loan to Christ the Good Shepherd, 1655 Magnolia Road, Vineland, NJ 08361 (Pension Loan) (No Loan Agreement)	\$243,320.00	\$243,320.00
L-1442-021	Loan to Christ the Good Shepherd, 1655 Magnolia Road, Vineland, NJ 08361 (Sacred Heart High School Loan) (No Loan Agreement)	\$379,820.00	\$379,820.00
L-1442-023	Loan to Christ the Good Shepherd, 1655 Magnolia Road, Vineland, NJ 08361 (Sacred Heart High School Expansion Loan) (No Loan Agreement)	\$235,000.00	\$235,000.00
L-2006-221	Loan to St. Joseph's High School, 328 Vine Street, Hammonton, NJ 08037 (No Loan Agreement)	\$1,133,706.63	\$1,133,706.63
L-2006-225	Loan to St. Joseph's High School, 328 Vine Street, Hammonton, NJ 08037 (Building Loan) (No Loan Agreement)	\$3,857,727.79	\$3,857,727.79
L-2006-226	Loan to St. Joseph High School, 328 Vine Street Hammonton, NJ 08037 (Payables Loan) (No Loan Agreement)	\$436,906.96	\$436,906.96
L-4042-441	Loan to Village Apartments, 1845 Haddon Avenue, Camden, NJ 08103 (Escrow Loan) (No Loan Agreement)	\$10,000.00	\$0.00
L1065-001	Loan to Our Lady of Sorrows Parish 724 Maple Avenue, Linwood, NJ 08221	\$71,655.00	\$17,913.75
	TOTAL:	42,372,725.88	\$28,253,856.66

All of the Loans were listed in the Diocese's petition. The allowance for doubtful accounts reflects collection experience and risk. This analysis is required under United States Generally Accepted Accounting Principles ("GAAP"). The Diocese conducts its analysis annually to comply with GAAP. The Diocese has not written off or waived any of its rights to collect on all loans and accounts receivable. The doubtful or uncollectible accounts are based on an analysis of the collectability of these accounts. Annually, the Finance Office of the Diocese meets and analyzes the loans and accounts receivable outstanding from each parish and other Catholic entity. The analysis includes, but is not limited to: (i) payment history for the last year of current and past debt; (ii) availability of funds in the Parish trust; (iii) finances of the Parishes and Schools (i.e. enrollment, ordinary income, etc.); and (iv) other circumstances of the individual parish or entity that may affect the ability to repay debt.

As a result of the pandemic, the Diocese waived, during the third and fourth quarter of 2020: (i) assessments on the Parishes; and (ii) interest on all loans. Insofar as assessments are based upon prior year income, the assessment collections for fiscal year 2021 were impacted.

Many of the outstanding loans and receivables are legacy debt resulting from the merger or consolidation of two or more parishes into a single parish. These mergers and consolidations were completed for financial reasons after significant analysis by the Diocese, the respective parish(es), and the congregants. Since 2009, forty-one (41) mergers or consolidations have occurred – resulting in the current sixty-two (62) parishes within the territory of the Diocese. For example, Loan No. L1401-001 is the result of certain mergers in 2010 of *The Church of the Immaculate Conception, Camden*; *The Church of the Holy Name, Camden, N.J.*; and the *Church of Our Lady of Mount Carmel and Fatima, Camden, N.J.* These parishes merged into *The Parish of the Cathedral of the Immaculate Conception*, whose current address is 642 Market Street, Camden, New Jersey 08102. As a result, *The Church of the Holy Name* loan for repairs, and the loans for operations and repairs for the *Church of Our Lady Mount Carmel and Fatima, Camden, N.J.* became the debt of *The Parish of the Cathedral of the Immaculate Conception*.

A full analysis of the loans and the doubtful/uncollectible amounts was provided by the Diocese to the Tort Claimants' Committee. This information included whether the loan was a performing or unperforming loan. The Diocese has no basis to accelerate performing loans.

The Liquidation Analysis provides a \$0.00 value for these loans and any outstanding accounts receivable owed by the parishes. This is the result of an analysis performed by the Diocese and the causes of action that would exist if the Diocese was liquidated. The parishes would have substantial claims and offsets against the Diocese for the following non-exhaustive services: (i) the Diocese's self-insurance program (DSIP); (ii) the health insurance program (CHIP-DOC); and (iii) accounting and operational support. Due to the above claims, there does not appear to be any significant value from these loans and receivables in a liquidation scenario.

In addition, each Parish has filed a proof of claim against the Diocese asserting various set offs and causes of action. [See Claim Nos. 287-366]. These claims include, but are not limited to: (i) indemnification, reimbursement and contribution claims; (ii) collateral and setoff rights; and (iii) claims related to the Parish Trusts. Id.

e. Litigation Claims Against The Diocese of Camden Trusts, Inc.

i. Alleged Fraudulent Transfer Claims

The Tort Committee has asserted that the Diocese has claims against DOC Trusts. The Diocese disagrees with the Tort Claimants' Committee's analysis.

DOC Trusts was incorporated as a New Jersey not-for-profit corporation on June 25, 2001. At the time of its formation, the Debtor was the sole member of DOC Trusts.²³ DOC Trusts was formed nearly seventeen (17) years before New Jersey Senate Bill No. 477 (“S477”) was introduced to the New Jersey Senate on January 9, 2018, and ultimately approved on May 13, 2019.

²³ DOC Trusts was subsequently amended to provide the Bishop of Camden, New Jersey as the sole member.

S477 reopened the statute of limitations in civil actions for certain sexual abuse claims, expanded categories of potential defendants in civil actions, and created a two-year window for parties to bring previously time-barred actions based on sexual abuse (“Revived Claims”). The two-year window became effective December 1, 2019 (“Renewed Deadline”).

Section 544(b) of the United State Bankruptcy Code provides that “the trustee may avoid any transfer of an interest of the debtor in property or any obligation incurred by the debtor that is voidable under applicable law.” In this case, the applicable law referenced in Section 544(b) is found in the New Jersey’s Uniform Fraudulent Transfer Act, N.J.S.A. 25:2-20, *et seq.* (the “NJ UFTA”).

N.J.S.A. 25:2-31 provides for the extinguishment of fraudulent transfer causes of action under the NJ UFTA as follows:

A cause of action with respect to a fraudulent transfer or obligation under this article is extinguished unless action is brought:

- (a) Under [N.J.S.A. 25:2-25(a)], within four years after the transfer was made or the obligation was incurred or, if later, within one year after the transfer obligation was discovered by the claimant;
- (b) Under [N.J.S.A. 25:2-25(b)] or [N.J.S.A. 25:2-27(a)], within four years after the transfer was made or the obligation was incurred; or
- (c) Under [N.J.S.A. 25:2-27], within one year after the transfer was made or the obligation was incurred.

N.J.S.A. 25:2-31. As such, the only potential basis to commence a cause of action under Section 544(b), would be a claim for actual fraud under N.J.S.A. 25:2-25(a). Any allegation of a constructive fraudulent transfer, vis-à-vis DOC Trusts formed over nineteen (19) years ago, is barred by the statute of limitations under the NJ UFTA. No party would be able to establish that there was ever any actual intent to hinder, delay or defraud any creditor at any time by the Diocese in the establishment of DOC Trusts. The Bankruptcy Code would not resurrect a cause of action which did not exist as of 2001. In re Bernstein, 259 B.R. 555, 559 (Bankr. D.N.J. 2001). In order to file a claim under section 544(b) of the Code, a party would first have to identify a creditor that could have brought a claim under the applicable state or federal law at the time the bankruptcy petition was filed, and the only possible basis would be through the one (1) year discovery rule provided under N.J.S.A. 25:2-31(a). Bernstein, 259 B.R. at 560.

N.J.S.A. 25:2-25(a), applicable to present and future creditors, provides:

a transfer made or obligation incurred by a debtor is fraudulent as to a creditor, whether the creditor’s claim arose before or after the transfer was made or the obligation was incurred, if the debtor made the transfer or incurred the obligation:

(a) With *actual intent* to hinder, delay, or defraud any creditor of the debtor

...

N.J.S.A. 25:2-25(a) (emphasis added). N.J.S.A. 25:2-29(a)(1) authorizes avoidance of a fraudulent transfer under New Jersey law.

In determining actual intent, the court may consider the following factors, or “badges of fraud”: (a) the transfer was made to an insider; (b) the debtor retained possession or control of the property transferred after the transfer; (c) the transfer was disclosed or concealed; (d) before the transfer was made, the debtor had been sued or threatened with suit; (e) the transfer was of substantially all the debtor’s assets; (f) the debtor absconded; (g) the debtor removed or concealed assets; (h) the value of the consideration received by the debtor was not reasonably equivalent to the value of the asset transferred; (i) the debtor was insolvent or became insolvent shortly after the transfer was made; (j) the transfer occurred shortly before or shortly after a substantial debt was incurred; and (k) the debtor transferred the essential assets of the business to a lienor who transferred the assets to an insider of the debtor. N.J.S.A. 25:2-26.

In addressing the first factor, whether the transfer was made to an insider, N.J.S.A. 25:2-22 defines the insider as follows:

- * * *
- (b) If the debtor is a corporation: (1) a director of the debtor; (2) an officer of the debtor; (3) a person in control of the debtor; (4) a partnership in which the debtor is a general partner; (5) a general partner in a partnership described in paragraph (4) of subsection b. of this definition; or (6) a relative of a general partner, director, officer, or person in control of the debtor;

* * *

 - (d) an affiliate, or an insider of an affiliate as if the affiliate were the debtor; and

* * *

 - (e) a managing agent of the debtor.

N.J.S.A. 25:2-22. The DOC Trusts is an independent nonprofit entity and does not fit any definition of an “insider”. Accordingly, It is similarly not an affiliate or managing agent of the debtor.

As for the second factor, once DOC Trusts was established, the Debtor did not retain possession or control of DOC Trusts, as that is the responsibility of the Board of Trustees, with the assistance of the Investment Committee. In order for the Debtor to receive any funds from DOC Trusts, a request had to approved by the trustees of the DOC Trusts after their independent review and consistent with their fiduciary obligations to the DOC Trusts Third, as to whether the transfer was disclosed or concealed, the establishment of DOC Trusts was never concealed. In fact, the Certificate of Incorporation, and all amendments were filed with the State of New Jersey and are public record. Fourth, as of the time DOC Trusts was established, any abuse claims against the Diocese were barred by the statute of limitations and could only be prosecuted if the

claimant prevailed in a *Lopez* hearing in litigation. No claimant prevailed in those that proceeded to *Lopez* hearings. Fifth, the transfer of assets provided for in DOC Trusts was not substantially all of the Diocese's assets. Sixth, the Diocese did not abscond and remained an integral part of South Jersey and served its ministry after the transfer to the DOC Trusts. Seventh, the Diocese did not remove or conceal assets. The transfers to DOC Trusts were done solely to support the Diocese's mission. Eighth, the Diocese funded DOC Trusts in furtherance of its mission, which was the consideration for such transfer. Furthermore, since its formation, the DOC Trusts have donated over \$69 million to the Diocese, which is further proof of a reasonably equivalent exchange of value. Ninth, the Diocese was not insolvent as a result of the establishment of DOC Trusts and did not become insolvent as a result of the establishment. In fact, from and after the establishment of DOC Trusts, the Diocese continued to fund survivor claims, therapeutic assistance to victims, and paid over \$842,000 towards the administration of the Independent Victim Compensation Program. Tenth, the establishment of DOC Trusts was not made shortly before a substantial debt was incurred by the Diocese. Finally, as to the last factor, the Diocese did not transfer essential assets to a lienor, who in turn transferred the assets to an insider of the Diocese.

The New Jersey Supreme Court has articulated that “[t]he proper inquiry is whether the badges of fraud are present, not whether some factors are absent. Although the presence of a single factor, *i.e.* badge of fraud, may cast suspicion on the transferor's intent, the confluence of several in one transaction generally provides conclusive evidence of an actual intent to defraud.” *Gilchinsky v. National Westminster Bank N.J.*, 159 N.J. 463, 477 (1999). Based on the totality of these circumstances, the Diocese submits that the badges are not present, and are wholly absent to provide any indicia of actual fraudulent intent by the Diocese. All actions taken have always been to further the Diocese's mission, which continues through this date.

Further, as a practical matter, the pursuit of DOC Trusts will be time consuming and expensive. While the likelihood of success is remote, no doubt exists that any such claim will involve substantial discovery and a lengthy trial, most likely before the United States District Court. Any final judgment will lead to an appeal to the Third Circuit Court of Appeals. The likely timeframe to resolve any contested claim will be at least five (5) years and cost in excess of \$1 million in fees and expenses.

Thus, to the extent any claims exist, the Diocese values these claims at \$0.00.

ii. Alleged Substantive Consolidation/Alter-Ego Claims

The Tort Committee has asserted that the assets of DOC Trusts should be treated as property of the Diocese's estate through substantive contribution and alter ego claims.

Substantive consolidation allows a court to treat “separate legal entities as if they were merged into a single survivor left with all the cumulative assets and liabilities (save for inter-entity liabilities, which are erased).” *In re Owens Corning*, 419 F.3d 195, 205 (3d Cir. 2005) (quoting *Genesis Health Ventures, Inc. v. Stapleton (In re Genesis Health Ventures, Inc.)*, 402 F.3d 416, 423 (3d Cir. 2005)). “The result is that claims of creditors against separate debtors morph to claims against the consolidated debtor.” *Id.* Substantive consolidation is “a construct of federal common law” that “emanates from equity.” *Id.*

In Owens Corning, the Third Circuit held that a proponent of substantive consolidation must demonstrate the following with regard to the entities for which consolidation is sought: “(i) prepetition they disregarded separateness so significantly their creditors relied on the breakdown of entity borders and treated them as one legal entity, or (ii) postpetition their assets and liabilities are so scrambled that separating them is prohibitive and hurts all creditors.” Id. at 211 (emphasis added).

First, with respect to whether “postpetition their assets and liabilities are so scrambled that separating them is prohibitive and hurts all creditors”, there is no evidence that the assets of the Diocese and DOC Trusts were combined pre- or post-petition. Accordingly, there can be no claim that the assets are “scrambled.”

Second, there is no evidence that the Diocese and DOC Trusts disregarded separateness or that any of its creditors treated them as one legal entity. As set forth above, the Diocese and DOC Trusts have separate Boards of Trustees, are separately incorporated, and run independently of each other. The books and records of the Diocese and DOC Trusts are maintained independently of each other. Accordingly, the Diocese does not believe that a claim exists relating to disregarding the separateness of the two entities. Moreover, the only common creditor of the Diocese and DOC Trusts – PNC Bank – clearly did not treat the Diocese and DOC Trusts as one legal entity. In this regard, the PNC Bank required that DOC Trusts guarantee the Loan and enter into a Pledge Agreement relating to DOC Trusts’ assets. PNC Bank’s course of dealing with DOC Trusts and the Diocese confirms their separateness.

Third, courts have prohibited the substantive consolidation of a debtor with a non-profit non-debtor entity. Off. Comm. of Unsecured Creditors v. The Archdiocese of Saint Paul and Minneapolis (In re The Archdiocese of Saint Paul and Minneapolis), 888 F.3d 944 (8th Cir. 2018) (“No appellate court has recognized the substantive consolidation of a debtor and a *non-profit* nondebtor, let alone a debtor and *over 200* non-profit non-debtors.”); see also 11 U.S.C. § 303(a) (“[a]n involuntary case may be commenced only under chapter 7 or 11 of this title, and only against a person, except a farmer, family farmer, or a corporation that is not a moneyed, business, or commercial corporation, that may be a debtor under the chapter under which such case is commenced.”). On this basis alone, such claims are futile. DOC Trusts is a non-profit entity formed under New Jersey law and, pursuant to the case law set forth herein, cannot be substantively consolidated with the Diocese.

The Tort Committee’s alter ego claims will similarly fail. In order to warrant piercing the corporate veil of a parent corporation, a party must establish two elements: 1) that the subsidiary was dominated by the parent corporation, and 2) that adherence to the fiction of separate corporate existence would perpetrate a fraud or injustice, or otherwise circumvent the law. State, Department of Environmental Protection v. Ventron, 94 N.J. 473, 500-01 (1983). In determining whether the first element has been satisfied, courts consider whether “the parent so dominated the subsidiary that it had no separate existence but was merely a conduit for the parent.” Id. at 501; Interfaith Cmty. Org. v. Honeywell Int’l, Inc., 215 F.Supp.2d 482, 497 (D.N.J. 2002) (“veil-piercing is proper when a subsidiary is an alter ego or instrumentality of the parent corporation”). In determining corporate dominance, courts engage in a fact-specific inquiry considering whether the subsidiary was grossly undercapitalized, the day-to-day involvement of the parent’s directors, officers and personnel, and whether the subsidiary fails to observe corporate formalities, pays no

dividends, is insolvent, lacks corporate records, or is merely a facade. Bd. of Trs. v. Foodtown, Inc., 296 F.3d 164, 172 (3d Cir. 2002); Pearson v. Component Tech. Corp., 247 F.3d 471, 484 (3d Cir.), cert. denied, 534 U.S. 950 (2001); Marzano v. Computer Sci. Corp., 91 F.3d 497, 513 (3d Cir. 1996); Solomon v. Klein, 770 F.2d 352, 353–54 (3d Cir. 1985); Seltzer v. I.C. Optics, Ltd., 339 F.Supp.2d 601, 610 (D.N.J. 2004).

Here, the Diocese and DOC Trusts do not have a parent/subsidiary relationship. First, there is no evidence that supports that the Diocese dominates DOC Trusts such that DOC Trusts has no separate existence. As set forth previously, the Diocese and DOC Trusts have separate boards and are separately incorporated. DOC Trusts makes funding decisions independently of the Diocese and has denied funding in the past. Thus, the DOC Trusts has not been a mere conduit for the Diocese. Second, DOC Trusts is not grossly undercapitalized or insolvent, the Diocese is not involved in the day-to-day operations of DOC Trusts, all corporate formalities are observed and DOC Trusts has corporate records. Finally, DOC Trusts was not separately incorporated to perpetrate a fraud. Accordingly, the Diocese believes this claim is futile.

Finally, as a practical matter, the pursuit of DOC Trusts will be time consuming and expensive. While the likelihood of success is remote, no doubt exists that any such claim will involve substantial discovery and a lengthy trial, most likely before the United States District Court. Any final judgment will lead to an appeal to the Third Circuit Court of Appeals. The likely timeframe to resolve any contested claim will be at least five (5) years and cost in excess of \$5 million in fees and expenses.

Thus, to the extent that any claims exist, the Diocese values these claims at \$0.00.

f. Litigation Claims Against the Parishes

i. Substantive Consolidation/Alter Ego Claims

The Tort Committee has asserted that the Parishes should be substantively consolidated with the Diocese. Through this allegation, the Tort Committee asserts that the Parishes' assets (and liabilities) should be combined with the Diocese. The case law associated with substantive consolidation is set forth above. The Diocese does not believe that there is any basis for consolidation of the Parishes and the Diocese.

As set forth above, the Third Circuit held that a proponent of substantive consolidation must demonstrate the following with regard to the entities for which consolidation is sought: "(i) prepetition they disregarded separateness so significantly their creditors relied on the breakdown of entity borders and treated them as one legal entity, or (ii) postpetition their assets and liabilities are so scrambled that separating them is prohibitive and hurts all creditors." Id. at 211 (emphasis added).

First, similar to the claims made against DOC Trusts, no evidence exists that the assets of the Diocese and the Parishes are "so scrambled that separating them is prohibitive and hurts all creditors." While the Parish Trusts are held in a joint investment vehicle with investments by the Diocese and other Catholic entities, all Parish funds are traceable. For example, the Diocese has produced ten years of statements to the Tort Committee demonstrating that all funds are traceable. Thus, any allegation that the assets are "scrambled" has no weight. Besides the Parish Trusts, all

other assets of the Parishes are held and maintained by the individual Parishes. Each Parish holds title to its own real estate, has its own operating and other bank accounts, and its own employees and payroll. Thus, the Diocese does not believe that there is any basis for asserting substantive consolidation under this theory of Owens Corning.

Second, there is no evidence that the Diocese and the Parishes disregarded separateness or that any of its creditors treated them as one legal entity. Each Parish is a separate legal entity formed properly under New Jersey law. Each parish has its own board of trustees, which is also formed in accordance with New Jersey law. The books and records of the Diocese and each Parish are maintained independently of each other. Accordingly, no claim exists relating to disregarding the separateness of the Parishes.

Finally, as set forth above, courts have prohibited the substantive consolidation of a debtor with a non-profit non-debtor entity. The Parishes are each a non-profit entity formed under New Jersey law and, pursuant to the case law set forth herein, cannot be substantively consolidated with the Diocese. Thus, the Diocese does not believe that it has a claim against the Parishes for substantive consolidation.

The Tort Committee also asserts the Diocese and the Parishes are alter egos. As set forth above, in order to assert this claim, a party must establish two elements: 1) that the subsidiary was dominated by the parent corporation, and 2) that adherence to the fiction of separate corporate existence would perpetrate a fraud or injustice, or otherwise circumvent the law. State, Department of Environmental Protection v. Ventron, 94 N.J. 473, 500-01 (1983). The analysis, here, is similar to that of DOC Trusts. First, the Diocese and the Parishes do not have a parent/subsidiary relationship. Second, there is no evidence that supports that the Diocese dominates Parishes such that DOC Trusts has no separate existence. As set forth previously, the Diocese and Parishes have separate boards and are separately incorporated. The Parishes function independently of the Diocese. Thus, the Parishes has not been a mere conduit for the Diocese. Indeed, several of the Parishes existed prior to the creation of the Diocese. Second, the Parishes are not grossly undercapitalized or insolvent, the Diocese is not involved in the day-to-day operations of the Parishes, all corporate formalities are observed and the Parishes have separate corporate records. Finally, the Parishes were not separately incorporated to perpetrate a fraud. Accordingly, this claim is futile.

Finally, as set forth above, the pursuit of claims against the Parishes will be time consuming and expensive. While the likelihood of success is remote, no doubt exists that any such claim will involve substantial discovery and a lengthy trial, most likely before the United States District Court. Any final judgment will lead to an appeal to the Third Circuit Court of Appeals. The likely timeframe to resolve any contested claim will be at least five (5) years and cost in excess of \$5 million in fees and expenses.

Thus, to the extent that any claims exist, the Diocese values these claims at \$0.00.

g. The Diocese’s Insurance Program

From 1969 through present, the Diocese has maintained an insurance program for itself and certain Catholic organizations located within the territory of the Diocese. These insurance policies are property of the Diocese’s estate.

The Diocese is unaware of any insurance programs prior to 1969. As set forth above, however, the Diocese and the Tort Committee have jointly retained IAG as an insurance archeologist to search for information regarding pre-1969 insurance policies of the Diocese. At the time of the filing of the Disclosure Statement, such search is still in progress.

With respect to the post-1969 insurance program, the Diocese is aware of the following insurance providers per year:

Year	Insurance Company
1969	Insurance Company of North America
1970	Insurance Company of North America
1971	Insurance Company of North America
1972	Insurance Company of North America Lexington Insurance Co./Granite London & Edinburgh General Underwriters at Lloyd's
1973	Lexington Insurance Co./Granite London & Edinburgh General Underwriters at Lloyd's
1974	Lexington Insurance Co./Granite Underwriters at Lloyd's
1975	Lexington Insurance Co./Granite Underwriters at Lloyd's London & Edinburgh General
1976	London & Edinburgh General Underwriters at Lloyd's
1977	London & Edinburgh General Underwriters at Lloyd's
1978	London & Edinburgh General Underwriters at Lloyd's Interstate Fire & Casualty Co.
1979	Interstate Fire & Casualty Co. Underwriters at Lloyd's
1980	Interstate Fire & Casualty Co. Underwriters at Lloyd's
1981	Interstate Fire & Casualty Co. Underwriters at Lloyd's
1982	Interstate Fire & Casualty Co. Underwriters at Lloyd's

Year	Insurance Company
1983	Interstate Fire & Casualty Co. Underwriters at Lloyd's Century Indemnity Co.
1984	Century Indemnity Co. Interstate Fire & Casualty Co. Underwriters at Lloyd's
1985	Century Indemnity Co. Interstate Fire & Casualty Co. Underwriters at Lloyd's Granite State Ins. Co.
1986	Century Indemnity Co. Interstate Fire & Casualty Co. Underwriters at Lloyd's Granite State Ins. Co.
1987	Underwriters at Lloyd's Lexington Insurance Co.
1988	Lexington Insurance Co. TNCRRG
1989	Lexington Insurance Co. TNCRRG
1990	Lexington Insurance Co. TNCRRG United National Ins. Co.
1991	TNCRRG United National Ins. Co.
1992	TNCRRG United National Ins. Co. Federal Insurance Co.
1993	Federal Insurance Co. TNCRRG United National Ins. Co.
1994	Federal Insurance Co. TNCRRG United National Ins. Co.
1995	Federal Insurance Co. TNCRRG United National Ins. Co.
1996	Federal Insurance Co. TNCRRG United National Ins. Co.
1997	TNCRRG United National Ins. Co. National Union

Year	Insurance Company
1998	TNCRRG United National Ins. Co. National Union
1999	National Union TNCRRG United National Ins. Co. AESLIC
2000	TNCRRG United National Ins. Co. Underwriters at Lloyd's
2001	TNCRRG Underwriters at Lloyd's United National Ins. Co. Lexington Insurance Co.
2002	Lexington Insurance Co. TNCRRG United National Ins. Co. Lexington Insurance Co.
2003	TNCRRG
2004	TNCRRG
2005	TNCRRG
2006	TNCRRG
2007	TNCRRG
2008	No claims filed in this period.
2009	No claims filed in this period.
2010	TNCRRG
2011	No claims filed in this period.
2012	No claims filed in this period.
2013	No claims filed in this period.
2014	No claims filed in this period.
2015	TNCRRG
2016	TNCRRG
2017	No claims filed in this period.
2018	TNCRRG
2019	TNCRRG
2020	TNCRRG

Where multiple insurance policies are reflected, some policies are primary, and others are excess. All these policies have a self-insured retention amounts attributable to the Diocese.

The insurers have asserted various defenses in the Insurance Action, including, but not limited to, the following defenses:

1. Certain policies attach, if at all, only after certain self-insured retentions have been exhausted and/or after the limits of liability of any applicable underlying insurance and/or any applicable underlying limits have been exhausted regardless of the exhaustion or unavailability of such underlying insurance and/or underlying limits.

2. Certain insurers do not have a duty to defend or settle, only to indemnify covered ultimate net loss. There is no obligation to reimburse defenses expenses or a loss payment until after the underlying claim is resolved and coverage for that claim has been determined.

3. There is no coverage for any entity or person that does not qualify as an assured under the respective policies.

4. Notice of the claims by the Diocese was untimely.

5. The Diocese breached its duty of cooperation under certain policies.

6. There is no coverage if a claimant alleges, or a determination is made, that the Diocese (or any other Assured), was aware of the alleged perpetrator's deviant propensities or history of molesting children prior to or during the alleged abuse.

7. There is no coverage for volitional acts.

8. There is no coverage arising from underlying actions and underlying claims which involve claimants who previously asserted claims that were litigated to conclusion, settled, or otherwise resolved by the Diocese.

9. There is no coverage for any claim known to be false or fraudulent, and coverage under the insurance policies shall become void, and all claims thereunder shall be forfeited, if any such claim is made.

10. Punitive damages may be excluded from coverage under the definition of "occurrence" and under the applicable law and public policy

11. The claims may not be covered under any policy issued or allegedly issued to the Diocese by an Insurer, in whole or in part, to the extent that any bodily injury or event resulting in such injury or damage arises from deliberate, willful and/or intentional conduct substantially certain to result in injury.

The Diocese disputes these defenses. In addition, the Insurers have raised the issues in connection with this Plan, including, but not limited to, the following:

1. The Plan does not provide, in any way, for settlements with insurers. The Diocese asserts, however, that the Insurers failure to settle in advance of confirmation of the Plan will result in all their claims being determined in the adversary proceeding being assigned to the Trust.

2. The Insurers contend that the Trust Administrator’s duties under the certain insurance policies pose an irreconcilable conflict, and the Trust Administrator cannot both (i) vigorously defend claims, and (ii) act only in the interests of the Trust’s beneficiaries, each as required by New Jersey law. Thus, the Trust Administrator might be unable to obtain any proceeds from the certain insurance policies and could thus be in breach of the Trust Administrator’s duties to the Tort Claimants and Future Tort Claimants.

Despite these defenses, the Diocese believes that these insurance policies are a valuable asset of the estate. As set forth herein, the Diocese proposes to assign its interest in any policy, including the net proceeds, that has not been settled in advance of confirmation of the Plan to the Trust.

**ARTICLE VII.
VALUATION OF TORT CLAIMS**

The Diocese does not believe that Tort Claims need to be valued in order to provide adequate disclosure to holders of Tort Claims or to satisfy the standards to obtain nonconsensual third-party releases in favor of the Covered Parties. Despite this contention, the Diocese provides the following analysis of claims. The Diocese reserves all of its rights with respect to the claims and valuations, including, but not limited to, its right to: (i) dispute the validity of each claim; (ii) dispute the allegations or facts in each claim; and/or (iii) alter the value assigned to any claim.

As set forth above, the Diocese, along with the Archdiocese of Newark and Dioceses of Trenton, Paterson, and Metuchen, engaged the IVCP to consensually resolve claims prior to its bankruptcy proceedings. The IVCP was administered by Kenneth R. Feinberg and Camille S. Biros, two noted victims’ compensation experts who have designed and administered similar compensation programs for the Catholic Dioceses in New York and Pennsylvania. The IVCP Administrators determined the following values when fixing claims in the IVCP:

IVCP SETTLEMENT COMPENSATION SUMMARY		
Category	Description of Abuse	Range of Compensation
CATEGORY I	Sex talk, no physical touching	\$0- \$25,000
CATEGORY II	Nudity/Pornography - no physical touching	\$25,000 - \$50,000
CATEGORY III	Fondling over clothing	\$50,000 - \$100,000
CATEGORY IV	Fondling under clothing	\$100,000 - \$150,000
CATEGORY V	Masturbation	\$150,000 - \$200,000
CATEGORY VI	Oral sex	\$200,000 - \$350,000
CATEGORY VII	Penetration	\$350,000 - \$500,000

Using the above values, Eisner Amper, the Diocese’s Financial Advisors, analyzed each of the IVCP claims, including the determinations issued by the IVCP Administrators following their independent review of each claim. Through this process, Eisner Amper was able to determine the average award in each category, including the impact of the step downs per the IVCP. A chart of this analysis is attached to the Disclosure Statement as **Exhibit I**.

Following the Bar Date, a total of 345 Tort Claim proofs of claim were filed against the Diocese. Upon review, the Diocese determined that several of the claims were duplicates. Accordingly, the total number of Tort Claim proofs of claim is 324.

The Diocese, along with Eisner Amper, then reviewed each of the claims filed in this case and assigned each claim to one of the IVCP categories. Classifications were made based on the highest level of abuse alleged in the proof of claim. Eisner Amper then applied the Average Award Paid to the claims in each category for each proof of claim.

The Diocese valued 224 claims based on this IVCP analysis. These 224 claims aggregate to \$32,683,744 of the total amount of the valued claims. An additional 67 claims were valued at lower amounts, due to the fact that the proofs of claim allege inconsistent details or the allegations are not consistent with background facts. These claims include, but are not limited to, claims that: (i) do not allege any connection to the Diocese or the Parishes; (ii) claims against priests who have no other claims made against them and no evidence of misconduct has ever been reported against the priest; (iii) the claim is insufficiently detailed to determine who the alleged abuser is; or (iv) the victim of abuse was an adult at the time of the alleged abuse. As a result, these claims have a total adjusted value of \$1,715,000. The remaining 33 claims were given a value of \$0.00. These claims include, but are not limited to, the following: (i) claims of abuse made against Boy Scouts of America leaders with no connection to the Diocese or a Parish; (ii) claims made against priests that were not part of the Diocese; (iii) previously settled claims; and (iv) claims with no details.

Thus, based on this analysis, Eisner Amper arrived at a total valuation for the claims of **\$34,398,744**. A chart of this analysis is attached to the Disclosure Statement as **Exhibit J**.

ARTICLE VIII. SUMMARY OF THE PLAN OF REORGANIZATION

The following is a summary of the significant elements of the Plan. This Disclosure Statement is qualified in its entirety by reference to the Plan. This summary does not describe every element of the Plan and is not a substitute for a complete review of the Plan. All parties are encouraged to review the Plan in its entirety for a full understanding of its provisions and impact on Creditors and Interest Holders. If there are any inconsistencies between the provisions of this Disclosure Statement and the provisions of the Plan, the provisions of the Plan will control.

A. What Creditors Will Receive Under the Proposed Plan

The Plan classifies claims in various classes. The Plan states whether each class of claims is impaired or unimpaired. The Plan provides the treatment each class will receive. A copy of the Plan is annexed hereto as **Exhibit A**.

B. Classification of Claims and Interests

As set forth in Articles III and IV of the Plan, the Plan classifies the various Claims against, and Interests in, the Debtor and specifies their treatment pursuant to sections 1122 and 1123(a) of the Bankruptcy Code. All Claims and all Interests, as defined herein and in Section 101(5) of the Bankruptcy Code, except the Fee Claims, Administrative Expense Claims, U.S. Trustee Fees, and Priority Tax Claims, are placed into the Classes set forth below. Pursuant to Section 1123(a)(1)

of the Bankruptcy Code, Fee Claims, Administrative Expense Claims, U.S. Trustee Fees, and Priority Tax Claims, as described below, are not classified in the Plan, and the treatment of such Claims is set forth in Article III below. A Claim is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, discharged, released or otherwise settled prior to the Effective Date.

a. Unclassified Claims

The following are the unclassified Claims: Fee Claims, Administrative Expense Claims, U.S. Trustee Fees, and Priority Tax Claims. Unclassified Claims are not Impaired by the Plan. Each Holder of an unclassified Claim is conclusively presumed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan.

b. Unimpaired Classes of Claims

Each holder of an Allowed claim in the following class is unimpaired and deemed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan: Priority Non-Tax Claims.

c. Impaired Classes of Claims

Each Holder of an Allowed Claim in the following classes is impaired and entitled to vote to accept or reject the Plan:

Class	Claims & Interest	Status	Voting Rights
2	PNC Bank, N.A.	Impaired	Entitled to Vote
3	Non-Abuse General Unsecured Claims	Impaired	Entitled to Vote
4	Underfunded Pension Claims	Impaired	Entitled to Vote
5	Tort Claims Other Than Unknown Tort Claims	Impaired	Entitled to Vote
6	Unknown Tort Claims	Impaired	Entitled to Vote
7A	Abuse Related Contingent Claims	Impaired	Not Entitled to Vote
7B	Abuse Related Contingent Claims	Impaired	Not Entitled to Vote
8	Non-Abuse Litigation Claims	Impaired	Entitled to Vote

ARTICLE VII.
TREATMENT OF UNCLASSIFIED CLAIMS

C. Administrative Expenses Claims

Administrative Expense Claims are Claims for costs or expenses of administering the Debtor's Chapter 11 Case which are allowed under Bankruptcy Code section 503(b) or otherwise. The Bankruptcy Code requires that all administrative expenses be paid on the Effective Date of the Plan, unless a particular claimant agrees to different treatment. The Debtor or Reorganized Debtor, as appropriate, shall pay each Holder of an Allowed Administrative Expense Claim in full, in cash, on the later of (i) fifteen (15) days after the Effective Date; or (ii) fifteen (15) days after the date on which such claim becomes an Allowed Administrative Expense Claim. Notwithstanding anything in the Plan to the contrary, the Holder of an Allowed Administrative Claim may be paid on such other date and upon such other terms as may be agreed upon by the Holder of an Allowed Administrative Expense Claim and Debtor/Reorganized Debtor.

D. Priority Tax Claims

The Debtor shall pay any Allowed Priority Tax Claims, in full, in Cash, without interest, as soon as practicable after the later of (i) fifteen (15) days after the Effective Date, (ii) fifteen (15) days after the date on which such claim becomes an Allowed Priority Tax Claim, (iii) at the option of the Debtor prior to the Effective Date in accordance with Section 1129(a)(9)(C) of the Bankruptcy Code, in Cash, in an aggregate amount of such Allowed Priority Tax Claim payable in regular quarterly installments over a period of not more than five (5) years from the Petition Date, or (iv) such other treatment agreed to by the Debtor and the Holder of such Allowed Priority Tax Claim; *provided, however*, that the Holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty arising with respect to, or in connection with any Priority Tax Claim. Any demand for any such penalty will be deemed disallowed by Confirmation of the Plan.

The Debtor is unaware of any Priority Tax Claims.

E. U.S. Trustee Fees.

All outstanding U.S. Trustee Fees that have not been paid as of the Effective Date shall be paid no later than fifteen (15) days after the Effective Date or when such U.S. Trustee Fees come due in the ordinary course.

The Debtor does not anticipate that there will be any outstanding U.S. Trustee Fees, except those that have not become due in the ordinary course at the time of confirmation.

F. Fee Claims.

All entities seeking an award by the Bankruptcy Court of Fee Claims (i) shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is 30 days after the Effective Date and (ii) shall be paid in full in such amounts as are Allowed by the Bankruptcy Court (a) on the date upon which the Order relating to any such Allowed Fee Claim is entered, or (b) upon such other terms

as may be mutually agreed upon between the holder of such an Allowed Fee Claim and the Debtor. The Reorganized Debtor is authorized to pay compensation for services rendered or reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval.

The Debtor estimates the following Fee Claims:

Name of Professional and Role in Case	Estimated Amount of Fee Claim	Proposed Payment
Trenk Isabel P.C. <i>Current Attorneys for Debtor</i>	\$500,000	Payment in full on Effective Date or as otherwise agreed upon between the Debtor and the professional.
McManimon, Scotland & Baumann, LLC <i>Initial Attorneys for Debtor</i>	\$645,722.52	Paid in full in accordance Order Granting Second and Final Application for Compensation. [ECF 820].
EisnerAmper, LLP <i>Financial Advisors for Debtor</i>	\$650,000	Payment in full on Effective Date or as otherwise agreed upon between the Debtor and the professional.
Cooper Levenson, P.A. <i>Special Counsel for Debtor</i>	\$300,000	Payment in full on Effective Date or as otherwise agreed upon between the Debtor and the professional.
Duane Morris, LLC <i>Special Counsel for Debtor</i>	\$134,750	Paid in full from settlement proceeds in accordance with the Order Granting First and Final Application for Compensation. [ECF 223].
A. Atkins Appraisal Corp. <i>Appraiser for Debtor</i>	\$13,292.70	Paid in full in accordance with Order Granting First and Final Application for Compensation. [ECF 431].
Binswanger Company <i>Real Estate Appraiser for Debtor</i>	\$64,000	Paid in full in accordance with the Order Granting First and Final Application for Compensation.

Name of Professional and Role in Case	Estimated Amount of Fee Claim	Proposed Payment
Insurance Archeology Group <i>Insurance Archeologist to the Debtor and Tort Committee</i>	\$15,000	Payment in full on Effective Date or as otherwise agreed upon between the Debtor and the professional.
Lowenstein Sandler LLP <i>Counsel for the Tort Committee</i>	\$5,500,000	Payment in full on Effective Date or as otherwise agreed upon between the Debtor and the professional.
Berkeley Research Group <i>Financial Advisor for the Tort Claimants' Committee</i>	\$1,500,000	Payment in full on Effective Date or as otherwise agreed upon between the Debtor and the professional.
Finance Scholars Group <i>Expert Witness and Claims Evaluator to the Tort Committee</i>	\$50,000	Payment in full on Effective Date or as otherwise agreed upon between the Debtor and the professional.
Porzio, Bromberg & Newman, P.C. <i>Counsel for the Trade Committee</i>	\$450,000	Payment in full on Effective Date or as otherwise agreed upon between the Debtor and the professional.

ARTICLE VIII.
TREATMENT OF CLAIMS AND INTERESTS

A. Estimates of Claims

The amounts listed below represent estimated Allowed Claims, and do not represent amounts actually asserted by creditors in proofs of claim or otherwise. The Debtor has not completed its analysis of Claims in the Chapter 11 Cases and objections to such Claims have not been made or fully litigated. Therefore, there can be no assurances of the exact amount of the Allowed Claims at this time. Rather, the actual amount of the Allowed Claims may be greater or lower than estimated. The estimated percentage recovery is based upon, among other things, an estimate of the Allowed Claims in the Chapter 11 Cases. The actual amount of the Allowed Claims may be greater or lower than estimated. Thus, the actual recoveries may be higher or lower than projected depending upon, among other things, the amounts and priorities of Claims that are actually Allowed by the Bankruptcy Court.

B. Treatment of Class 1 (Priority Non-Tax Claims).

Class 1 consists of the Priority Non-Tax Claims which are defined by the Plan as all Claims that are entitled to priority pursuant to Section 507 of the Bankruptcy Code and that are not General Administrative Expense Claims or Priority Tax Claims. The legal and equitable rights of the Holders of Allowed Priority Non-Tax Claims are unaltered by the Plan. Except to the extent that a Holder of an Allowed Priority Non-Tax Claim and the Debtor shall have agreed in writing to a different treatment, each Holder of an Allowed Priority Non-Tax Claim shall receive, in full and final satisfaction of such Claim, payment in full in Cash, without interest, in an amount equal to such Allowed Priority Non-Tax Claim as soon as reasonably practicable after the later of (a) the Effective Date and (b) the date when such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim.

The Debtor estimates that there will be no Priority Non-Tax Claims.

C. Treatment of Class 2 (PNC Bank).

PNC Bank is an unsecured creditor of the Diocese but is secured by the Pledge Agreement and Guaranty described above by DOC Trusts. Accordingly, PNC Bank is entitled to separate treatment under the Plan.

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
2	PNC Bank • Total amount of claims = Approximately \$23.8 million Estimated Distribution: 100%	N	Y	Term – Five (5) years Amortization – Monthly Principal and Interest payments based upon a fifteen (15) year amortization period Interest Rate – Libor plus one hundred basis points, with a floor of fifty basis points, subject to the Lender’s standard LIBOR transition provisions. The Debtor shall assume and reaffirm all loan documents with PNC and all such loan documents and provisions shall remain in full force and effect until all obligations of the Debtor have been indefeasibly paid in full.

D. Treatment of Class 3 (General Unsecured Claims).

General Unsecured Claims are unsecured claims not entitled to priority under Bankruptcy Code section 507(a) that are not Tort Claims or Non-Abuse Litigation Claims.

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
3	General unsecured claims • Total amount of claims = (this amount is still being determined in light of the fact that certain claims are subject to objection and reclassification, but is anticipated to be \$2 million). Estimated Distribution: 75%	N	Y	Allowed Class 3 Claims shall be paid a <i>pro rata</i> portion of a \$1,500,000 distribution over five (5) years. Payments may be made quarterly.

E. Treatment of Class 4 (Underfunded Pension Claims).

Underfunded Pension Claims are unsecured claims that are based on the Debtor’s underfunded pension plans: (i) Pension Plan for Priests of the Diocese of Camden; (ii) Pension Plan for Certain Lay Employees of the Diocese of Camden; and (iii) Post-Retirement Benefits Plan for Priests of the Diocese of Camden. The Debtor estimates that these claims are approximately \$45,439,291.

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
4	Underfunded Pension Claims • Total amount of claims = estimated at \$45,439,291. Estimated Distribution: 88%	N	Y	Allowed Class 4 Claims shall be paid \$2,000,000 a year for 20 years. Payments may be made quarterly.

F. Treatment of Class 5 (Abuse Tort Claims Other Than Unknown Tort Claims).

A Class 5 Claim means an Abuse Tort Claim other than an Abuse Unknown Tort Claim. The Plan creates a Trust to fund payments to Class 5 Claims entitled to such payments under the Plan and Trust Agreement. Class 5 Claimants’ share of the Trust Assets as provided by the Trust Distribution Plan is the only amount, if any, they will be entitled to receive from the Covered Parties. Distribution from the Trust does not preclude Claims or recoveries by Tort Claimants against Persons who are not Covered Parties for the liability of such Persons not attributable to the causal fault or share of liability of Covered Parties. Any Person that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with the Abuse that forms the basis of a Tort Claim shall not be liable for any Covered Party’s share of causal liability or fault nor have any claim against the Covered Parties.

Except with respect to the Covered Parties, nothing in the Plan is intended to affect, diminish, or impair the rights of any Tort Claimant against any Person named or that could be

named as a defendant in a lawsuit based on the Abuse that forms the basis for his or her Tort Claim except that the rights of Tort Claimants against third-parties, including joint tortfeasors, does not include the right of the Tort Claimants to collect or to obtain a reallocation of the share of any judgment initially allocated to a Covered Party to any third-party based on the causal fault or share of liability of Covered Parties. Any Person that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with a Tort Claim shall not be liable for any Covered Party's share of liability or fault. Under no circumstances will the reservation of such Tort Claimant's rights against any other Person impair the discharge or Channeling Injunctions with respect to any Covered Party and the Reorganized Debtor.

The Covered Parties' liability for and obligation to pay, if any, Class 5 Claims shall be assigned to and assumed by the Trust. The Trust shall be funded as set forth in the Plan. Each Class 5 Claim will be estimated solely for the purpose of voting. The Covered Parties shall have no further liability in connection with Class 5 Claims.

Nothing in this Article requires any Tort Claimant to release any Claims against any joint tortfeasor who is not a Covered Party, and such Claims are reserved. But in no event may a Tort Claimant collect on that portion of any judgment or obtain any reallocation of any judgment based on the causal fault or share of liability of any Covered Parties.

Based on the valuations set forth herein, the Diocese believes that Class 5 Claimants will receive 100% of the value of their claims. As set forth above, the Diocese believes the value of Class 5 claims are \$34,398,744. The Diocese and the Covered Parties have agreed to fund the Plan with \$26,258,590. The Diocese believes that the value of the Diocese's insurance policies is no less than \$8,140,154. Thus, Class 5 Claims will be paid in full.

Notwithstanding the foregoing, any Class 5 creditor who: (i) elects to receive payment of their claim over seven (7) years in equal annual installments from the Diocese; (ii) votes in favor of the Plan; and (iii) grants releases to all of the Covered Parties, shall receive 150% of their claim amount as determined under the valuation provided for herein. The solicitation package sent to Tort Claimants will contain information relating to this option. Any Class 5 creditor who does not elect to receive this treatment will be receive payments from the Trust as determined by the Trust Administrator. The base amount (i.e. the 100% value) of any Class 5 Creditor's claim who elects this enhanced treatment shall be removed from the Diocese's contribution to the Trust. By way of example, if a creditor who has a claim value of \$100,000 under the IVCP analysis, such creditor will receive \$150,000 over seven years in seven equal annual installments from the Diocese. Under this example, the Diocese would reduce its contribution to the Trust by \$100,000.

During the course of the Chapter 11 proceedings, two substantial Tort Claimants contacted the Diocese in an attempt to resolve their claims. The RH Claimants, represented by Carl Poplar, Esq. agreed to resolve their claims as follows: (i) an allowed claim of 100,000 paid in equal annual installments over ten years; and (ii) an allowed claim of \$75,000 paid in equal annual installments over ten years. In connection with this resolution, the Diocese filed a *Motion for Entry of an Order to Approve Settlement of Controversary by and Among the Diocese and the RH Claimants Pursuant to Federal Rule of Bankruptcy 9019(a)* seeking approval of a settlement with the RH Claimants. After oral argument, the Court granted the RH Motion, without prejudice to all parties' rights in connection with the plan reorganization process.

G. Treatment of Class 6 (Abuse Unknown Tort Claims).

A Class 6 Claim means an Abuse Unknown Tort Claim. The Plan requires that the Reorganized Debtor fund payments to Class 6 Claimants entitled to such payments under the Plan and Trust Distribution Plan. Class 6 Claimants will receive distributions from the Trust. Payment by the Trust does not preclude Claims or recoveries by Tort Claimants against Persons other than the Covered Parties and the Reorganized Debtor for the liability of such other Persons not attributable to the causal fault or share of liability of Covered Parties. Any Person that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with the Abuse that forms the basis of a Tort Claim shall not be liable for any Covered Party's share of causal liability or fault.

Except with respect to the Covered Parties (other than the Reorganized Debtor), nothing in the Plan is intended to affect, diminish, or impair the rights of any Unknown Tort Claimant against any Person named or that could be named as a defendant in a lawsuit based on the Abuse that forms the basis for his or her Unknown Tort Claim except that the rights of Unknown Tort Claimants against third-parties, including joint tortfeasors, does not include the right of the Unknown Tort Claimants to collect or to obtain a reallocation of the share of any judgment initially allocated to a Covered Party to any third-party based on the causal fault or share of liability of Covered Parties. Any Person that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with the Abuse that forms the basis of an Unknown Tort Claim shall not be liable for any Covered Party's share of liability or fault.

The Covered Parties' liability for and obligation to pay, if any, Class 6 Claims shall be assumed by the Trust. The maximum amount of the Trust's obligation to pay Class 6 Claimants shall be \$500,000. The Reorganized Debtor and the Covered Parties shall have no further liability therefor. Individuals determined to hold a Class 6 Claim shall provide sufficient information to allow the Tort Claims Reviewer to make an evaluation of the Class 6 Claim pursuant to the factors in the Trust Distribution Plan, before any payment shall be made on a Class 6 Claim.

Class 6 Claims will be determined by the Tort Claims Reviewer in accordance with the Trust Distribution Plan.

Nothing in this Article requires any Unknown Tort Claimant to release any Claims against any joint tortfeasor who is not a Covered Party (excluding the Reorganized Debtor) and such Claims are reserved. But in no event may a Class 6 Claimant collect on that portion of any judgment or obtain any reallocation of any judgment based on the casual fault or share of liability of any Covered Party.

H. Treatment of Class 7A (Abuse Related Contingent Claims).

A Class 7A Claim means any Claim for contribution, indemnity or reimbursement arising out of or related to the Diocese's liability to pay or defend any Class 5 Claim. Claims in Class 7A shall be allowed or disallowed in accordance with Section 502(e)(1) of the Bankruptcy Code, and Class 7A Claims will receive no distribution under the Plan. The Plan does not allow Tort Claimants to collect that portion of any judgment or obtain reallocation of any judgment based on the causal fault or share of liability of any Covered Party. Any Person that is or was alleged to be

a joint tortfeasor with any of the Covered Parties in connection with a Tort Claim shall not be liable for any Covered Party’s share of liability or fault.

Provided that the Covered Parties receive the full benefits of the Channeling Injunction, the Covered Parties will waive their claims/distributions under this Class.

I. Treatment of Class 7B (Abuse Related Contingent Claims).

A Class 7B Claim means any Claim for contribution, indemnity or reimbursement arising out of or related to the Diocese’s liability to pay or defend any Class 6 Claim. Claims in Class 7B shall be allowed or disallowed in accordance with Section 502(e)(1) of the Bankruptcy Code, and Class 7B Claims will receive no distribution under the Plan. The Plan does not allow Tort Claimants to collect that portion of any judgment or obtain reallocation of any judgment based on the causal fault or share of liability of any Covered Party. Any Person that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with a Tort Claim shall not be liable for any Covered Party’s share of liability or fault.

Provided that the Covered Parties receive the full benefits of the Channeling Injunction, the Covered Parties will waive their claims/distributions under this Class.

J. Treatment of Class 8 (Non-Abuse Tort Claims).

Non-Abuse Tort Claims are tort claims against the Diocese that are not Abuse claims.

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
8	Non-Abuse Tort Claims • Total amount of claims = (this amount is still being determined in light of the fact that these claims are contingent and unliquidated). Estimated Distribution: Unknown	N	Y	Allowed Class 8 Claims shall be paid a <i>pro rata</i> portion of a \$200,000 distribution.

**ARTICLE IX.
MEANS OF EFFECTUATING THE PLAN**

K. Class 5 and Class 6 Trust Formation and Funding.

(a) **Purpose, Formation and Assets.** The Trust shall be established for the purposes of assuming liability of Covered Parties for Channeled Claims and receiving, liquidating, and distributing Trust Assets in accordance with this Plan and the Trust Distribution Plan. The proposed Trust Agreement is attached hereto as **Exhibit D.**

(b) Funding by the Diocese

a. **Summary.** This Plan will be funded from the sources and in the manner set forth in this Section.

b. **Debtor and Parish Contributions.** Cash and other assets with an expected value of \$26,158,590 will be paid or transferred, as applicable, to the Trust Account as provided in the Plan and as described herein subject to reversion if any proceeds are not needed to fund the Trust.

i. **Debtor Contribution.** The Debtor will transfer \$21,500,000 to the Trust Account within two (2) business days after the Confirmation Order has become a Non-Appealable Order (the “Debtor Cash Contribution”). The Debtor Cash Contribution will be primarily comprised of funds from the following sources:

1. non-restricted cash accounts held by the Diocese; and/or
2. a loan of non-restricted cash from DOC Trusts in exchange for a release of all claims against it and a security interest in all real estate owned by the Diocese. In addition to the loan, DOC Trusts shall waive any claims against the Diocese asserted in this bankruptcy case.

ii. **Parish Contribution.** The Parishes will transfer \$4,658,590.00 to the Trust Account within two (2) business days after the Confirmation Order has become a Non-Appealable Order (the “Parish Contribution Cash Amount”). In addition to the Parish Contribution Cash Amount, the Parishes shall waive any claims against the Diocese asserted in this bankruptcy case, including, but not limited to, any rights to distributions under their Class 7A and 7B treatment. The Parish Contribution Cash Amount and waiver of claims against the Diocese is contingent upon the receipt by the Parishes of releases from third party claims and the implementation of a channeling injunction.

(c) Insurance Contributions.

a. The Diocese will transfer to the Trust all Claims or Causes of Action (but not the policies themselves) that the Diocese holds against any and all Insurers. Any proceeds resulting from these Claims or Causes of Action shall vest in the Trust (the “Insurance Claim Amounts”) and be available for distributions to all Class 5 Claimants.

b. Notwithstanding anything to the contrary in the Plan, any Insurer that enters into a settlement agreement with the Diocese by the Effective Date shall be deemed to be a Covered Party for all purposes hereunder. Any Insurer that becomes a Covered Party in accordance with this section of the Plan shall have all of the rights, remedies and obligations of a Covered Party under the Plan, including under the Channeling Injunction.

c. Notwithstanding anything to the contrary in the Plan, after the Effective Date, any Insurer that has not settled by the effective date may, within twelve (12) months of the Effective Date (the “Insurance Settlement Period”), enter into a Settlement Agreement with the Trust Administrator (a “Post-Effective Date Insurance Settlement”); *provided, however,* that the Settlement Trustee shall file a notice with the Bankruptcy Court within thirty (30) days of entering into any such Post-Effective Date Insurance Settlement, and such Insurance Company (and any related Persons or Representatives, as applicable) shall be deemed to be a Covered Party for all purposes hereunder. The Post-Effective Date Insurance Settlement shall be deemed binding and effective absent objection by any Person within fifteen (15) calendar days. The Trust Administrator shall have the sole discretion, upon order of the Bankruptcy Court, to extend the Insurance Settlement Period. Any Insurance Company that becomes a Covered Party shall have all of the rights, remedies and obligations of a Covered Party under the Plan, including under the Channeling Injunction, notwithstanding that such Insurer was not a Covered Party under the Plan as of the Effective Date.

(d) Vesting. On the Effective Date, all Trust Assets shall vest in the Trust, and the Diocese and other Covered Parties shall be deemed for all purposes to have transferred all Interests in the Trust Assets to the Trust. On the Effective Date, or as soon as practicable thereafter, the Reorganized Debtor or any other Covered Party, as applicable, shall take all actions reasonably necessary to transfer any Trust Assets to the Trust. Upon the transfer of contract of Trust Assets in accordance with this paragraph, the Diocese and other Covered Parties shall have no further interest in or with respect to the Trust Assets.

L. Class 8 Funding

The distribution to Class 8 will be funded as follows:

(a) Diocese Contribution. The Debtor will contribute \$100,000 to Class 8 Claims within two (2) business days after the Confirmation Order has become a Non-Appealable Order (the “Debtor Cash Contribution”). The Debtor Cash Contribution will be primarily comprised of funds from non-restricted cash accounts held by the Diocese.

(b) Catholic Charities Contribution. Catholic Charities, Diocese of Camden, Inc. will transfer \$100,000 to the Diocese to be designated for Class 8 Claimants within two (2) business days after the Confirmation Order has become a Non-Appealable Order

in exchange for a release of all Class 8 Claims against it. This contribution amount is contingent upon the receipt by Catholic Charities of releases from third party claims.

(c) **Dismissal of Pending Litigation.** Within twenty (21) days after the Effective Date, all Claims arising out of, or related to, Class 8 Claims asserted in any lawsuit against any party currently pending in state court shall be dismissed with prejudice and without fees and costs.

M. Vesting of Assets in Reorganized Debtor.

Except as otherwise provided in the Plan or the Trust Agreement, other agreement, instrument, or other document incorporated therein, on the Effective Date, all property in the Estate, all Causes of Action, and any property acquired by the Debtor pursuant to the Plan shall vest in the Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances (except for Liens expressly preserved and continued under the Plan). On and after the Effective Date, except as otherwise provided in the Plan, the Reorganized Debtor may operate its businesses and may use, acquire or dispose of property and compromise or settle any Claims, Interests or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. Without limiting any of the foregoing, the Reorganized Debtor may pay the charges incurred on or after the Effective Date for Professionals' fees, disbursements, expenses, or related support services without application to the Bankruptcy Court.

N. Causes of Action.

Except as set forth otherwise herein, the Reorganized Debtor, on behalf of and for the benefit of the Debtor's estates, shall be vested with and shall retain and may enforce any and all claims, rights, demands and Causes of Action of any kind or nature whatsoever held by, through or on behalf of the Debtor and/or its Estate against any other entity, arising before the Effective Date that have not been fully resolved or disposed of prior to the Effective Date whether or not such claims or Causes of Action are specifically identified in the Disclosure Statement accompanying this Plan and whether or not litigation with respect to same has been commenced prior to the Effective Date.

O. Post-Confirmation Conversion/Dismissal.

A creditor or party in interest may bring a motion to convert or dismiss the case under § 1112(b), after the Plan is confirmed, if there is a default in performing under the Plan. If the Court orders the case converted to chapter 7 after the Plan is confirmed, then all property that had been property of the chapter 11 estate, and that has not been disbursed pursuant to the Plan, will revert in the chapter 7 estate, and the automatic stay will be reimposed upon the revested property only to the extent that relief from the stay was not previously granted by the Court during this case.

ARTICLE X.
THE TRUST

A. Establishment of Trust.

On or before the Confirmation Date, the Trust shall be established in accordance with the Trust Documents. The Trust is intended to qualify as a “Designated” or “Qualified Settlement Fund” pursuant to Section 468B of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. The Debtor is the “transferor” within the meaning of Treasury Regulation Section 1.468B-1(d)(1). The Trust Administrator shall be classified as the “administrator” within the meaning of Treasury Regulation Section 1.468B-2(k)(3). The Trust Documents, including the Trust Agreement, are incorporated herein by reference.

B. Allocations Within and Distribution and Payments from the Trust.

(a) **General Corpus.** The following distributions and payments will be made from the general corpus of the Trust.

a. **Distributions.** Distributions on Class 5 Claims as determined by the Tort Claims Reviewer in accordance with this Plan, the Trust Agreement, and the Trust Distribution Plan.

b. **Tort Claims Reviewer.** The Trust Administrator shall retain the Tort Claims Reviewer. Fees payable to the Tort Claims Reviewer for review of Class 5 and Class 6 Claims shall be paid from the Trust.

c. **Trust Administrative Fees.** All fees, costs, and expenses of administering the Trust as provided in the Plan and the Trust Agreement shall be paid by the Trust, including: (i) as reasonably necessary to meet current liabilities and to maintain the value of the respective Assets of the Trust; (ii) to pay reasonable administrative expenses (including any taxes imposed on the Trust and any professional fees); and (iii) to satisfy other liabilities incurred by the Trust in accordance with the Plan or the Trust Agreement.

d. **Indemnity.** The Trust’s obligations, if any, to defend, indemnify, or hold harmless any Person expressly set out in the Plan shall be made from the corpus of the Trust.

(b) **Unknown Tort Claim Reserve Fund.** The Reorganized Debtor shall establish the Unknown Tort Claim Reserve Fund in the amount of \$500,000, which shall be funded within two (2) business days after the Confirmation Order has become a Non-Appealable Order. The Trust Administrator shall maintain the Unknown Tort Claim Reserve Fund until the Unknown Tort Claim Reserve Fund has been exhausted.

C. Tax Matters.

The Trust shall not be deemed to be the same legal entity as the Diocese but only the assignee of certain assets of the Diocese and a representative of the Estate for delineated purposes within the meaning of Section 1123(b)(3) of the Bankruptcy Code. The Trust is expected to be tax exempt. The Trust Administrator shall file such income tax and other returns and documents as are required to comply with the applicable provisions of the Internal Revenue Code of 1986, 26 U.S.C. §§ 1 et seq., as may be amended, and the regulations promulgated thereunder, 31 C.F.R. §§ 900 et seq., and New Jersey law and the regulations promulgated thereunder, and shall pay from the Trust all taxes, assessments, and levies upon the Trust, if any.

D. Appointment of the Trust Administrator.

The initial Trust Administrator will be identified ten (10) days before the Confirmation Date. The Trust Administrator shall commence serving as the Trust Administrator on the Confirmation Date; *provided, however*, that the Trust Administrator shall be permitted to act in accordance with the terms of the Trust Agreement from such earlier date, as authorized by the Diocese, and shall be entitled to seek compensation in accordance with the terms of the Trust Agreement and the Plan.

E. Rights and Responsibilities of Trust Administrator.

(a) The Trust Administrator shall be deemed the Estate's representative in accordance with Section 1123 of the Bankruptcy Code and shall have all rights, powers, authority, responsibilities, and benefits specified in the Plan and the Trust Agreement, including the powers of a trust administrator under Sections 704, 108 and 1106 of the Bankruptcy Code and Bankruptcy Rule 2004 (including commencing, prosecuting or settling Causes of Action enforcing contracts, and asserting Claims, defenses, offsets and privileges). If there is any inconsistency or ambiguity between the Confirmation Order and the Trust Agreement with respect to Trust Administrator's authority to act, the provisions of the Trust Agreement shall control. Among other things, the Trust Administrator: (1) shall liquidate and convert to cash the Trust Assets, make timely distributions and not unduly prolong the duration of the Trust; (2) may request an expedited determination of taxes of the Trust under Section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Trust for all taxable periods through the dissolution of the Trust; and (3) may retain professionals, including legal counsel, accountants, financial advisors, auditors, and other agents on behalf of the Trust, and at the Trust's sole expense, as reasonably necessary and to carry out the obligations of the Trust Administrator hereunder and under the Trust Agreement.

(b) Notwithstanding the foregoing, the Diocese, the Reorganized Debtor, and the Trust acting for itself and on behalf of the Estate, shall be deemed to have waived, effective upon the Effective Date:

a. Any and all Claims under Sections 547, 548, 549, and 550 of the Bankruptcy Code for the recovery of any sums paid to any Person

who provided goods and services to the Diocese in the ordinary course of business prior to the Effective Date;

b. Any and all Claims and Causes of Action: (i) seeking the substantive consolidation of the Diocese and any other Person or an order deeming any such Person and the Diocese to be an “alter-ego” of the other or any other similar Claim or Cause of Action; (ii) to avoid, set aside or recover any payment or other transfer made to any Person under Sections 547, 548, 549, and 550 of the Bankruptcy Code; and (iii) any proceeding to avoid or set aside any interest of a Person in property under Section 544 of the Bankruptcy Code.

c. The Confirmation Order shall state that, absent permission of the Bankruptcy Court, no judicial, administrative, arbitral, or other action or proceeding shall be commenced in any forum other than the Bankruptcy Court against the Trust Administrator in its official capacity, with respect to its status, duties, powers, acts, or omissions as Trust Administrator.

F. Investment Powers; Permitted Cash Expenditures.

All funds held by the Trust shall be invested in cash or short-term highly liquid investments that are readily convertible to known amounts of cash as more particularly described in the Trust Agreement. The Trust Administrator may expend the cash of the Trust.

G. Registry of Beneficial Interests.

To evidence the beneficial interest in the Trust of each holder of such an interest, the Trust Administrator shall maintain a registry of beneficiaries.

H. Non-Transferability of Interests.

Any transfer of an interest in the Trust shall not be effective until and unless the Trust Administrator receives written notice of such transfer.

I. Termination.

The Trust shall terminate after its liquidation, administration, and distribution of the Trust Assets in accordance with the Plan and its full performance of all other duties and functions set forth herein or in the Trust Agreement. The Trust shall terminate no later than the eleventh (11th) anniversary of the Effective Date.

J. Immunity; Liability; Indemnification.

(a) Neither the Reorganized Debtor nor its respective members, designees, or professionals, nor the Trust Administrator or any duly designated agent or representative of the Trust Administrator, nor their respective employees, shall be liable for the acts or omissions of any other member, designee, agent, or representative of such Trust Administrator, except that the Trust Administrator shall be liable for its specific acts or

omissions resulting from such Trust Administrator's misconduct, gross negligence, fraud, or breach of the fiduciary duty of loyalty. The Trust Administrator may, in connection with the performance of its functions and in its sole and absolute discretion, consult with its attorneys, accountants, financial advisors, and agents, and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such Persons. Notwithstanding such authority, the Trust Administrator shall not be under any obligation to consult with its attorneys, accountants, financial advisors, or agents, and its determination not to do so shall not result in the imposition of liability on the Trust Administrator unless such determination is based on the Trust Administrator's recklessness, gross negligence, willful misconduct, or fraud.

(b) No recourse shall ever be had, directly or indirectly, against the Trust Administrator personally, or against any employee, contractor, agent, attorney, accountant, or other professional retained in accordance with the terms of the Trust Agreement or the Plan by the Trust Administrator, by legal or equitable proceedings or by virtue of any statute or otherwise, nor upon any promise, contract, instrument, undertaking, obligation, covenant or Trust Agreement whatsoever executed by the Trust Administrator in implementation of this Trust Agreement or the Plan, or by reason of the creation of any indebtedness by the Trust Administrator under the Plan for any purpose authorized by the Trust Agreement or the Plan, it being expressly understood and agreed that all such liabilities, covenants, and Trust Agreements of the Trust whether in writing or otherwise, shall be enforceable only against and be satisfied only out of the Trust Assets or such part thereof as shall under the term of any such Trust Agreement be liable therefore or shall be evidence only of a right of payment out of the Trust Assets. Notwithstanding the foregoing, the Trust Administrator may be held liable for its recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud; and if liability on such grounds is established, recourse may be had directly against the Trust Administrator. The Trust shall not be covered by a bond.

(c) The Trust shall defend, indemnify, and hold the Trust Administrator, its officers, directors, agents, representatives, and employees to the fullest extent that a corporation or trust organized under the laws of New Jersey entitled to indemnify and defend its directors, trustees, officers, and employees against any and all liabilities, expenses, Claims, damages or losses incurred by them in the performance of their duties hereunder.

a. Additionally, the Reorganized Debtor and the Covered Parties, and each of their respective agents, who was or is a party, or is threatened to be made a party to any threatened or pending judicial, administrative, or arbitral action, by reason of any act or omission of the Trust or Trust Administrator or respective agents, with respect to: (i) the Chapter 11 case and any act or omission undertaken by them prior to the commencement thereof; (ii) the assessment or liquidation of any Class 5 and Class 6 Claims; (iii) the administration of the Trust and the implementation of the Trust Distribution Plan; or (iv) any and all activities in connection with the Trust Agreement, shall be indemnified and defended by the Trust, to the fullest extent that a corporation or trust organized under the laws of New Jersey is from time to time entitled to indemnify and defend its officers,

directors, trustees, and employees, against reasonable expenses, costs and fees (including attorneys' fees and costs), judgments, awards, amounts paid in settlement and liabilities of all kinds incurred by the Debtor, Reorganized Debtor or Covered Party, and their respective professionals, officers and directors, in connection with or resulting from such action, suit, or proceeding, provided such expenditures have been approved by the Trust in advance such approval not be unreasonably withheld.

b. Reasonable expenses, costs, and fees (including attorneys' fees and costs) incurred by or on behalf of a Trust Administrator, the Debtor, the Reorganized Debtor, and their respective agents in connection with any action, suit, or proceeding, whether civil, administrative, or arbitative, from which they are entitled to be indemnified by the Trust, shall be paid by the Trust in advance of the final disposition thereof upon receipt of an undertaking, by or on behalf of such Trust Administrator, the Debtor, the Reorganized Debtor, and their respective agents, to repay such amount in the event that it shall be determine ultimate by Non-Appealable Order that such Trust Administrator, the Debtor, the Reorganized Debtor, and their respective professionals, officers, and directors is not entitled to be indemnified by the Trust.

K. Treatment of Tort Claims.

(a) Trust Liability. On the Effective Date, the Trust shall automatically and without further act or deed assume: (i) all liability, if any, of the Covered Parties in respect of Channeled Claims; and (ii) the responsibility for preserving and managing Trust Assets and distributing Trust Assets.

(b) Assessment. Each Tort Claim will be assessed by the Tort Claims Reviewer in accordance with the Trust Distribution Plan to determine whether the Tort Claimant is entitled to a distribution under the Trust. The Diocese or the Reorganized Debtor shall reasonably cooperate with the Tort Claims Reviewer and the Trust Administrator as requested by the Tort Claims Reviewer or the Trust Administrator in connection with any inquiries by either in the administration of the Trust Distribution Plan.

(c) Distributions to Tort Claimants. A Tort Claimant whom the Tort Claims Reviewer determines to be entitled to a distribution, will receive a distribution from the Trust in the amount(s) and at the time(s) provided for in the Trust Distribution Plan. Any payment on a Tort Claim constitutes payments for damages on account of personal physical injuries or sickness arising from an occurrence, within the meaning of Section 104(a)(2) of the Internal Revenue Code of 1986, as amended. For the avoidance of doubt, Tort Claimants' recovery on their Class 5 Claims shall be limited to the distributions they are entitled to, if any, from the Trust under the Trust Distribution Plan, and they shall not be entitled to collect personally or otherwise any additional amounts whatsoever on their Tort Claims from any Covered Party or any Covered Party's assets, even if they are denied a distribution pursuant to the Trust Distribution Plan. For the avoidance of doubt, the Unknown Tort Claims Reserve Fund established and maintained by the Trust shall be the sole source of payment to Class 6 Claimants on account of Class 6 Claims. Tort Claimants'

recovery on their Class 5 Claims shall be limited to the distributions they are entitled to, if any, from the Trust determined under the Trust Distribution Plan, and they shall not be entitled to collect personally or otherwise any additional amounts whatsoever on their Tort Claims from the Reorganized Debtor, any Covered Party, or any Covered Party's assets, even if they are denied a distribution pursuant to the Trust Distribution Plan.

(d) Dismissal of Pending Litigation. Within twenty (21) days after the Effective Date, all Claims arising out of, or related to, Tort Claims asserted in any lawsuit against any Covered Party currently pending in state court shall be dismissed with prejudice and without fees and costs being recoverable against any Covered Party or by any Covered Party against the Tort Claimant.

(e) Objections and Litigation After the Effective Date. As of the Effective Date, the Trust Administrator shall have the sole and exclusive right to object to Class 5 Claims. The Reorganized Debtor shall have no right to object to any Class 5 Claims after confirmation of the Plan. The Trust and the Reorganized Debtor shall each have the right to object to any Class 6 Claims after confirmation of the Plan.

(f) Claim Withdrawal. A Tort Claimant may withdraw his or her Tort Claim at any time on written notice to the Trust Administrator. If withdrawn, (a) the Tort Claim will be withdrawn with prejudice and may not be reasserted, and such Tort Claimant shall still be subject to the Discharge Injunction, the Channeling Injunctions, and the Supplemental Insurer Injunction as provided by this Plan; and (b) any reserve maintained by the Trust on account of such Tort Claim shall revert to the Trust as a Trust Asset for distribution in accordance with the Plan and Trust Distribution Plan.

ARTICLE XI.

EFFECT OF PLAN ON CLAIMS AND INTERESTS

A. General Injunction.

Except as otherwise provided in the Plan, the Confirmation Order will provide that all persons and entities who have held, hold, or may hold Claims against the Debtor are permanently enjoined, on and after the Confirmation Date, from (A) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or taking any act to recover such Claim outside of the claims allowance procedure discussed in the Plan and the Bankruptcy Code and Bankruptcy Rules, (B) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or Order against the Debtor on account of any such Claim, (C) creating, perfecting or enforcing any encumbrance of any kind against the Debtor or against the property or interests in property of the Debtor on account of any such Claim and (D) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtor or against the property or interests in property of the Debtor on account of any such Claim.

B. Release of the Released Parties

The Debtor believes that the release of the Released Parties, and the directors, officers,

agents, members of management and other employees of the Released Parties, by the Debtor and each Holder of a Claim that is entitled to receive a distribution pursuant to the Plan (collectively, the “Releasing Parties”) and the corresponding injunctions are critically important to the success of the Debtor’s Plan and implements the concessions, compromises and commitments made by the Released Parties.

Each of the Released Parties, whether directly or indirectly through the concessions, compromises and commitments made by such Released Parties, afforded value to the Debtor and has aided in the Debtor’s reorganization process. The Released Parties have played an integral role in the formulation of the Plan, have expended and will continue to expend significant time and resources analyzing and negotiating the issues presented by the Plan and, in exchange for receiving the releases and injunctions set forth in the Plan, are making critical financial contributions to Plan that are necessary to make the Plan feasible, including, but not limited to contribution to Plan payments.

Further, the Released Parties will not make any of the concessions, compromises and commitments outlined in the Plan unless the releases, including those that are required from the Holders of Claims and Interests, are approved. Accordingly, the releases and related injunctions are an integral part of the consideration to be provided in exchange for the concessions, compromises and commitments embodied in the Plan that the Debtor believes maximizes recoveries to the Debtor’s creditors. Absent the expeditious implementation of the Plan, the Debtor could face a longer, costlier and uncertain Chapter 11 process mired with contentious litigation, which could materially delay and reduce distributions to creditors.

The Debtor believes that the “Debtor Release” to the Released Parties is a sound exercise of its business judgment and that the Debtor’s release of third parties pursuant to the Plan is appropriate and reasonable under the circumstances, particularly where, as here, the relative strength of the claims being released are more than offset by the significant benefits the Debtor is receiving under the Plan from the Released Parties. In light of the foregoing, the Debtor believes, in its sound business judgment, that the “Debtor Release” falls well within the range of reasonableness and, thus, satisfies the applicable provisions of the Bankruptcy Code and Bankruptcy Rules relating to the approval of settlements.

The “Third Party Release” provides for the release by consenting Holders of Claims against the Released Parties. The Debtor believes the Third-Party Release is fair and necessary to confirm the Plan. The Released Parties are contributing significant, new consideration in the form of cash and other concessions. The Third-Party Release is essential because without it, there would be no contribution by the Released Parties, and thus, no ability to propose and consummate the Plan, which provides for a recovery to Holders of Claims. Quite simply, without the Third-Party Release, there would be no contribution; and, without contribution, there would be no Plan. Accordingly, the Debtor has demonstrated that there is a relationship between the Debtor’s successful confirmation and the Third-Party Release and that the Released Parties have provided a critical financial contribution to the Debtor’s plan that is necessary to make the plan feasible in exchange for receiving a release of liability.

The Plan provides that entry of the Confirmation Order shall constitute the Bankruptcy Court’s approval, pursuant to Bankruptcy Rule 9019 and Section 105 of the Bankruptcy Code, of

the releases, which includes by reference each of the related provisions and definitions contained in the Plan, and related injunctions and further, shall constitute the Bankruptcy Court's finding that the releases are: (i) in exchange for the good and valuable consideration provided by the Released Parties, (ii) a good faith settlement and compromise of the claims released by the Released Parties; (iii) in the best interests of the Debtor and all Holders of Claims; (iv) fair, equitable, reasonable and necessary for the Debtor's reorganization as, among other things, the concessions, compromises and commitments provided by or on behalf of the Released Parties constitute critical financial contributions to Plan that are necessary to make the Plan feasible; (v) given and made after notice and opportunity for hearing; and (vi) a bar to the Releasing Parties, the Debtor or any party on its behalf asserting any claim released by the Releasing Parties against any of the Released Parties.

The Debtor submits that the concessions made by the Released Parties are the "lynch-pin" of the Debtor's Plan. In addition, the released parties are critical to the Diocese's mission and future operations. Therefore, the Debtor submits the releases are appropriate under the circumstances.

C. Channeling Injunction.

Channeling Injunction preventing prosecution of Channeled Claims against Covered Parties.

(a) In consideration of the undertakings of the Covered Parties under the Plan, their contributions to the Trust, and other consideration, and pursuant to their respective settlements with the Debtor and to further preserve and promote the agreements between and among the Covered 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 Agreement as the sole and exclusive remedy for all holders of Channeled Claims; and

b. all Persons who have held or asserted, hold or assert, or may in the future hold or assert any Channeled Claims 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 the Covered 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 Covered Parties or against the property of any of the Covered Parties;
- ii. enforcing, attaching, collecting or recovering, by any manner or means, from any of the Covered Parties or the property of any of the Covered Parties, any judgment, award, decree, or order with respect to any Channeled Claim against any of the Covered Parties;

- iii. creating, perfecting or enforcing any lien of any kind relating to any Channeled Claim against any of the Covered Parties or the property of the Covered Parties;
- iv. asserting, implementing or effectuating any Channeled Claim of any kind against:
 - 1. any obligation due any of the Covered Parties;
 - 2. any of the Covered Parties; or
 - 3. the property of any of the Covered 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 to any of the Covered Parties.

(b) The Channeling Injunction is an integral part of the Plan and is essential to the Plan's consummation and implementation. It is intended that the channeling of the Channeled Claims as provided in this Section shall inure to the benefit of the Covered Parties. In a successful action to enforce the injunctive provisions of this Section in response to a willful violation thereof, the moving party may seek an award of costs (including reasonable attorneys' fees) against the non-moving party, and such other legal or equitable remedies as are just and proper, after notice and a hearing.

D. Exculpation; Limitation of Liability.

From and after the Effective Date, none of the Exculpated Parties shall have or incur any liability for, and each Exculpated Party shall be released from, any Claim, Cause of Action or liability to any other Exculpated Party, to any holder of a Claim, or to any other party in interest, for any act or omission that occurred during and in connection with this Chapter 11 case or in connection with the preparation and filing of this Chapter 11 case, the formulation, negotiation, or pursuit of confirmation of a Plan, the consummation of the Plan, and the administration of the Plan or the property to be distributed under the Plan, except for Claims, Causes of Action or liabilities arising from the gross negligence, willful misconduct, fraud, or breach of the fiduciary duty of loyalty of any Exculpated Party, in each case subject to determination of such by Non-Appealable Order of a court of competent jurisdiction and provided that any Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) under the Plan. Without limiting the generality of the foregoing, the Committee and the Diocese and their respective officers, board and committee members, employees, attorneys, financial advisors, and other Professionals shall be entitled to and granted benefits of Section 1125(e) of the Bankruptcy Code and the Channeling Injunction.

E. Disclosure Regarding Covered Parties

In exchange for the Substantial Contribution Amount and agreement to be bound to meet all Plan requirements, the release relating to the Covered Parties and the corresponding injunctions are critically important to the success of the Debtor's Plan and implements the concessions, compromises and commitments therein.

The Covered Parties, whether directly or indirectly through the concessions, compromises and commitments, afforded value to the Debtor and has aided in the Debtor's reorganization process. The Covered Parties have played an integral role in the formulation of the Plan, have expended and will continue to expend significant time and resources analyzing and negotiating the issues presented by the Plan and, in exchange for receiving the releases and injunctions set forth in the Plan, is making critical financial contributions to Plan, that are necessary to make the Plan feasible, including, but not limited to the Substantive Contribution.

In addition, the Covered Parties made significant concessions and compromises that provide a material benefit to the Releasing Parties. For example, the Parishes will waive any claims against the Diocese. The Debtor submits that it will be able to demonstrate at confirmation that the release is proper under *In re Continental Airlines*, 203 F.3d 203 (3rd Cir. 2000).

Further, the Covered Parties will not make any of the concessions, compromises and commitments outlined in the Plan unless the releases are approved. Accordingly, the releases and related injunctions are an integral part of the consideration to be provided in exchange for the concessions, compromises and commitments embodied in the Plan that the Debtor believes maximizes recoveries to the Debtor's creditors. Absent the expeditious implementation of the Plan, the Debtor could face a longer, costlier and uncertain Chapter 11 process mired with contentious litigation, which could materially delay and reduce distributions to creditors.

The Debtor believes that the "Channeling Injunction" to the Covered Parties is a sound exercise of its business judgment is appropriate and reasonable under the circumstances, particularly where, as here, the relative strength of the claims being released are more than offset by the significant benefits the Debtor is receiving under the Plan from the Covered Parties. In light of the foregoing, the Debtor believes, in its sound business judgment, that the "Channeling Injunction" falls well within the range of reasonableness and, thus, satisfies the applicable provisions of the Bankruptcy Code and Bankruptcy Rules relating to the approval of settlements.

ARTICLE XII. **PROVISIONS GOVERNING DISTRIBUTIONS GENERALLY**

A. Disbursing Agent.

The Reorganized Debtor shall be the Disbursing Agent for all aspects of the Plan except for payments made pursuant to the Trust. With respect to the Trust, the Trust Administrator shall be responsible for all distributions made under the Trust.

B. Payments and Distributions.

Any payment of Cash under the Plan may be made either by check drawn or by wire transfer from a domestic bank, at the option of the respective Disbursing Agent.

As and when authorized by a Final Order, Disputed Claims that become Allowed Claims shall be paid from the Disputed Claim Reserve. No distribution shall be made on a Claim where only a portion of such Claim is disputed until such dispute is resolved by settlement or Final Order.

To the extent that a disbursing agent makes a distribution hereunder to a Class prior to the resolution of all Disputed Claims of such Class, the respective disbursing agent shall reserve an amount for any Disputed Claims in such Class equal to the amount that such Holders of Disputed Claims in such Class would be entitled to receive under the Plan if such Disputed Claims were Allowed in the asserted amount of the Claim.

All distributions by check shall be deemed made at the time such check is deposited in the United States mail, postage prepaid. Any distributions by wire transfer shall be deemed made as of the date of the wire transfer is made. Except as otherwise agreed with the Holder of an Allowed Claim in respect thereof or provided in the Plan, any distribution required under the Plan on account of an Allowed Claim, shall be mailed to (i) the latest mailing address filed for the Holder of an Allowed Claim entitled to a distribution, (ii) the latest mailing address filed for a Holder of a filed power of attorney designated by the Holder of such Claim to receive distributions, (iii) the latest mailing address filed for the Holder's transferee as identified in a filed notice served on the Debtor pursuant to Bankruptcy Rule 3001(e), or (iv) if no such mailing address has been filed, the mailing address reflected on the Schedules or in the Debtor's books and records. The Holder of a Claim shall be required to promptly notify the Reorganized Debtor and the Bankruptcy Court of any change in its mailing address.

Except as otherwise provided in the Plan, any distribution under the Plan which is unclaimed after three (3) months following any Distribution Date shall be forfeited, and such distribution, together with any interest earned thereon, and shall return to and revest in the Reorganized Debtor.

If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the following Business Day, but shall be deemed to have been completed as of the required date.

Subject to the terms of the Plan and pursuant to Section 553 of the Bankruptcy Code or applicable non-bankruptcy law, the Debtor or Reorganized Debtor, as appropriate, may but shall not be required to, setoff against or recoup from any Claim on which payments are to be made pursuant to the Plan, any Claims of any nature whatsoever the Debtor may have against the Holder of such Claim.

Notwithstanding any other provisions of the Plan to the contrary, no payment of fractional cents will be made under the Plan. Cash will be issued to Holders entitled to receive a distribution of Cash in whole cents (rounded to the nearest whole cent when and as necessary). Any distribution of less than \$25.00 will be considered *de minimis*, and Holders of Allowed Claims that are entitled

to an interim or final distribution of less than \$25.00 will not receive any distribution. Such funds will remain with and revest in the Reorganized Debtor.

Except as otherwise provided herein or the Confirmation Order, the Plan Administrator shall have the right to prepay, without penalty, all or any portion of an Allowed Claim.

C. Allowance and Disallowance of Claims.

(a) **Allowance of Claims.** Except as expressly provided in the Plan, no Claims shall be deemed Allowed by virtue of the Plan or the Confirmation Order unless and until such Claim is deemed Allowed under the Bankruptcy Code, or the Bankruptcy Court enters a Final Order in the Chapter 11 Cases allowing such Claim. Notwithstanding the foregoing, any Claim included in the Debtor's Schedules that is not listed as contingent, unliquidated, and/or disputed shall be an Allowed Claim. Any Proof of Claim Filed in an unliquidated amount shall be deemed Allowed in the amount listed in the Debtor's Schedules as liquidated, not contingent and not disputed. The Allowance and disallowance of Claims shall be in all respects subject to the provisions of Section 502 of the Bankruptcy Code.

(b) **Disallowance of Claims.** All Claims held by Persons against whom the Debtor or Reorganized Debtor, as appropriate, have filed or commenced or may in the future file or commence a Claim or Cause of Action under Sections 522(f), 522(h), 542, 543, 544, 547, 548, 549, 550, 551, 553 or 724(a) of the Bankruptcy Code shall be deemed disallowed pursuant to Section 502(d) of the Bankruptcy Code. The Holders of any and all Claims Filed with the Bankruptcy Court after the Bar Date shall be deemed disallowed without further action by the Debtor or Reorganized Debtor and without any further notice to or action, order, or approval of the Bankruptcy Court. The Holders of any and all Claims Filed with the Bankruptcy Court after the relevant bar date shall not be entitled to a distribution, unless otherwise allowed by Final Order of the Bankruptcy Court.

D. Resolution of Disputed Administrative Expense Claims and Disputed Claims.

(a) **Prosecution of Objections to Claims.** Except as otherwise set forth herein, prior to the Effective Date, the Debtor shall have standing and the right to commence and pursue objections to Claims, and the Reorganized Debtor shall have such standing after the Effective Date. As set forth above, after the Effective Date, the Trust Administrator shall be the sole party with the right to object to Class 5 Claims. All objections to Claims shall be Filed with the Bankruptcy Court by the Claims Objection Deadline and served upon the Holders of each of the Claims to which objections are made. The Debtor, Reorganized Debtor or Trust Administrator, as applicable, shall have the right, after notice and a hearing, to seek an extension of the Claim Objection Deadline and such an extension shall not be deemed a material modification of the Plan.

(b) **Objections to Claims.** An objection to the allowance of a Claim shall be in writing and shall be Filed with the Bankruptcy Court by the Debtor, Reorganized Debtor, or Trust Administrator, as applicable. Except as expressly set forth herein, nothing herein, in the Confirmation Order or in any Order in aid of Confirmation, shall constitute, or be

deemed to constitute, a waiver or release of any Claim, Cause of Action, Avoidance Action, right of setoff or recoupment or other legal or equitable defense which the Debtor had immediately prior to the commencement of the Chapter 11 Cases against or with respect to any Claim. Except as set forth herein, upon Confirmation, the Debtor and Reorganized Debtor shall have, retain, reserve and be entitled to assert all such Claims, Causes of Action, rights of setoff and recoupment and other legal or equitable defenses that the Debtor had immediately prior to the commencement of the Chapter 11 Cases against or with respect to any Claim.

If a controversy arises as to whether any Claims or any Class of Claims or Interests are Impaired under the Plan, the Bankruptcy Court, after notice and a hearing, shall determine such controversy before approving the Disclosure Statement.

ARTICLE XIII.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Executory Contracts and Unexpired Leases.

On the Effective Date, all Executory Contracts and unexpired leases not rejected on or before the Confirmation Date will be deemed assumed. The Confirmation Order shall constitute an order approving such assumption as of the Effective Date. No cure payments on adequate assurance of future performance shall be due.

B. Bar to Rejection Damages.

All proofs of claim with respect to claims arising from said rejection must be filed with the Bankruptcy Court within the earlier of (i) the date set forth for filing claims in any order of the Bankruptcy Court approving such rejection; (ii) the date set forth in D.N.J. LBR 3003-1(b); or (iii) thirty (30) days after the Confirmation Date. Any such claims, proofs of which are not filed timely, will be barred forever from assertion.

ARTICLE XIV.

EFFECTS OF CONFIRMATION

A. Authority to Effectuate Plan.

Upon the Effective Date, all matters provided under the Plan shall be deemed to be authorized and approved without the requirement of further approval from the Bankruptcy Court or the Debtor. The Debtor and/or Reorganized Debtor shall be authorized, without further application to or order of the Bankruptcy Court, to take whatever action necessary to achieve consummation and carry out the Plan and to effectuate the transactions provided for thereunder.

B. Binding Effect.

Except as otherwise expressly provided in the Plan, on and after the Effective Date, the Plan shall bind all Holders of Claims and Interests. Subject to the terms of the Plan, upon the Effective Date, every Holder of a Claim or Interest shall be precluded and permanently enjoined from asserting against the Debtor and/or Reorganized Debtor any Claim based on any document,

instrument, judgment, award, order, act, omission, transaction or other activity of any kind or nature that occurred before the Petition Date.

C. Discharge of the Debtor.

Upon the Effective Date, the Debtor shall be deemed discharged and released under Section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in Section 502 of the Bankruptcy Code, whether or not (i) a proof of claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code, (ii) a Claim based upon such debt is Allowed under Section 502 of the Bankruptcy Code, (iii) a Claim based upon such debt is or has been disallowed by order of the Bankruptcy Court, or (iv) the Holder of a Claim based upon such debt accepted the Plan.

As of the Effective Date, except as provided in the Plan or the Confirmation Order, all Persons shall be precluded from asserting against the Debtor, the Reorganized Debtor and their respective members, shareholders, officers, directors, partners, attorneys or advisors, any other or further Claims, debts, rights, Causes of Action, claims for relief, liabilities, or equity interests relating to the Debtor based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination of discharge of all such Claims and other debts and liabilities against the Debtor, pursuant to Sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor and/or Reorganized Debtor at any time, to the extent that such judgment relates to a discharged Claim.

D. Release and Discharge of the Committee.

Effective on the Effective Date, the Tort Committee and the Trade Committee, and their respective professionals shall be deemed disbanded and released from their duties and obligations.

E. Continued Corporate Existence

The Debtor will, as the Reorganized Debtor, continue to exist after the Effective Date as a separate entity in accordance with the applicable laws of the State of New Jersey, with all the powers of a not-for-profit, non-stock member corporation having tax-exempt status under 26 U.S.C. § 501(c)(3) under applicable law and without prejudice to any right to alter or terminate such existence under applicable state law, except as such rights may be limited and conditioned by the Plan and the documents and instruments executed and delivered in connection therewith.

On and after the Effective Date, the Reorganized Debtor may operate and manage its affairs and may use, acquire, and dispose of property without notice to any Person, and without supervision or approval by the Bankruptcy Court and free of any restrictions imposed by the Bankruptcy Code, Bankruptcy Rules, or the Bankruptcy Court, other than those restrictions expressly imposed by the Plan or the Confirmation Order.

ARTICLE XV.
RETENTION OF JURISDICTION

The Court shall retain jurisdiction of this case pursuant to the provisions of chapter 11 of the Bankruptcy Code, pending the final allowance or disallowance of all Claims affected by the Plan, to make such orders as are necessary or appropriate to carry out the provisions of this Plan, and with respect to the following matters:

- (a) To enable the Plan Proponent to consummate the Plan and to resolve any disputes arising therefrom;
- (b) To adjudicate all controversies concerning the classification, estimation or allowance of any Claim herein;
- (c) To make such Orders as are necessary or appropriate to implement the provisions of this Plan;
- (d) To determine the classification, estimation and priority of all claims against the Debtor and to re-examine any Claims which may have been allowed;
- (e) To determine applications for the rejection or assumption of executory contracts or unexpired leases pursuant to the provisions of this Plan which are not determined prior to the Confirmation date and to determine allowance of Claims for damages with respect to rejection of any such executory contracts or unexpired leases within such time as the Court may direct;
- (f) To oversee and issue further appropriate orders respecting disbursement of amounts deposited as may be required by this Plan;
- (g) To conduct hearings on valuation, as necessary, and to determine whether any party in interest is entitled to recover against any Person any Claim, whether arising under section 506(c) of the Bankruptcy Code, or arising out of a voidable preference, a fraudulent transfer, or otherwise;
- (h) To hear and determine all applications for compensation and other Administrative Expenses;
- (i) To hear and determine any and all pending adversary proceedings or contested matters;
- (j) To determine all causes of action which may exist in favor of the Debtor;
- (k) To determine any modification of the Plan after confirmation pursuant to section 1127 of the Bankruptcy Code;

- (l) To enter any order, including injunctions, necessary to establish and enforce the rights and powers of the Debtor under the Plan;
- (m) To enter a final decree pursuant to Rule 3022 of the Bankruptcy Rules.
- (n) To hear and determine all controversies, suits and disputes, if any, as may arise in connection with the interpretation or enforcement of the Plan;
- (o) To hear and determine all controversies, suits and disputes, if any, as may arise with regard to orders of Bankruptcy Court in the Chapter 11 Case entered on or before the Confirmation Date;
- (p) To hear and determine any and all controversies and disputes arising under, or in connection with, the Plan;
- (q) To hear and determine any and all objections to payments under the Plan;
- (r) To liquidate damages in connection with any disputed, contingent or unliquidated Claims;
- (s) To adjudicate all Claims to a security or ownership interest in any property of the Debtor or in any proceeds thereof;
- (t) To adjudicate all causes of action to recover all assets and properties of the Debtor wherever located;
- (u) To enter any order, including injunctions necessary to enforce the title, rights and powers of the Debtor, and to impose such limitations, restrictions, terms and conditions on such title rights and powers as the Bankruptcy Court may deem necessary or appropriate; and
- (v) To make such orders as are necessary or appropriate to carry out the provisions of the Plan, including but not limited to orders interpreting, or enforcing the provisions thereof.

In addition, this Court shall retain jurisdiction to implement the provisions of the Plan in the manner as provided under section 1142, sub-paragraphs (a) and (b) of the Bankruptcy Code. If the Court abstains from exercising, or declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter set forth in this Section, or if the Debtor elects to bring an action or proceeding in any other forum, then this section shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court, public authority or commission having competent jurisdiction over such matters.

ARTICLE XVI.
MISCELLANEOUS PROVISIONS OF THE PLAN

A. Amendment or Modification of this Plan.

On or before the Effective Date, this Plan or any exhibits hereto may be amended, modified, or supplemented by the Debtor in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code. In addition, after the Confirmation Date, the Debtor or Trust Administrator, as applicable, may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in this Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes and effects of this Plan. The Debtor may make appropriate technical adjustments and modifications to this Plan prior to the Effective Date without further order or approval of the Bankruptcy Court.

B. Revocation or Withdrawal of this Plan.

The Debtor reserves the right to revoke or withdraw this Plan before the Confirmation Date. If the Debtor revokes or withdraws this Plan before the Confirmation Date, then this Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against the Debtor or the Trust Administrator or to prejudice in any manner the rights of the Debtor or the Trust Administrator in any further proceedings.

C. Reports.

Until a Final Decree is entered, the Debtor shall submit all post-Confirmation quarterly reports to the U.S. Trustee as required by the U.S. Trustee guidelines (with a copy served on the Office of the U.S. Trustee) setting forth all receipts and disbursements of the Debtor. The first report shall be filed within thirty (30) days after the end of the quarter in which the Effective Date occurs. The Debtor shall be responsible to request that a Final Decree be entered in this Bankruptcy Cases. The Debtor shall also be responsible for any quarterly fees due to the U.S. Trustee from and after the Effective Date until the Bankruptcy Cases are closed.

D. Severability of Plan Provisions.

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtor or Reorganized Debtor, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may be altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

E. No Interest.

Except as expressly stated in the Plan, no interest, penalty or late charge is allowed or shall be paid on any Claim.

F. Allocation of Distributions Between Principal and Interest.

To the extent that any Allowed Claim entitled to a Distribution under this Plan comprises indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid prepetition interest.

G. Notices.

All notices, requests or demands with respect to this Plan shall be in writing and shall be deemed to have been received within five (5) days of the date of mailing, provided they are sent by registered mail or certified mail, postage prepaid, return receipt requested, and if sent to the Proponent, addressed to Richard D. Trenk, Esq. and Robert S. Roglieri, Esq., Trenk Isabel P.C., 290 W. Mt. Pleasant Avenue, Suite 2350, Livingston, New Jersey 07037.

H. Plan Controls Disclosure Statement.

Notwithstanding anything to the contrary contained herein or in the Disclosure Statement, in the event and to the extent that any provision of the Plan is inconsistent with any provision of the Disclosure Statement, the provisions of the Plan shall control and take precedence.

I. Filing of Additional Documents.

Prior to the Effective Date, the Debtor may File with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan that are not inconsistent with the terms of the Plan. On or after the Effective Date, the Debtor and/or the Reorganized Debtor may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate the terms and conditions of the Plan.

J. Reservation of Rights.

If the Plan is not confirmed by the Bankruptcy Court or any other Court of competent jurisdiction for any reason, the rights of the Debtor and all parties in interest in the Bankruptcy Cases shall and will be reserved in full. Statements and provisions made in the Plan or in the Disclosure Statement are made only for the purpose(s) of the Plan. If the Plan is withdrawn, the Confirmation Order is not entered, or if the Effective Date does not occur, no Person shall be bound by or deemed prejudiced by any such statement or provision.

K. Rules of Interpretation; Computation of Time.

For purposes of the Plan, (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document as being in a particular form or containing particular

terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, (b) any reference in the Plan to an existing document, schedule or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented, (c) unless otherwise specified, all references in the Plan to Sections, Articles, Schedules and Exhibits, if any, are references to Sections, Articles, Schedules and Exhibits of or to the Plan, (d) the words "herein" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan, (e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan, and (f) the rules of construction set forth in Section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply. In computing any period of time prescribed or allowed by the Plan, unless otherwise specifically designated herein, the provisions of Bankruptcy Rule 9006(a) shall apply.

L. Successors and Assigns.

The rights, duties and obligations of any Person named or referred to in the Plan, including all Creditors, shall be binding on, and shall inure to the benefit of, the successors and assigns of such Person.

M. Waiver of Subordination.

Notwithstanding any provision of the Plan to the contrary, all holders of Claims shall be deemed to have waived any and all contractual subordination rights to which they may have with respect to the distributions made pursuant to the Plan, and the Confirmation Order shall permanently enjoin, effective as of the Effective Date, all holders of Claims from enforcing or attempting to enforce any such rights against any Person receiving distributions under the Plan.

N. Post-Effective Date Professional Fees.

The reasonable fees and actual and necessary expenses incurred after the Effective Date by professionals for the Debtor shall be paid by the Debtor or Reorganized Debtor upon the submission of an invoice to the Debtor or Reorganized Debtor without the need for further notice to any Person or approval by the Bankruptcy Court.

O. Governing Law.

Unless a rule of law or procedure is supplied by federal law, including the Bankruptcy Code and Bankruptcy Rules, (a) the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, and (b) governance matters shall be governed by the laws of the State of New Jersey, without giving effect to the principles of conflict of law thereof.

P. Headings.

Headings are used in this Plan for convenience and reference only and shall not constitute a part of this Plan for any other purpose.

Q. No Admissions.

Notwithstanding anything herein to the contrary, nothing contained in this Plan shall be deemed as an admission by any Entity with respect to any matter set forth herein.

**ARTICLE XVII.
RISK FACTORS/TAX CONSEQUENCES**

HOLDERS OF CLAIMS AGAINST THE DEBTOR SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW, AS WELL AS THE OTHER INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND THE DOCUMENTS DELIVERED TOGETHER HERewith OR INCORPORATED BY REFERENCE, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN. THESE FACTORS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION. THERE ARE RISKS, UNCERTAINTIES, AND OTHER IMPORTANT FACTORS THAT COULD CAUSE THE DEBTOR'S ACTUAL PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM THOSE THEY MAY PROJECT, AND THE DEBTOR UNDERTAKES NO OBLIGATION TO UPDATE ANY SUCH STATEMENT.

A. Tax Consequences of Plan

CIRCULAR 230 DISCLAIMER

To ensure compliance with requirements imposed by the Internal Revenue Service (the "IRS"), the Debtor informs all creditors that any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or tax-related matter(s) addressed herein.

CREDITORS AND INTEREST HOLDERS CONCERNED WITH HOW THE PLAN MAY AFFECT THEIR TAX LIABILITY SHOULD CONSULT WITH THEIR OWN ACCOUNTANTS, ATTORNEYS, AND/OR ADVISORS. The following disclosure of possible tax consequences is intended solely for the purpose of alerting readers to possible tax issues this Plan may present to Debtor. The Debtor CANNOT and DOES NOT represent that the tax consequences contained below are the only tax consequences of the Plan because the Tax Code embodies many complicated rules which make it difficult to state completely and accurately all the tax implications of any action.

Confirmation may have federal income tax consequences for the Debtor and Holders of Claims or Equity Interests. The Debtor has not obtained and does not intend to request a ruling from the Internal Revenue Service, nor has the Debtor obtained an opinion of counsel with respect to any tax matters. Any federal income tax matters raised by Confirmation of the Plan are governed by the Internal Revenue Code and the regulations promulgated thereunder. The following is intended to be a summary only and not a substitute for careful tax planning with a tax professional.

The federal, state and local tax consequences of the Plan may be complex in some circumstances and, in some cases, uncertain. Accordingly, each Holder of a Claim or Interest is strongly urged to consult with his or her own tax advisor regarding the federal, state, local and foreign tax consequences of the Plan.

B. Bankruptcy Risk Factors

The following discussion is intended to be a non-exclusive summary of certain risks attendant upon the consummation of the Plan. You are encouraged to supplement this summary with your own analysis and evaluation of the Plan and Disclosure Statement, in their entirety, and in consultation with your own advisors. Based on the analysis of the risks summarized below, the Debtor believes that the Plan is viable and will meet all requirements of confirmation.

Any entity emerging from Chapter 11 faces risks. In particular, the Debtor herein faces the following risks: (i) the Diocese will need its parishioners and others to continue to support its mission and programs; and (ii) the general economic conditions of the Diocese territory may have a financial and service impact on its revenues and program needs.

a. Risk of Non-Confirmation of the Plan

Although the Debtor believes that the Plan satisfies all legal requirements necessary for confirmation by the Bankruptcy Court, there can be no assurance that the Bankruptcy Court will confirm the Plan as proposed. There can also be no assurance that modifications of the Plan will not be required for confirmation or that such modifications would not necessitate a solicitation of votes to accept or reject the Plan. If the Plan is not confirmed and consummated, there can be no assurance that the Chapter 11 Case will continue rather than be dismissed. The Bankruptcy Court, which sits as a court of equity, may exercise substantial discretion with respect to the affairs of the Debtor during the Chapter 11 Case. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a plan and requires, among other things, that the value of distributions to dissenting creditors not be less than the value of distributions such creditors and shareholders would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy Code. Although the Debtor believes that the Plan will meet such tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

The Debtor could experience material adverse changes in its liquidity as a result of such delay and increased administrative fees and expenses. Further, since Chapter 7 is not an option, a dismissal will restart the “race to the courthouse” for Survivors. In addition, the Diocese reserves the right to dismiss its Chapter 11 case. Such dismissal will jeopardize recoveries by many claimants.

b. The Debtor May Object to the Amount or Classification of a Claim

Except as otherwise provided in the Plan, the Debtor reserves the right to object to the amount or classification of any Claim under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any Holder of a Claim where such Claim is subject to an objection. Any Holder of a Claim that is subject to an objection thus may not receive their expected share of the estimated distributions described in this Disclosure Statement.

c. Risk of Additional or Larger Claims

The Disclosure Statement and its attached exhibits necessarily include estimates, including estimates of future events. These estimates include, but are not limited to, estimates of future income and expenses, estimates as to the total amount of Claims that will be asserted against the Debtor and the outcome of Disputed Claims. The Debtor believes that the estimates presented are reasonable and appropriate under the circumstances. Nevertheless, there is a risk that unforeseen future events may cause one or more of these estimates to be materially inaccurate. Among the potential risks is that additional Administrative Expense Claims may be asserted, that Disputed Claims may be resolved at higher amounts than expected or that the resolution of such Claims may require the expenditure of unanticipated professional fees. If one or more of these estimates proves to be inaccurate, the amount of funds available for Distribution pursuant to the Plan may be reduced.

d. Other Parties in Interest Might be Permitted to Propose Alternative Plans of Reorganization

Under the Bankruptcy Code, a debtor in possession initially has the exclusive right to propose and solicit acceptances of a plan of reorganization. However, such exclusivity period can be reduced or terminated upon order of the Bankruptcy Court, or it may expire under the applicable provisions of the Bankruptcy Code. If such an order were to be entered or such expiration were to occur, other parties in interest would then have the opportunity to propose alternative plans of reorganization.

If other parties in interest were to propose an alternative plan of reorganization following expiration or termination of the Debtor's exclusivity period, such a plan may be less favorable to the Debtor, its Estate, and its stakeholders. In addition, if there were competing plans of reorganization, the Chapter 11 Cases would likely become longer, more complicated, and more expensive, thereby reducing recoveries to holders of Claims.

e. Non-Consensual Confirmation

If any Impaired Class of Claims does not accept or is deemed not to accept a plan of reorganization, a Bankruptcy Court may nevertheless confirm such plan at the proponent's request if at least one Impaired Class has accepted the plan (with such acceptance being determined without including the vote of any "insider" in such class), and as to each impaired class that has not accepted the plan, the Bankruptcy Court determines that the plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired classes. If any Class votes to reject or is deemed to reject the Plan, then these requirements must be satisfied with respect to such rejecting Class. The Debtor believes that the Plan satisfies these requirements.

f. Parties in Interest May Object to the Debtor's Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an interest in a particular class only if the claim or interest is substantially similar to the other claims or interests in that class. Parties in interest may object to the classification of certain claims and interests both on the grounds that certain claims and interests have been improperly placed in the

same Class and/or that certain claims and interests have been improperly placed in different Classes. The Debtor believes that the classification of Claims and Interests under the Plan complies with the requirements of the Bankruptcy Code because the Classes established under the Plan each encompass Claims or Interests that are substantially similar to similarly classified Claims or Interests. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Parties in interest may object to the classification of certain Claims and Interests both on grounds that certain Claims and Interests have been improperly placed in the same Class and/or that certain Claims and Interests have been improperly placed in different Classes.

g. The Recovery to Holders of Allowed Claims and Tort Claims Cannot be Provided with Absolute Certainty

Due to the inherent uncertainties associated with projecting financial results, litigation outcomes, and the projected of number and amount of Tort Claims that will be liquidated pursuant to the Trust Distribution Procedures, the projections contained in this Disclosure Statement should not be considered assurances or guarantees of the amount of Claims that may be allowed in the various Classes or amounts that will be paid by the Trust on account of Tort Claims. While the Debtor believes that the projections and estimates contained in this Disclosure Statement are reasonable, including with respect to the number and valuation range related to Tort Claims, certain parties, such as the Tort Committee, have indicated that they believe that the projected number and value of the Tort Claims is much higher than the Debtor has projected. To the extent that Claims, including Tort Claims, are allowed at numbers or amounts that are higher than the total projected number or valuation ranges for each Class, distributions/recoveries to holders of Claims, including Tort Claim may be lower, and there can be no assurance that the distributions/recoveries set forth in the projections in the Disclosure Statement will be realized. Also, because the Liquidation Analysis, distribution projections, and other information contained herein and attached hereto are estimates only, the timing and amount of actual distributions to holders of Allowed Claims and Tort Claims satisfied by the Trust in accordance with the Trust Distribution Procedures, if applicable, may be affected by many factors that cannot be predicted.

h. Distributions Under the Trust Distribution Procedures

Tort Claims, including Unknown Tort Claims, will be resolved pursuant to the Trust Agreement, and their treatment will be based upon, among other things, estimates of the number, types, and amount of Tort Claims, the value of the assets of the Trust, the liquidity of the Trust, the Trust's expected future income and expenses, and other matters. There can be no certainty as to the precise amounts that will be distributed by the Trust in any particular time period or when Tort Claims will be resolved by the Trust. The Debtor believes that Tort Claims are unliquidated, contingent, and subject to objection. The outcome of such objections and ultimate allowance of Tort Claims, could have a dilutive effect on Tort Claims as a whole.

i. Amendment of Plan Prior to Confirmation by the Debtor

The Debtor, subject to the terms and conditions of the Plan, reserves the right to modify the terms and conditions of the Plan or waive any conditions thereto if and to the extent necessary or desirable for confirmation. The potential impact of any such amendment or waiver on holders

of Claims cannot presently be foreseen but may include a change in the economic impact of the Plan on some or all of the proposed Classes or a change in the relative rights of such Classes.

j. Financial Projections

The Debtor has prepared financial projections based on certain assumptions, as set forth herein. The projections have not been compiled, audited, or examined by independent accountants, and neither the Debtor nor its advisors make any representations or warranties regarding the accuracy of the projections or the ability to achieve forecasted results.

Many of the assumptions underlying the projections are subject to significant uncertainties that are beyond the control of the Debtor, including the timing, Confirmation, and consummation of the Plan. Some assumptions may not materialize, and unanticipated events and circumstances may affect the actual results. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant economic, and operational risks, and the assumptions underlying the projections may be inaccurate in material respects. In addition, unanticipated events and circumstances occurring after the approval of this Disclosure Statement by the Bankruptcy Court including any natural disasters, terrorist attacks, or health epidemics may affect the actual financial results achieved. Such results may vary significantly from the forecasts and such variations may be material. The Debtor's projections reflect expectations of continued donor support. However, the Debtor cannot state with certainty that such donation programs will achieve their targeted results.

k. Potential Settlements

The Debtor has been in negotiations with certain mediation parties in hopes of resolving certain controversies related to the structure of the Plan, level of contributions by Covered Parties and insurance-related issues, and the level of contribution by the Insurers, which may result in additional settlements pursuant to Bankruptcy Rule 9019 and may be included in the Plan. If a Settlement Agreement is reached, the Plan may be modified prior to the Confirmation Hearing to incorporate any number of resolutions. The potential impact of any such settlements or resolutions on holders of Claims cannot presently be foreseen but may include a change in the economic impact of the Plan on some or all of the proposed Classes or a change in the relative rights of such Classes.

However, certain parties may object to such settlements, including with respect to the contribution amounts in such settlements. Additionally, there can be no assurance the Bankruptcy Court will approve the Plan, including such settlements over objections. If the settlements are not approved, the amounts will not be contributed to the Trust.

Moreover, if the Debtor reaches settlements with Insurers, such insurers will provide contributions to the Trust in order to be treated as a "Covered Party" under the Plan. It is likely that such settlements may involve the sale of insurance policies issued by such insurance company back to such insurance company in exchange for a contribution to the Trust.

l. Insurance Contributions

If the Debtor is unable to reach a settlement with the Insurance Companies, there is a risk that the Trust may not realize contributions from Insurers, or that the Trust's efforts to realize recoveries on account of the insurance coverage will be the subject of litigation that is expensive and time consuming and in which Insurers could raise meritorious coverage defenses that may reduce the amount of coverage available under the respective insurance policy.

m. Insurance Coverage Actions

In accordance with the Plan, the Debtor will contribute to the Trust, among other things, rights to its insurance policies (but not the policies themselves), which includes the pending Insurance Action. It is not currently known whether the Insurance Action will result in a favorable outcome for the Trust. Even if a favorable outcome is realized, the amounts awarded and the costs associated with pursuing such litigation cannot be determined at this time. Therefore, the ultimate value of the Insurance Action being contributed to the Trust is unknown.

n. Insurance Coverage Risks

The Debtor's Insurers have reserved rights to contest various Tort Claims tendered to them based on various coverage defenses. While the Debtor believes these defenses have no merit and are working to resolve these disputes, to the extent any of these defenses prevail, rights to payment with respect to such insurance policies related to Tort Claims could be reduced or barred entirely.

Additionally, the obligation to pay certain deductibles or self-insured retentions under certain insurance policies is disputed. The Debtor may not be able to pay the deductibles or self-insured retentions. This could affect payments from the Insurers and whether the Debtor can access excess policy limits.

Any of the forgoing disputes could potentially reduce or eliminate the right to payment under certain insurance policies. Moreover, defenses, disputes, and other relevant circumstances could arise that could potentially reduce or eliminate the right to payment under certain insurance policies.

o. Insurance Assignment Risks

Pursuant to the Plan, the insurance rights of the Debtor, including the Parishes and Other Catholic Entities, under their insurance policies will be assigned and transferred to the Trust to be used to satisfy Tort Claims in accordance with the Trust Distribution Procedures. Certain parties in interest, including certain of the Debtor's insurance companies, contest the ability of the Debtor to assign those rights under these insurance policies to the Trust without insurer consent. To the extent that such assignment is not allowed, the assets contributed to the Trust to satisfy Tort Claims will be reduced or insurance coverage may be voided by the assignment.

p. Failure to Obtain Approval of Releases, Injunctions, and Exculpation, Including the Channeling Injunction

The Plan provides for certain Releases, Injunctions (including the Channeling Injunction), and exculpations, including third-party releases that may otherwise be asserted against the Debtor, the Reorganized Debtor, the Released Parties and their respective related parties, or Covered Parties, as applicable. The Releases, Injunctions, and exculpations (including, the Channeling Injunction) provided in the Plan are subject to objection by parties in interest and may not be approved.

In the Third Circuit, non-consensual third-party releases are permissible if they satisfy the Continental hallmarks of “fairness and necessity to the reorganization,” which must be supported by specific factual findings. In re Millennium Lab Holdings II, LLC, 575 B.R. 252, 272 (Bankr. D. Del. 2017) (citing Gillman v. Cont’l Airlines (In re Cont’l Airlines), 203 F.3d 203, 214 (3d Cir. 2000)). In determining whether such a release satisfies this standard, courts apply the Master Mortgage factors: (1) an identity of interest between the debtor and the third party, such that a suit against the non-debtor is, in essence, a suit against the debtor or will deplete assets of the estate; (2) substantial contribution by the non-debtor of assets to the reorganization; (3) the essential nature of the injunction to the reorganization to the extent that, without the injunction, there is little likelihood of success; (4) an agreement by a substantial majority of creditors to support the injunction, specifically if the impacted class or classes ‘overwhelmingly’ votes to accept the plan; and (5) provision in the plan for payment of all or substantially all of the claims of the class or classes affected by the injunction. Id. (quoting In re Zenith Elecs. Corp., 241 B.R. 92, 110 (Bankr. D. Del. 1999)). “These factors are neither exclusive nor conjunctive requirements, but simply provide guidance in the Court’s determination of fairness.” In re Washington Mut. Inc., 442 B.R. 314, 346 (Bankr. D. Del. 2011).

If the Releases are not approved, including the non-consensual third-party releases, certain parties may not be considered Released Parties or Covered Parties, and certain of these parties could withdraw their support for the Plan and/or contributions to the Trust based on the Plan’s failure, absent such releases, to release and enjoin claims against such parties.

q. The Channeling Injunction

The Channeling Injunction, which, among other things, bars the assertion of any Tort Claims against the Covered Parties, is a necessary element of the Plan. Although the Plan, the Trust Agreement, and the Trust Distribution Procedures all have been drafted with the intention of complying with the Bankruptcy Code, there is no guarantee that the validity and enforceability of the Channeling Injunction or the application of the Channeling Injunction to Tort Claims will not be challenged, either before or after Confirmation of the Plan. While the Debtor believes that the Plan satisfies the requirements of the Bankruptcy Code, certain objections might be lodged on grounds that the requirements of the Bankruptcy Code cannot be met given the unique facts of the Chapter 11 Cases. At this juncture, the Debtor believes that the Plan provides a sufficient basis for the issuance of the Channeling Injunction under section 105(a) of the Bankruptcy Code.

r. Voting Requirements

If sufficient votes are not received, the Debtor may seek to confirm an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the holders of Allowed Claims and Tort Claims satisfied by the Trust in accordance with the Trust Distribution Procedures as those proposed in the Plan.

s. Time Risk

There is a material risk that failure to emerge from the Chapter 11 Case in a timely manner could endanger the future of the Diocese. In order to rebuild trust of its congregants, the Debtor must emerge from the cloud of this Chapter 11 Case. If the support of the Diocese's community is substantially reduced from projections, the Diocese could lack the means to meet their operational needs or otherwise emerge from bankruptcy. Timely emergence from Chapter 11 is essential to the Debtor's ability to maintain its operations and mission.

Substantial professional fees will continue to accrue until a plan is confirmed and becomes effective. At this time, the Debtor's bankruptcy estate bears the burden for the fees of the professionals and advisors to the Debtor, the Tort Committee, and the Trade Committee. In addition, the Debtor is required to pay the fees of its lender, PNC Bank. The length of the case also requires continued fees for the United States Trustee. Such fees are substantial. To date the Debtor has incurred more than \$7 million in professional fees related to this restructuring. By the end of December 2021, the Debtor estimates the professional fees in the Chapter 11 Cases will equal or exceed \$10 million. Each successive month costs the estate approximately \$1 million or more. The Debtor believes this is wholly inappropriate for a non-profit chapter 11 proceeding and seeks to emerge from bankruptcy as soon as possible to stop the accrual of additional professional fees. The potential for protracted litigation with insurance companies and the Tort Committee is great and will cause increased costs and expenses to the Debtor, including with respect to professional fees. If such litigation ensues, there is a material risk that professional fees could be much higher than the Debtor anticipates or is able to pay.

t. Parties in Interest May Object to the Plan Based on Section 1129(a)(7) of the Bankruptcy Code

The Debtor may need to satisfy the "best interests of creditors" test, embodied in section 1129(a)(7) of the Bankruptcy Code. As a threshold matter, the Debtor does not believe the best interests test applies to non-profit organizations such as the Debtor in light of the restrictions on the forced sale of a non-profit's assets under the Bankruptcy Code and applicable state law. If the Bankruptcy Court disagrees with this position, then the best interests test should apply only with respect to recoveries of claimants on account of their claims against the Debtor in a hypothetical liquidation of the Debtor. However, to the extent the Bankruptcy Court determines that the Plan must satisfy the best interests test, the Debtor will be prepared at confirmation to address those standards, including through the Liquidation Analysis, which shows that the Debtor satisfies the test, and/or through other expert testimony related to whether holders of Impaired Claims will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the value such holder would receive in a liquidation under chapter 7. If the Bankruptcy Court determines that the Plan does not satisfy the requirements of the best interests test, to the extent it

applies, the Plan may not be Confirmed or may only be Confirmed with modifications, including potential modifications to the nonconsensual third party releases included in the Plan. If the Plan cannot be Confirmed because of this issue, the Debtor's options going forward may be limited to: (1) reaching agreement on a fully consensual plan; (2) satisfying the best interest of creditors test; and (3) voluntary or involuntary dismissal.

u. Historical Financial Information of the Debtor

As a result of the consummation of the Plan and the transactions contemplated thereby, the financial condition and results of operations of the Reorganized Debtor from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtor's historical financial statements.

C. Other Factors

a. Debtor Could Withdraw the Plan

Subject to, and without prejudice to, the rights of any party in interest, the Plan may be revoked or withdrawn before the Confirmation Date by the Debtor.

b. Debtor Has No Duty to Update

The statements contained in this Disclosure Statement are made by the Debtor as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has been no change in the information set forth herein since that date. Additionally, the Debtor has no duty to update this Disclosure Statement unless otherwise ordered to do so by the Bankruptcy Court.

c. No Representations Outside this Disclosure Statement Are Authorized

No representations concerning or related to the Debtor, the Chapter 11 Case, or the Plan are authorized by the Bankruptcy Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than those contained in, or included with, this Disclosure Statement should not be relied upon in making the decision to accept or reject the Plan.

d. No Legal or Tax Advice Is Provided by this Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each holder of a Claim should consult its own legal counsel and accountant as to legal, tax, and other matters concerning their Claim or Interest. This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to Confirmation of the Plan.

e. No Admission Made

Nothing contained herein or in the Plan shall constitute an admission of, or shall be deemed evidence of, the tax or other legal effects of the Plan on the Debtor or holders of Claims or Interests.

ARTICLE XVIII.
FEASIBILITY OF THE PLAN

As a condition to Confirmation, section 1129(a)(11) of the Bankruptcy Code involves the feasibility of the Plan, which means that confirmation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of Debtor or any successor to Debtor under the Plan.

There are at least two important aspects of a feasibility analysis. The first aspect considers whether Debtor will have enough cash on hand on the Effective Date of the Plan to pay all the claims and expenses that are entitled to be paid on such date. The Debtor maintains that this aspect of feasibility is satisfied as illustrated here, based upon the value of the Debtor's assets.

The second aspect considers whether the Debtor will have enough cash over the life of the Plan to make the required Plan payments. The Debtor believes that this second aspect of the feasibility requirement is met based on the work in progress and historical performance. A copy of the Debtor's projections is annexed hereto as **Exhibit B**. Accordingly, the Debtor believes, on the basis of the foregoing, that the Plan is feasible.

ALTHOUGH EVERY EFFORT WAS MADE TO BE ACCURATE, THE PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTS OR IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPALS IN THE UNITED STATES, THE FINANCIAL ACCOUNTING STANDARDS BOARD, OR THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION REGARDING PROJECTIONS. FURTHERMORE, NEITHER THE DEBTOR'S ACCOUNTANTS, NOR ANY OTHER ACCOUNTANTS, HAVE COMPILED, EXAMINED, OR PERFORMED ANY PROCEDURES WITH RESPECT TO THE PROJECTIONS CONTAINED HEREIN, NOR HAVE THEY EXPRESSED ANY OPINION OR ANY OTHER FORM OF ASSURANCE ON SUCH INFORMATION OR ITS ACHIEVABILITY, AND ASSUME NO RESPONSIBILITY FOR, AND DISCLAIM ANY ASSOCIATION WITH, THE PROSPECTIVE FINANCIAL INFORMATION. WHILE PRESENTED WITH NUMERICAL SPECIFICITY, THE PROJECTIONS ARE BASED ON A VARIETY OF ASSUMPTIONS, WHICH MAY NOT BE REALIZED, AND ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, WHICH ARE BEYOND THE CONTROL OF THE DEBTOR. CONSEQUENTLY, THE PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE DEBTOR, OR ANY OTHER PERSON, THAT THE PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE PRESENTED IN THE PROJECTIONS. HOLDERS OF CLAIMS MUST MAKE THEIR OWN DETERMINATION AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS IN REACHING THEIR DETERMINATIONS OF WHETHER TO ACCEPT OR REJECT THE PLAN. THE DEBTOR'S FINANCIAL ADVISORS HAVE NOT EXPRESSED AN OPINION ON OR MADE A REPRESENTATION REGARDING THE ACHIEVABILITY OF THE FINANCIAL PROJECTIONS.

ARTICLE XIX.
BEST INTERESTS TEST

Another confirmation requirement is the “Best Interest Test,” which requires a liquidation analysis. Under the Best Interest Test, if a claimant is in an impaired class and that claimant does not vote to accept the Plan, then that claimant must receive or retain under the Plan property of a value not less than the amount that such holder would receive or retain if the Debtor’s assets were liquidated under Chapter 7 of the Bankruptcy Code.

In a Chapter 7 case, the Debtor’s assets are usually sold by a Chapter 7 trustee. Secured creditors are paid first from the sales proceeds of properties on which the secured creditor has a lien. Administrative claims are paid next. Next, unsecured creditors are paid from any remaining sales proceeds, according to their rights to priority. Unsecured creditors with the same priority share in proportion to the amount of their allowed claims.

In order for the Court to be able to confirm this Plan, the Court must find that all creditors who do not accept the Plan will receive at least as much under the Plan as such holders would receive under a Chapter 7 liquidation. The Debtor maintains that this requirement is met here for the following reasons:

Conversion of the case to Chapter 7 is not available because the Diocese is a nonprofit religious corporation. 11 U.S.C. § 303(a). Therefore, the only remedy available would be dismissal under 11 U.S.C. § 1112. If dismissal occurred, the “race to the courthouse” would ensue. In such event, it is highly likely that many creditors would be treated unfairly and inequitably because the first creditor(s) to obtain judgments would likely substantially deplete the available assets. In addition, the resources needed to adjudicate the claims would be substantial.

As such, the Debtor believes that secured, priority unsecured, and general unsecured creditors are better off by implementation of the Chapter 11 Plan of Reorganization, as opposed to dismissal of the case. A copy of the Debtor’s liquidation analysis is annexed hereto as **Exhibit E**.

**ARTICLE XX.
RECOMMENDATION**

THE DEBTOR RECOMMENDS THAT CREDITORS VOTE TO “ACCEPT” THE PLAN. THE DEBTOR BELIEVES THAT CONFIRMATION OF THE PLAN IS PREFERABLE TO ANY OF THE ALTERNATIVES DESCRIBED ABOVE AND THAT THE PLAN IS DESIGNED TO PROVIDE GREATER RECOVERIES THAN THOSE AVAILABLE IN ANY OTHER FORM OF LIQUIDATION. ANY OTHER ALTERNATIVE WOULD CAUSE SIGNIFICANT DELAY AND UNCERTAINTY, AS WELL AS ADDITIONAL ADMINISTRATIVE COSTS.

Dated: October 12, 2021

THE DIOCESE OF CAMDEN, NEW JERSEY

By: Reverend Robert E. Hughes
Reverend Robert E. Hughes,
Vicar General

- and -

Dated: October 12, 2021

TRENK ISABEL P.C.

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Chapter 11 Debtor and Debtor-in-Possession*

Exhibit A

First Amended Plan of Reorganization

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*Counsel to 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:	Chapter 11
THE DIOCESE OF CAMDEN, NEW JERSEY,	Case No. 20-21257 (JNP)
Debtor.	

FIRST AMENDED PLAN OF REORGANIZATION

The Diocese of Camden, New Jersey, the chapter 11 debtor and debtor-in-possession and the Plan Proponent respectfully submits its First Amended Plan of Reorganization pursuant to chapter 11 of title 11 of the United States Code, in the form annexed hereto and made a part hereof.

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INTRODUCTION

The Diocese of Camden, New Jersey (the “Diocese” or “Debtor”) is the debtor-in-possession in the instant bankruptcy case. On October 1, 2020, the Debtor commenced a bankruptcy case by filing a voluntary chapter 11 petition under the United States Bankruptcy Code (the “Bankruptcy Code”), 11 U.S.C. § 301, et seq. This document is the First Amended Chapter 11 Plan (the “Plan”) proposed by the Debtor (the “Proponent”). Sent to you in the same envelope as this document is the Disclosure Statement which has been approved by the United States Bankruptcy Court for the District of New Jersey (the “Court”), and which is provided to help you understand the Plan.

For a discussion of the Debtor’s history, mission, risk factors associated with the Plan, and for a summary and analysis of the Plan and related matters, reference is made to the Disclosure Statement (as defined herein). Subject to the restrictions on modifications set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and any restrictions on modifications set forth herein, the Debtor expressly reserves the right to alter, amend, or modify this Plan, one or more times before substantial consummation thereof.

ARTICLE I. **DEFINITIONS AND CONSTRUCTION OF TERMS**

Unless otherwise provided in the Plan, all terms used herein shall have the meanings assigned to such terms in the Bankruptcy Code or the Bankruptcy Rules. For the purposes of the Plan, the following terms (which appear in the Plan in capitalized forms) shall have the meanings set forth below, and such meanings shall be equally applicable to the singular and to the plural form of the terms defined, unless the context otherwise requires.

1.1. Abuse shall mean any actual or alleged sexual conduct or misconduct, sexual abuse or molestation, indecent assault and/or battery, rape, pedophilia, ephebophilia, or sexually-related physical, sexually-related psychological, or sexually-related emotional harm, or contacts, or interactions of a sexual nature between a child and an adult, or an adult and another adult regardless of whether consensual or nonconsensual, sexual assault, sexual battery, sexual psychological or emotional abuse, humiliation, or intimidation, or any other conduct constituting a sexual offense of any type, kind, nature or description, incest, or use of a child in a sexual performance, and seeking monetary damages or any other relief, under any theory of liability, including vicarious liability, any negligence-based theory, contribution, indemnity, or any other theory based on any acts or failures to act by the Diocese or any other person or entity for whose acts or failures to act the Diocese is or was allegedly responsible

1.2. Administrative Expense Claim shall mean any Claim constituting an actual, necessary cost or expense of administering the Chapter 11 Case under sections 503(b)(1) through (8) and 507(a)(2) of the Bankruptcy Code including, without limitation, (a) any actual and necessary costs and expenses of preserving the Estate, (b) all compensation and reimbursement of expenses under sections 330 or 503 of the Bankruptcy Code, (c) any fees or charges assessed against the Estate under section 1930 of chapter 123 of title 28 of the United States Code, and (d) all Claims arising under section 503(b)(9) of the Bankruptcy Code.

1.3. Allowed shall mean, with reference to any Claim, proof of which was timely and properly filed or, if no proof of Claim was filed, which has been or hereafter is listed by the Debtor in the Schedules, as liquidated in amount and not disputed or contingent and, in each case, as to which: (A) no objection to allowance has been interposed within the applicable period fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or (B) an objection has been interposed and such Claim has been allowed, in whole or in part, by a Final Order.

1.4. Avoidance Actions shall mean any and all rights to recover or avoid transfers or liens under Chapter 5 of the Bankruptcy Code or otherwise, including, but not limited to, Sections 506(d), 522, 541, 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code, or otherwise under the Bankruptcy Code or under similar or related state or federal statutes and common law, including, without limitation, all preference, fraudulent conveyance, fraudulent transfer, and/or other similar avoidance claims, rights, and causes of action, whether or not litigation has been commenced as of the Effective Date to prosecute such Avoidance Actions; subject, however, to any releases thereof provided in the Plan, the Confirmation Order, or any other Final Order of the Bankruptcy Court.

1.5. Bankruptcy Code shall mean the Bankruptcy Reform Act of 1978, as amended, and as codified in title 11 of the United States Code.

1.6. Bankruptcy Court or Court means the United States Bankruptcy Court for the District of New Jersey, having jurisdiction over the Chapter 11 Case, or if such Court ceases to exercise jurisdiction over the Chapter 11 Case, such court or adjunct thereof that exercises jurisdiction over the Chapter 11 Case in lieu of the United States Bankruptcy Court for the District of New Jersey.

1.7. Bar Date shall mean the last date for each Person to file a proof of claim pursuant to Bankruptcy Rule 3002 and the Bankruptcy Court's *Order Granting the Diocese's Motion for Entry of an Order Establishing a Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* [ECF 409] which set the following date, *inter alia*, **June 30, 2021 at 11:59 p.m.**

1.8. Bankruptcy Rules shall mean the rules and forms of practice and procedure in bankruptcy, promulgated under 28 U.S.C. § 2075 and also referred to as the Federal Rules of Bankruptcy Procedure.

1.9. Business Day means and refers to any day except Saturday, Sunday, and any other day on which commercial banks in New Jersey are authorized by law to close.

1.10. Cash shall mean legal tender of the United States of America and equivalents thereof.

1.11. Causes of Action shall mean the Avoidance Actions and all other claims, actions, causes of action, choses in action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, third-party claims, counterclaims, and crossclaims of any Debtor and/or the Estate against any Entity, based in law or equity, including, but not limited to,

under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted, and any and all commercial tort claims against any party, including the Debtor's current and former directors and officers.

1.12. Channeled Claim means any Tort Claim or other Claim, including, but not limited to, those Claims based upon or in any manner arising from or related to any acts or omissions of any Covered Party including (i) for damages of any type, including bodily injury, personal injury, emotional distress, wrongful death, and/or loss of consortium, (ii) for exemplary or punitive damages, (iii) for attorneys' fees and other expenses, fees, or costs, and/or (iv) for any remedy at law, in equity or admiralty whatsoever, heretofore, now or hereafter asserted against any of the Covered Parties to the extent such Claim arises from the same injury or damages asserted as a Tort Claim against the Covered Parties that directly or indirectly arises out of, relates to, or is in connection with such Tort Claim or other Claim covered by the Channeling Injunction; *provided, however*, that "Channeled Claims" shall not include any Claim against (i) an individual who perpetrated an act of Abuse that forms the basis of a Tort Claim with respect to that Tort Claim; (ii) any religious order, congregation, or association, diocese (other than the Diocese itself), or archdiocese; or (iii) any other individual or entity.

1.13. Channeling Injunction means the injunction contained in the Plan.

1.14. Chapter 11 Case shall mean the case under Chapter 11 of the Bankruptcy Code in which The Diocese of Camden, New Jersey is the Debtor.

1.15. Claim shall mean has the meaning set forth in section 101(5) of the Bankruptcy Code.

1.16. Class shall mean a grouping of substantially similar Claims for common treatment thereof pursuant to the terms of this Plan.

1.17. Class 5 Claim shall mean a Tort Claim.

1.18. Class 5 Claimant shall mean a Holder of a Class 5 Claim.

1.19. Class 6 Claim shall mean an Unknown Tort Claim.

1.20. Class 6 Claimant shall mean a Holder of a Class 6 Claim.

1.21. Code shall mean title 11 of the United States Code, otherwise known as the Bankruptcy Code.

1.22. Confirmation shall mean the entry of an Order by this Court approving the Plan in accordance with the provisions of the Bankruptcy Code.

1.23. Confirmation Hearing shall mean a hearing conducted before the Bankruptcy Court for the purpose of considering confirmation of the Plan.

1.24. Confirmation Order shall mean an Order of the Bankruptcy Court confirming the Plan in accordance with the provisions of chapter 11 of the Bankruptcy Code.

1.25. Covered Parties means any of (i) the Diocese; (ii) each of the parties listed on Exhibit G of the Disclosure Statement; (iii) each of the foregoing Persons' respective past, present, and future parents, subsidiaries, affiliates, holding companies, merged companies, related companies, divisions, and acquired companies; (iv) each of the foregoing Persons' respective predecessors, successors and assigns; and (v) solely to the extent of and in their capacity as such, any and all of the foregoing Persons' respective past and present employees, officers, directors, shareholders, principals, teachers, staff, members, boards, administrators, priests, deacons, brothers, sisters, nuns, other clergy or Persons bound by monastic vows, volunteers, agents, attorneys, and representatives, in their capacity as such. Nothing in the foregoing is intended to suggest that such Persons are "employees" or agents of the Diocese or subject to its control. An individual who perpetrated an act of Abuse that forms the basis of a Tort Claim is not a Covered Party.

1.26. Creditor shall mean any person that has a Claim against the Debtor that arose on or before the Petition Date or a Claim against the Debtor's estate of any kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code. This includes all persons, corporations, partnerships, or business entities holding claims against the Debtor.

1.27. Debt means, refers to and shall have the same meaning ascribed to it in section 101(12) of the Code.

1.28. Debtor shall mean The Diocese of Camden, New Jersey.

1.29. Diocese and Diocesan refers to The Diocese of Camden, New Jersey, which is the diocesan not for profit religious corporation formed pursuant to New Jersey Statutes Annotated Title 16 that is the public juridic person of the Roman Catholic Diocese of Camden, as now constituted or as it may have been constituted, and the Estate (pursuant to Section 541 of the Bankruptcy Code).

1.30. Diocese Parties means collectively the Diocese and, in their capacity as such: (i) each of the past, present, and future parents, subsidiaries, merged companies, divisions, and acquired companies of the Diocese; (ii) any and all named insured, insureds, additional insureds, covered party, additional Covered Parties, and Covered Person(s); (iii) each of the foregoing Persons' respective past, present, and future parents, subsidiaries, merged companies, divisions, and acquired companies; (iv) each of the foregoing Persons' respective predecessors, successors, and assigns; and (v) any and all past and present employees, officers, directors, shareholders, principals, sisters, nuns, other clergy or Persons bound by religious, clerical and/or monastic vows, volunteers, agents, attorneys, and representatives of the Persons identified in the foregoing subsections (i)-(iv) in their capacity as such. Nothing in the foregoing is intended to suggest that such Persons are "employees" or agents of the Diocese or subject to its control. An individual who perpetrated an act of Abuse that forms the basis of a Tort Claim is not a Diocese Party as to that Tort Claim. No religious order, congregation or association, archdiocese, or diocese, other than the Diocese itself, is a Diocese Party.

1.31. Disclosure Statement means and refers to the Disclosure Statement filed by the Debtor as required pursuant to section 1125, et seq. of the Bankruptcy Code as approved by the Bankruptcy Court.

1.32. Effective Date shall mean thirty (30) days after the day on which the Confirmation Order becomes a Final Order.

1.33. Equity Interests means all equity interests in the Debtor including, but not limited to, all issued, unissued, authorized or outstanding shares or membership interests together with any warrants, options or contract rights to purchase or acquire such interests at any time.

1.34. Estate means the estate of the Debtor created upon the commencement of the Chapter 11 Case pursuant to Section 541 of the Bankruptcy Code.

1.35. Exculpated Parties means collectively, (i) the Diocese, the Estate, the Tort Committee and the Trade Committee; (ii) the respective officers, directors, employees, members, attorneys, financial advisors, members of subcommittees of the board of directors, volunteers, and members of consultative bodies and councils including with respect to their service or participation in an outside board on which they serve at the request of the Diocese or the Bishop, in their capacity as such; and (iii) professionals of a Person identified in the preceding clause (i) through (iii).

1.36. Executory Contract means any executory contract or unexpired lease as of the Commencement Date between the Debtor and any other Person or Persons, specifically excluding contracts and agreements entered into pursuant to this Plan.

1.37. Fee Claim means a Claim under Sections 328, 330(a), 331, 363 or 503 of the Bankruptcy Code for professional compensation.

1.38. Final Order shall mean an order of the Bankruptcy Court of a court of competent jurisdiction to hear appeals from the Bankruptcy Court which, not having been reversed, modified, or amended, and not being stayed, and the time to appeal from which or to seek review or rehearing of which having expired, has become final and is in full force and effect.

1.39. General Unsecured Claim shall mean any Claim against the Debtor that arose or is deemed by the Bankruptcy Code or Bankruptcy Court, as the case may be, to have arisen before the Petition Date and that is not: (i) an Administrative Expense Claim, (ii) a Priority Tax Claim, (iii) a Non-Tax Priority Claim, (iv) a Secured Claim, (v) a Pension Claim; (vi) a Tort Claim; or (vii) an Unknown Tort Claim.

1.40. Holder means the beneficial holder of any Claim.

1.41. Impaired when used as an adjective preceding the words “Class of Claims” shall mean that the Plan alters the legal, equitable, or contractual rights of the members of that class.

1.42. Lien means any mortgage, pledge, deed of trust, assessment, security interest, lease, lien, adverse claim, levy, charge or other encumbrance of any kind, including any “lien” as defined in Section 101(37) of the Bankruptcy Code, or a conditional sale contract, title retention contract or other contract to give any of the foregoing.

1.43. Parishes means all past and present parishes or Parish and Diocesan schools within the territory of the Diocese, including, but not limited to, those parties listed on Exhibit G

to the Disclosure Statement. Nothing in the foregoing is intended to suggest that such Persons are “employees” or agents of the Diocese or subject to its control. An individual who perpetrated an act of Abuse that forms the basis of a Tort Claim is not a Parish as to that Tort Claim.

1.44. Person shall mean an individual, a corporation, a partnership, an association, a joint stock company, a joint venture, an estate, a trust, an unincorporated organization, or a government or any political subdivision thereof or other entity.

1.45. Petition Date shall mean October 1, 2020, the date on which the Debtor filed its petition for relief commencing the Chapter 11 Case.

1.46. Plan shall mean the Plan of Reorganization filed in these Proceedings, together with any additional modifications and amendments.

1.47. Priority Non-Tax Claim shall mean a Claim entitled to priority under sections 507(a)(2), (3), (4), (5), (6), or (7) of the Bankruptcy Code, but only to the extent it is entitled to priority in payment under any such subsection.

1.48. Priority Tax Claim shall mean any Claim entitled to priority in payment under section 507(a)(8) of the Bankruptcy Code, but only to the extent it is entitled to priority under such subsection.

1.49. Priority Tax Creditor shall mean a Creditor holding a priority tax claim.

1.50. Proceedings shall mean the Debtor’s Chapter 11 Case.

1.51. Proof of Claim shall mean a proof of Claim filed in the Chapter 11 Case pursuant to Bankruptcy Code Section 501 and/or pursuant to any order of the Bankruptcy Court, together with supporting documents.

1.52. Proponent means the Debtor.

1.53. Released Party means collectively and in each case in their capacity as such: (i) the Debtor and Reorganized Debtor; and (ii) all parties listed on Exhibit H of the Disclosure Statement as may be amended prior to Confirmation; and (iii) with respect to each of the foregoing entities in clauses (i) through (ii), such entities’ predecessors, successors and assigns, subsidiaries, and affiliates, and its and their current and former officers, directors, principals, shareholders and their Affiliates, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, and other professionals, and such persons’ respective heirs, executors, estates, servants and nominees.

1.54. Releasing Party means collectively and in each case in their capacity as such: (i) each Holder of a Claim; (ii) the Debtor and the Debtor’s Estate; and (iii) with respect to each of the foregoing entities, such entities’ and the Debtor’s predecessors, successors and assigns, subsidiaries, and affiliates, and its and their current and former officers, directors, principals, shareholders, members, managers, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives,

management companies, and other professionals, and such persons' respective heirs, executors, estates, servants and nominees. For the avoidance of doubt, the Diocese is not releasing any claims relating to Parish loans or other accounts receivable.

1.55. Secured Claim means a Claim (i) that is secured by a Lien on property in which the Estate has an interest, which lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law, or a Claim that is subject to a valid right of the Creditor of setoff against amounts owed to the Debtor; (ii) to the extent of the value of the Holder's interest in the Estate's interest in such property or to the extent of the amount subject to a valid right of setoff, as applicable; and (iii) the amount of which (A) is undisputed by the Debtor or (B) if disputed by the Debtor, such dispute is settled by written agreement between the Debtor and the holder of such Claim or determined, resolved, or adjudicated by Final Order.

1.56. Tort Claim means any Claim that arose on or before the Bar Date against any of the Covered Parties that arises out of, relates to, results from, or is in connection with, in whole or in part, directly or indirectly, Abuse that took place in whole or in part prior to the Effective Date, including any such Claim that seeks monetary damages or any other relief, under any theory of liability, including vicarious liability; *respondeat superior*; any fraud-based theory, including fraud in the inducement; any negligence-based or employment-based theory, including negligent hiring, supervision, retention or misrepresentation; any other theory based on misrepresentation, concealment, or unfair practice; contribution; indemnity; public or private nuisance; or any other theory, including any theory based on public policy or any acts or failures to act by any of the Covered Parties or any other Person for whom any of the Covered Parties are allegedly responsible, including any such Claim asserted against any of the Covered Parties in connection with the Reorganization Case. Tort Claim includes any Unknown Tort Claim.

1.57. Tort Claimant shall mean the Holder of a Tort Claim.

1.58. Tort Committee shall mean the Official Committee of Tort Claimant Creditors appointed by the U.S. Trustee in the Chapter 11 Case.

1.59. Tort Claims Reviewer means the Person, including the designee of such person or entity, who will assess Class 5 and Class 6 Claims.

1.60. Trade Committee shall mean the Official Committee of Trade Creditors appointed by the U.S. Trustee in the Chapter 11 Case.

1.61. Trust shall mean the trust created for the benefit of Tort Claimants in accordance with the Plan, Confirmation Order, and the Trust Agreement.

1.62. Trust Administrator shall mean the Person appointed as the Trust Administrator of the Trust in accordance with the terms of the Plan, the Confirmation Order, and the Trust Agreement, or any successor appointed in accordance with the terms of the Plan, Confirmation Order, and the Trust Agreement.

1.63. Trust Agreement or Trust Documents shall mean the trust agreement establishing the Trust, as may be amended, together with such additional documents as may be executed in connection with the Trust Agreement.

1.64. Trust Assets means the Cash and other assets to be transferred to the Trust under the Plan.

1.65. Trust Distribution Plan means the Trust Distribution Plan attached as Exhibit F to the Disclosure Statement.

1.66. Unknown Tort Claim shall mean (a) any Tort Claim that was neither filed, nor deemed filed by the Effective Date, and is held by (i) an individual who was at the time of the Petition Date under a disability recognized by any applicable law suspending the running of the limitation period, if any; (ii) an individual who experienced Abuse prior to and including the Effective Date and whose Claim is timely; or (iii) an individual who has a Tort Claim that was barred by the statute of limitations as of the Effective Date but is no longer barred by the applicable statute of limitations for any reason as of the Effective Date, including the enactment of legislation that revises previously time-barred Tort Claims; and (b) any Tort Claim for which a Proof of Claim was filed prior to the Effective Date, but such Proof of Claim was neither filed nor deemed filed by the Bar Date, and is held by (i) an individual who was at the time of the Petition Date under a disability recognized by any applicable law suspending the running of the limitation period, if any; (ii) an individual who experienced Abuse prior to and including the Effective Date and whose Claim is timely; or (iii) an individual who has a Tort Claim that was barred by the statute of limitations as of the Effective Date but is no longer barred by the applicable statute of limitations for any reason as of the Effective Date, including the enactment of legislation that revises previously time-barred Tort Claims.

1.67. Unknown Tort Claimant shall mean the Holder of an Unknown Tort Claim.

1.68. U.S. Trustee shall mean the Office of the United States Trustee for Region 3, which includes the District of New Jersey.

1.69. U.S. Trustee Fees shall mean any and all fees payable to the U.S. Trustee pursuant to section 1930 of title 28 of the United States Code and any interest thereupon.

1.70. Other Definitions, a term used and not defined herein but that is defined in the Bankruptcy Code, shall have the meaning set forth therein. The words “herein”, “hereof,” “hereto,” “hereunder,” and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. Moreover, some terms defined herein are defined in the section in which they are used.

ARTICLE II.

CLASSIFICATION OF CLAIMS AND INTERESTS

2.1. Classification. All Claims and all Interests, as defined herein and in Section 101(5) of the Bankruptcy Code, except the Fee Claims, Administrative Expense Claims, U.S. Trustee Fees, and Priority Tax Claims, are placed into the Classes set forth below. Pursuant to Section 1123(a)(1) of the Bankruptcy Code, Fee Claims, Administrative Expense Claims, U.S.

Trustee Fees, and Priority Tax Claims, as described below, are not classified in the Plan, and the treatment of such Claims is set forth in Article III below. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of such Claim or Interest falls within the description of such other Classes. A Claim or Interest is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim or Interest is an Allowed Claim or Interest in that Class and such Claim or Interest has not been paid, discharged, released or otherwise settled prior to the Effective Date.

2.2. Unclassified Claims. The following are the unclassified Claims: Fee Claims, Administrative Expense Claims, U.S. Trustee Fees, and Priority Tax Claims. Unclassified Claims are not Impaired by the Plan. Each Holder of an unclassified Claim is conclusively presumed to have accepted the Plan and, therefore, is not entitled to vote to accept or reject the Plan.

2.3. Classified Claims. As set forth in the table below, Class 1 is Unimpaired under the Plan, and, pursuant to Section 1126(f) of the Bankruptcy Code, is conclusively presumed to have accepted the Plan. Classes 7A and 7B are fully Impaired and are not receiving any Distributions under the Plan and, pursuant to Section 1126(g) of the Bankruptcy Code, are conclusively presumed to have rejected the Plan. Classes 2, 3, 4, 5, 6 and 8 are Impaired under the Plan and are entitled to vote on the Plan.

Class	Claims & Interest	Status	Voting Rights
1	Priority Non-Tax Claims	Unimpaired	Not Entitled to Vote (Deemed to Accept)
2	PNC Bank, N.A.	Impaired	Entitled to Vote
3	Non-Abuse General Unsecured Claims	Impaired	Entitled to Vote
4	Underfunded Pension Claims	Impaired	Entitled to Vote
5	Tort Claims Other Than Unknown Tort Claims	Impaired	Entitled to Vote
6	Unknown Tort Claims	Impaired	Entitled to Vote
7A	Abuse Related Contingent Claims	Impaired	Not Entitled to Vote
7B	Abuse Related Contingent Claims	Impaired	Not Entitled to Vote
8	Non-Abuse Litigation Claims	Impaired	Entitled to Vote

**ARTICLE III.
TREATMENT OF UNCLASSIFIED CLAIMS**

3.1. Administrative Expenses Claims. Administrative Expense Claims are Claims for costs or expenses of administering the Debtor’s Chapter 11 Case which are allowed under Bankruptcy Code section 503(b) or otherwise. The Bankruptcy Code requires that all administrative expenses be paid on the Effective Date of the Plan, unless a particular claimant agrees to different treatment. The Debtor or Reorganized Debtor, as appropriate, shall pay each Holder of an Allowed Administrative Expense Claim in full, in cash, on the later of (i) fifteen (15) days after the Effective Date; or (ii) fifteen (15) days after the date on which such claim becomes an Allowed Administrative Expense Claim. Notwithstanding anything in the Plan to the contrary, the Holder of an Allowed Administrative Claim may be paid on such other date and

upon such other terms as may be agreed upon by the Holder of an Allowed Administrative Expense Claim and Debtor/Reorganized Debtor.

3.2. Priority Tax Claim. The Debtor shall pay any Allowed Priority Tax Claims, in full, in Cash, without interest, as soon as practicable after the later of (i) fifteen (15) days after the Effective Date, (ii) fifteen (15) days after the date on which such claim becomes an Allowed Priority Tax Claim, (iii) at the option of the Debtor prior to the Effective Date in accordance with Section 1129(a)(9)(C) of the Bankruptcy Code, in Cash, in an aggregate amount of such Allowed Priority Tax Claim payable in regular quarterly installments over a period of not more than five (5) years from the Petition Date, or (iv) such other treatment agreed to by the Debtor and the Holder of such Allowed Priority Tax Claim; *provided, however*, that the Holder of an Allowed Priority Tax Claim will not be entitled to receive any payment on account of any penalty arising with respect to, or in connection with any Priority Tax Claim. Any demand for any such penalty will be deemed disallowed by Confirmation of the Plan. The Debtor is unaware of any Priority Tax Claims.

3.3. U.S. Trustee Fees. All outstanding U.S. Trustee Fees that have not been paid as of the Effective Date shall be paid no later than fifteen (15) days after the Effective Date or when such U.S. Trustee Fees come due in the ordinary course.

3.4. Fee Claims. All entities seeking an award by the Bankruptcy Court of Fee Claims (i) shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is 30 days after the Effective Date and (ii) shall be paid in full in such amounts as are Allowed by the Bankruptcy Court (a) on the date upon which the Order relating to any such Allowed Fee Claim is entered, or (b) upon such other terms as may be mutually agreed upon between the holder of such an Allowed Fee Claim and the Debtor. The Reorganized Debtor is authorized to pay compensation for services rendered or reimbursement of expenses incurred after the Confirmation Date in the ordinary course and without the need for Bankruptcy Court approval.

ARTICLE IV. **TREATMENT OF CLAIMS AND INTERESTS**

4.1. Class 1 (Priority Non-Tax Claims). Certain priority non-tax claims that are referred to in Code Sections 507(a)(3), (4), (5), (6), and (7) are entitled to priority treatment. These claims are to be treated as follows:

(a) **Classification.** Class 1 consists of the Priority Non-Tax Claims.

(b) **Impairment and Voting.** Class 1 is Unimpaired. Holders of Allowed Class 1 Priority Non-Tax Claims are deemed to have accepted this Plan and, thus, are not entitled to vote to accept or reject this Plan.

(c) **Treatment.** Except to the extent that a Holder of an Allowed Priority Non-Tax Claim and the Debtor shall have agreed in writing to a different treatment, each Holder of an Allowed Priority Non-Tax Claim shall receive, in full and final satisfaction of such Claim, payment in full in Cash, without interest, in an amount equal to such Allowed Priority Non-Tax Claim as soon as reasonably practicable after the later of (a)

the Effective Date and (b) the date when such Priority Non-Tax Claim becomes an Allowed Priority Non-Tax Claim.

4.2. Class 2 (PNC Bank)

(a) **Classification.** PNC Bank is an unsecured creditor of the Diocese but is secured by the Pledge Agreement and Guaranty by DOC Trusts. Accordingly, PNC Bank is entitled to separate treatment under the Plan. PNC Bank’s claim is approximately \$22.8 million.

(b) **Treatment, Impairment and Voting.**

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
2	<p>PNC Bank</p> <ul style="list-style-type: none"> Total amount of claims = Approximately \$23.8 million <p>Estimated Distribution: 100%</p>	N	Y	<p>Term – Five (5) years</p> <p>Amortization – Monthly Principal and Interest payments based upon a fifteen (15) year amortization period</p> <p>Interest Rate – Libor plus one hundred basis points, with a floor of fifty basis points, subject to the Lender’s standard LIBOR transition provisions.</p> <p>The Debtor shall assume and reaffirm all loan documents with PNC and all such loan documents and provisions shall remain in full force and effect until all obligations of the Debtor have been indefeasibly paid in full.</p>

4.3. Class 3 (General Unsecured Claims).

(a) **Classification.** General Unsecured Claims are unsecured claims not entitled to priority under Bankruptcy Code section 507(a) that are not Tort Claims. The unsecured creditors include trade creditors and total approximately \$2,000,000.

(b) Treatment, Impairment and Voting.

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
3	General unsecured claims • Total amount of claims = (this amount is still being determined in light of the fact that certain claims are subject to objection and reclassification, but is anticipated to be \$2 million). Estimated Distribution: 75%	N	Y	Allowed Class 3 Claims shall be paid a <i>pro rata</i> portion of a \$1,500,000 distribution over five (5) years. Payments may be made quarterly.

4.4. Class 4 (Underfunded Pension Claims).

(a) Classification. Underfunded Pension Claims are unsecured claims that are based on the Debtor’s underfunded pension plans: (i) Pension Plan for Priests of the Diocese of Camden; (ii) Pension Plan for Certain Lay Employees of the Diocese of Camden; and (iii) Post-Retirement Benefits Plan for Priests of the Diocese of Camden. The Debtor estimates that these claims are approximately \$45,439,291.

(b) Treatment, Impairment and Voting.

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
3	Underfunded Pension Claims • Total amount of claims = estimated at \$45,439,291.	N	Y	Allowed Class 3 Claims shall be paid \$2,000,000 a year for 20 years. Payments may be made quarterly.

4.5. Class 5 (Abuse Tort Claims Other Than Unknown Tort Claims).

(a) Classification. A Class 5 Claim means an Abuse Tort Claim other than an Abuse Unknown Tort Claim.

(b) Summary. The Plan creates a Trust to fund payments to Class 5 Claimants entitled to such payments under the Plan and Trust Agreement. Class 5 Claimants’ share of the Trust Assets as provided by the Trust Distribution Plan is the only amount, if any, they will be entitled to receive from the Diocese and the Covered Parties. Distribution from the Trust does not preclude Claims or recoveries by Tort Claimants against Persons who are not Covered Parties for the liability of such Persons not attributable to the causal fault or share of liability of Covered Parties. Any Person

that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with the Abuse that forms the basis of a Tort Claim shall not be liable for any Covered Party's share of causal liability or fault nor have any claim against the Covered Parties.

(c) **Reservation.** Except with respect to the Covered Parties, nothing in the Plan is intended to affect, diminish, or impair the rights of any Tort Claimant against any Person named or that could be named as a defendant in a lawsuit based on the Abuse that forms the basis for his or her Tort Claim except that the rights of Tort Claimants against third-parties, including joint tortfeasors, does not include the right of the Tort Claimants to collect or to obtain a reallocation of the share of any judgment initially allocated to a Covered Party to any third-party based on the causal fault or share of liability of Covered Parties. Any Person that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with a Tort Claim shall not be liable for any Covered Party's share of liability or fault. Under no circumstances will the reservation of such Tort Claimant's rights against any other Person impair the discharge or Channeling Injunctions with respect to any Covered Party and the Reorganized Debtor.

(d) **Treatment.** The Covered Parties' liability for and obligation to pay, if any, Class 5 Claims shall be assigned to and assumed by the Trust. The Trust shall be funded as set forth in the Plan. Each Class 5 Claim will be estimated solely for the purposes of voting. The Diocese and the Covered Parties shall have no further liability in connection with Class 5 Claims.

Notwithstanding the foregoing, any Class 5 creditor who: (i) elects to receive payment of their claim over seven (7) years in equal annual installments from the Diocese; (ii) votes in favor of the Plan; and (iii) grants releases to all of the Covered Parties, shall receive 150% of their claim amount as determined under the valuation provided for herein. The solicitation package sent to Tort Claimants will contain information relating to this option. Any Class 5 creditor who does not elect to receive this treatment will be receive payments from the Trust as determined by the Trust Administrator. The base amount (i.e. the 100% value) of any Class 5 Creditor's claim who elects this enhanced treatment shall be removed from the Diocese's contribution to the Trust. By way of example, if a creditor who has a claim value of \$100,000 under the IVCP analysis, such creditor will receive \$150,000 over seven years in seven equal annual installments from the Diocese. Under this example, the Diocese would reduce its contribution to the Trust by \$100,000.

During the course of the Chapter 11 proceedings, two substantial Tort Claimants contacted the Diocese in an attempt to resolve their claims. The RH Claimants, represented by Carl Poplar, Esq. agreed to resolve their claims as follows: (i) an allowed claim of 100,000 paid in equal annual installments over ten years; and (ii) an allowed claim of \$75,000 paid in equal annual installments over ten years. In connection with this resolution, the Diocese filed a *Motion for Entry of an Order to Approve Settlement of Controversary by and Among the Diocese and the RH Claimants Pursuant to Federal Rule of Bankruptcy 9019(a)* seeking approval of a settlement with the RH Claimants.

After oral argument, the Court granted the RH Motion, without prejudice to all parties' rights in connection with the plan reorganization process.

(e) **Release and Certification.** No Class 5 Claimant shall receive any payment on any award unless and until such Class 5 Claimant has executed a Release. Notwithstanding the foregoing, nothing in this Article requires any Tort Claimant to release any Claims against any joint tortfeasor who is not a Covered Party, and such Claims are reserved. But in no event may a Tort Claimant collect on that portion of any judgment or obtain any reallocation of any judgment based on the causal fault or share of liability of any Covered Parties. Any Person that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with the Abuse that forms the basis of a Tort Claim shall be provided by the Trust Administrator with a copy of the executed Release upon reasonable request and provision of an appropriate, executed confidentiality agreement and shall not be liable for any Covered Parties' share of liability or fault. The Trust shall provide copies of the Tort Claimants' releases and certifications to any of the Covered Parties upon request.

4.6. Class 6 (Abuse Unknown Tort Claims).

(a) **Classification.** A Class 6 Claim means an Abuse Unknown Tort Claim.

(b) **Summary.** The Plan requires that the Debtor fund payments to Class 6 Claimants entitled to such payments under the Plan and Trust Distribution Plan. Class 6 Claimants will receive distributions from the Trust. Payment by the Trust does not preclude Claims or recoveries by Tort Claimants against Persons other than the Covered Parties for the liability of such other Persons not attributable to the causal fault or share of liability of Covered Parties. Any Person that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with the Abuse that forms the basis of a Tort Claim shall not be liable for any Covered Party's share of causal liability or fault nor have any claim against the Covered Parties.

(c) **Reservation.** Except with respect to the Reorganized Debtor and the Covered Parties, nothing in the Plan is intended to affect, diminish, or impair the rights of any Unknown Tort Claimant against any Person named or that could be named as a defendant in a lawsuit based on the Abuse that forms the basis for his or her Unknown Tort Claim except that the rights of Unknown Tort Claimants against third-parties, including joint tortfeasors, does not include the right of the Unknown Tort Claimants to collect or to obtain a reallocation of the share of any judgment initially allocated to a Covered Party to any third-party based on the causal fault or share of liability of Covered Parties. Any Person that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with the Abuse that forms the basis of an Unknown Tort Claim shall not be liable for any Covered Party's share of liability or fault. Under no circumstances will the reservation of such Tort Claimant's rights against any other Person impair the discharge or Channeling Injunctions with respect to any Covered Party and the Reorganized Debtor.

(d) **Treatment.** The Covered Parties' liability for and obligation to pay, if any, Class 6 Claims shall be assumed by the Trust. The maximum amount of the Trust's obligation to pay Class 6 Claimants shall be \$500,000. The Reorganized Debtor and the Covered Parties shall have no further liability therefor. Individuals determined to hold a Class 6 Claim shall provide sufficient information to allow the Tort Claims Reviewer to make an evaluation of the Class 6 Claim pursuant to the factors in the Trust Distribution Plan, before any payment shall be made on a Class 6 Claim.

(e) **Determination of Class 6 Claims.** Class 6 Claims will be channeled to the Trust. Class 6 Claims will be determined by the Tort Claims Reviewer in accordance with the Trust Distribution Plan.

(f) **Release and Certification.** No Class 6 Claimant shall receive any payment on any award unless and until such Class 6 Claimant has executed a Release. Notwithstanding the foregoing, nothing in this Article requires any Unknown Tort Claimant to release any Claims against any joint tortfeasor who is not a Covered Party (including the Reorganized Debtor) and such Claims are reserved. But in no event may a Class 6 Claimant collect on that portion of any judgment or obtain any reallocation of any judgment based on the causal fault or share of liability of any Covered Party. Any Person that is or was alleged to be a joint tortfeasor with any of the Covered Parties in connection with an Unknown Tort Claim shall be provided by the Reorganized Debtor with a copy of the executed Release upon reasonable request and provision of an appropriate, executed confidentiality agreement and shall not be liable for any Covered Parties' share of liability or fault. The Reorganized Debtor shall provide copies of the Tort Claimants' releases and certifications to any of the Covered Parties upon request.

4.7. Class 7A (Abuse Related Contingent Claims).

(a) **Classification.** A Class 7A Claim means any Claim for contribution, indemnity or reimbursement arising out of or related to the Diocese's liability to pay or defend any Class 5 Claim.

(b) **Impairment and Voting.** Class 7A is Impaired by this Plan. Class 7A is not receiving a distribution under the plan provided that the Parishes receive the benefits of the Channeling Injunction, and, therefore, is deemed to reject the Plan.

(c) **Treatment.** Claims in Class 7A shall be allowed or disallowed in accordance with Section 502(e)(1) of the Bankruptcy Code, and Class 7A Claims will receive no distribution under the Plan provided that the Parishes receive the benefits of the Channeling Injunction.

4.8. Class 7B (Abuse Related Contingent Claims).

(a) **Classification.** A Class 7B Claim means any Claim for contribution, indemnity or reimbursement arising out of or related to the Diocese's liability to pay or defend any Class 6 Claim.

(b) **Impairment and Voting.** Class 7B is Impaired by this Plan. Class 7B is not receiving a distribution under the Plan provided that the Parishes receive the benefits of the Channeling Injunction and, therefore, is deemed to reject the Plan.

(c) **Treatment.** Claims in Class 7B shall be allowed or disallowed in accordance with Section 502(e)(1) of the Bankruptcy Code, and Class 7B Claims will receive no distribution under the Plan provided that the Parishes receive the benefits of the Channeling Injunction.

4.9. Treatment of Class 8 (Non-Abuse Tort Claims).

(a) **Classification.** Non-Abuse Tort Claims are tort claims against the Diocese that are not Abuse claims.

(b) **Treatment, Impairment and Voting.**

CLASS #	DESCRIPTION	INSIDER (Y/N)	IMPAIRED (Y/N)	TREATMENT
8	Non-Abuse Tort Claims • Total amount of claims = (this amount is still being determined in light of the fact that these claims are contingent and unliquidated). Estimated Distribution: Unknown	N	Y	Allowed Class 8 Claims shall be paid a <i>pro rata</i> portion of a \$200,000 distribution.

4.10. Class of Equity Interests. There are no equity interests in the Debtor.

**ARTICLE V.
ACCEPTANCE**

5.1. Acceptance or Rejection of Plan. Each impaired class of Creditors with claims against the Debtor’s estate shall be entitled to vote separately to accept or reject the Plan. A class of Creditors shall have accepted the Plan if the Plan is accepted by at least two-thirds in the aggregate dollar amount and more than one-half in number of holders of the allowed Claims of such class that have accepted or rejected the Plan.

5.2. Cramdown. To the extent necessary, the Debtor shall request Confirmation of this Plan under section 1129(b) of the Bankruptcy Code. The Debtor reserves the right to modify, amend, or withdraw this Plan to the extent, if any, that Confirmation pursuant to section 1129(b) of the Bankruptcy Code requires modification.

5.3. Deemed Acceptance if No Votes Cast. If no Holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, this Plan shall be deemed accepted by the Holders of such Claims in such Class.

5.4. Modification of Treatment of Claims and Interests. The Debtor reserves the right to modify the treatment of any Allowed Claim or Interest in any manner adverse only to the Holder of such Claim or Interest at any time after the Effective Date upon the consent of the Holder of the Claim or Interest whose Allowed Claim or Interest, as the case be, is being adversely affected, or as allowed by Court Order, through the Effective Date.

ARTICLE VI.
MEANS OF EFFECTUATING THE PLAN

6.1. Trust Formation and Funding.

(a) Purpose, Formation and Assets. The Trust shall be established for the purposes of assuming liability of Covered Parties for Channeled Claims and receiving, liquidating, and distributing Trust Assets in accordance with this Plan and the Trust Distribution Plan. The proposed Trust Agreement is attached hereto as **Exhibit D**.

(b) Funding.

a. **Summary.** This Plan will be funded from the sources and in the manner set forth in this Section.

b. **Debtor and Parish Contributions.** Cash and other assets with an expected value of \$26,158,590 will be paid or transferred, as applicable, to the Trust Account as provided in the Plan and as described herein subject to reversion if any proceeds are not needed to fund the Trust.

i. **Debtor Contribution.** The Debtor will transfer \$21,500,000 to the Trust Account within two (2) business days after the Confirmation Order has become a Non-Appealable Order (the "Debtor Cash Contribution"). The Debtor Cash Contribution will be primarily comprised of funds from the following sources:

1. non-restricted cash accounts held by the Diocese; and/or
2. a loan of non-restricted cash from DOC Trusts in exchange for a release of all claims against it and a security interest in all real estate owned by the Diocese. In addition to the loan, DOC Trusts shall waive any claims against the Diocese asserted in this bankruptcy case.

- ii. **Parish Contribution.** The Parishes will transfer \$4,658,590.00 to the Trust Account within two (2) business days after the Confirmation Order has become a Non-Appealable Order (the “Parish Contribution Cash Amount”). In addition to the Parish Contribution Cash Amount, the Parishes shall waive any claims against the Diocese asserted in this bankruptcy case, including, but not limited to, any rights to distributions under their Class 7A and 7B treatment. The Parish Contribution Cash Amount and waiver of claims against the Diocese is contingent upon the receipt by the Parishes of releases from third party claims and the implementation of a channeling injunction.

(c) Insurance Contributions.

a. The Diocese will transfer to the Trust all Claims or Causes of Action (but not the policies themselves) that the Diocese holds against any and all Insurers. Any proceeds resulting from these Claims or Causes of Action shall vest in the Trust (the “Insurance Claim Amounts”) and be available for distributions to all Class 5 Claimants.

b. Notwithstanding anything to the contrary in the Plan, any Insurer that enters into a settlement agreement with the Diocese by the Effective Date shall be deemed to be a Covered Party for all purposes hereunder. Any Insurer that becomes a Covered Party in accordance with this section of the Plan shall have all of the rights, remedies and obligations of a Covered Party under the Plan, including under the Channeling Injunction.

c. Notwithstanding anything to the contrary in the Plan, after the Effective Date, any Insurer that has not settled by the effective date may, within twelve (12) months of the Effective Date (the “Insurance Settlement Period”), enter into a Settlement Agreement with the Trust Administrator (a “Post-Effective Date Insurance Settlement”); *provided, however*, that the Settlement Trustee shall file a notice with the Bankruptcy Court within thirty (30) days of entering into any such Post-Effective Date Insurance Settlement, and such Insurance Company (and any related Persons or Representatives, as applicable) shall be deemed to be a Covered Party for all purposes hereunder. The Post-Effective Date Insurance Settlement shall be deemed binding and effective absent objection by any Person within fifteen (15) calendar days. The Trust Administrator shall have the sole discretion, upon order of the Bankruptcy Court, to extend the Insurance Settlement Period. Any Insurance Company that becomes a Covered Party shall have all of the rights, remedies and obligations of a Covered Party under the Plan, including under the Channeling Injunction, notwithstanding that such Insurer was not a Covered Party under the Plan as of the Effective Date.

(d) **Vesting.** On the Effective Date, all Trust Assets shall vest in the Trust, and the Diocese and other Covered Parties shall be deemed for all purposes to have transferred all Interests in the Trust Assets to the Trust. On the Effective Date, or as soon as practicable thereafter, the Reorganized Debtor or any other Covered Party, as applicable, shall take all actions reasonably necessary to transfer any Trust Assets to the Trust. Upon the transfer of contract of Trust Assets in accordance with this paragraph, the Diocese and other Covered Parties shall have no further interest in or with respect to the Trust Assets.

6.2. Class 8 Funding. The distribution to Class 8 will be funded as follows:

(a) **Diocese Contribution.** The Debtor will contribute \$100,000 to Class 8 Claims within two (2) business days after the Confirmation Order has become a Non-Appealable Order (the “Debtor Cash Contribution”). The Debtor Cash Contribution will be primarily comprised of funds from non-restricted cash accounts held by the Diocese.

(b) **Catholic Charities Contribution.** Catholic Charities, Diocese of Camden, Inc. will transfer \$100,000 to the Diocese to be designated for Class 8 Claimants within two (2) business days after the Confirmation Order has become a Non-Appealable Order in exchange for a release of all Class 8 Claims against it. This contribution amount is contingent upon the receipt by Catholic Charities of releases from third party claims.

(c) **Dismissal of Pending Litigation.** Within twenty (21) days after the Effective Date, all Claims arising out of, or related to, Class 8 Claims asserted in any lawsuit against any party currently pending in state court shall be dismissed with prejudice and without fees and costs.

6.3. Vesting of Assets in Reorganized Debtor. Except as otherwise provided in the Plan or the Trust Agreement, other agreement, instrument, or other document incorporated therein, on the Effective Date, all property in the Estate, all Causes of Action, and any property acquired by the Debtor pursuant to the Plan shall vest in the Reorganized Debtor, free and clear of all Liens, Claims, charges or other encumbrances (except for Liens expressly preserved and continued under the Plan). On and after the Effective Date, except as otherwise provided in the Plan, the Reorganized Debtor may operate its businesses and may use, acquire or dispose of property and compromise or settle any Claims, Interests or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. Without limiting any of the foregoing, the Reorganized Debtor may pay the charges incurred on or after the Effective Date for Professionals’ fees, disbursements, expenses, or related support services without application to the Bankruptcy Court.

6.4. Causes of Action. Except as set forth otherwise herein, the Reorganized Debtor, on behalf of and for the benefit of the Debtor’s estate, shall be vested with and shall retain and may enforce any and all claims, rights, demands and Causes of Action of any kind or nature whatsoever held by, through or on behalf of the Debtor and/or its Estate against any other entity, arising before the Effective Date that have not been fully resolved or disposed of prior to the Effective Date whether or not such claims or Causes of Action are specifically identified in the

Disclosure Statement accompanying this Plan and whether or not litigation with respect to same has been commenced prior to the Effective Date.

6.5. Post-Confirmation Conversion/Dismissal. A creditor or party in interest may bring a motion to convert or dismiss the case under § 1112(b), after the Plan is confirmed, if there is a default in performing under the Plan. If the Court orders the case converted to chapter 7 after the Plan is confirmed, then all property that had been property of the chapter 11 estate, and that has not been disbursed pursuant to the Plan, will revert in the chapter 7 estate, and the automatic stay will be reimposed upon the reverted property only to the extent that relief from the stay was not previously granted by the Court during this case.

ARTICLE VII. **THE TRUST**

7.1. Establishment of Trust. On or before the Confirmation Date, the Trust shall be established in accordance with the Trust Documents. The Trust is intended to qualify as a “Designated” or “Qualified Settlement Fund” pursuant to Section 468B of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. The Debtor is the “transferor” within the meaning of Treasury Regulation Section 1.468B-1(d)(1). The Trust Administrator shall be classified as the “administrator” within the meaning of Treasury Regulation Section 1.468B-2(k)(3). The Trust Documents, including the Trust Agreement, are incorporated herein by reference.

7.2. Allocations Within and Distribution and Payments from the Trust.

(a) **General Corpus.** The following distributions and payments will be made from the general corpus of the Trust.

a. **Distributions.** Distributions on Class 5 Claims as determined by the Tort Claims Reviewer in accordance with this Plan, the Trust Agreement, and the Trust Distribution Plan.

b. **Tort Claims Reviewer.** The Trust Administrator shall retain the Tort Claims Reviewer. Fees payable to the Tort Claims Reviewer for review of Class 5 and Class 6 Claims shall be paid from the Trust.

c. **Trust Administrative Fees.** All fees, costs, and expenses of administering the Trust as provided in the Plan and the Trust Agreement shall be paid by the Trust, including: (i) as reasonably necessary to meet current liabilities and to maintain the value of the respective Assets of the Trust; (ii) to pay reasonable administrative expenses (including any taxes imposed on the Trust and any professional fees); and (iii) to satisfy other liabilities incurred by the Trust in accordance with the Plan or the Trust Agreement.

d. **Indemnity.** The Trust's obligations, if any, to defend, indemnify, or hold harmless any Person expressly set out in the Plan shall be made from the corpus of the Trust.

(b) **Unknown Tort Claim Reserve Fund.** The Reorganized Debtor shall establish the Unknown Tort Claim Reserve Fund in the amount of \$500,000, which shall be funded within two (2) business days after the Confirmation Order has become a Non-Appealable Order. The Trust Administrator shall maintain the Unknown Tort Claim Reserve Fund until the Unknown Tort Claim Reserve Fund has been exhausted.

7.3. Tax Matters. The Trust shall not be deemed to be the same legal entity as the Diocese but only the assignee of certain assets of the Diocese and a representative of the Estate for delineated purposes within the meaning of Section 1123(b)(3) of the Bankruptcy Code. The Trust is expected to be tax exempt. The Trust Administrator shall file such income tax and other returns and documents as are required to comply with the applicable provisions of the Internal Revenue Code of 1986, 26 U.S.C. §§ 1 et seq., as may be amended, and the regulations promulgated thereunder, 31 C.F.R. §§ 900 et seq., and New Jersey law and the regulations promulgated thereunder, and shall pay from the Trust all taxes, assessments, and levies upon the Trust, if any.

7.4. Appointment of the Trust Administrator. The initial Trust Administrator will be identified ten (10) days before the Confirmation Date. The Trust Administrator shall commence serving as the Trust Administrator on the Confirmation Date; *provided, however*, that the Trust Administrator shall be permitted to act in accordance with the terms of the Trust Agreement from such earlier date, as authorized by the Diocese, and shall be entitled to seek compensation in accordance with the terms of the Trust Agreement and the Plan.

7.5. Rights and Responsibilities of Trust Administrator.

(a) The Trust Administrator shall be deemed the Estate's representative in accordance with Section 1123 of the Bankruptcy Code and shall have all rights, powers, authority, responsibilities, and benefits specified in the Plan and the Trust Agreement, including the powers of a trust administrator under Sections 704, 108 and 1106 of the Bankruptcy Code and Bankruptcy Rule 2004 (including commencing, prosecuting or settling Causes of Action enforcing contracts, and asserting Claims, defenses, offsets and privileges). If there is any inconsistency or ambiguity between the Confirmation Order and the Trust Agreement with respect to Trust Administrator's authority to act, the provisions of the Trust Agreement shall control. Among other things, the Trust Administrator: (1) shall liquidate and convert to cash the Trust Assets, make timely distributions and not unduly prolong the duration of the Trust; (2) may request an expedited determination of taxes of the Trust under Section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Trust for all taxable periods through the dissolution of the Trust; and (3) may retain professionals, including legal counsel, accountants, financial advisors, auditors, and other agents on behalf of the Trust, and at the Trust's sole expense, as reasonably necessary and to carry out the obligations of the Trust Administrator hereunder and under the Trust Agreement.

(b) Notwithstanding the foregoing, the Diocese, the Reorganized Debtor, and the Trust acting for itself and on behalf of the Estate, shall be deemed to have waived, effective upon the Effective Date:

a. Any and all Claims under Sections 547, 548, 549, and 550 of the Bankruptcy Code for the recovery of any sums paid to any Person who provided goods and services to the Diocese in the ordinary course of business prior to the Effective Date;

b. Any and all Claims and Causes of Action: (i) seeking the substantive consolidation of the Diocese and any other Person or an order deeming any such Person and the Diocese to be an “alter-ego” of the other or any other similar Claim or Cause of Action; (ii) to avoid, set aside or recover any payment or other transfer made to any Person under Sections 547, 548, 549, and 550 of the Bankruptcy Code; and (iii) any proceeding to avoid or set aside any interest of a Person in property under Section 544 of the Bankruptcy Code.

c. The Confirmation Order shall state that, absent permission of the Bankruptcy Court, no judicial, administrative, arbitral, or other action or proceeding shall be commenced in any forum other than the Bankruptcy Court against the Trust Administrator in its official capacity, with respect to its status, duties, powers, acts, or omissions as Trust Administrator.

7.6. Investment Powers; Permitted Cash Expenditures. All funds held by the Trust shall be invested in cash or short-term highly liquid investments that are readily convertible to known amounts of cash as more particularly described in the Trust Agreement. The Trust Administrator may expend the cash of the Trust.

7.7. Registry of Beneficial Interests. To evidence the beneficial interest in the Trust of each holder of such an interest, the Trust Administrator shall maintain a registry of beneficiaries.

7.8. Non-Transferability of Interests. Any transfer of an interest in the Trust shall not be effective until and unless the Trust Administrator receives written notice of such transfer.

7.9. Termination. The Trust shall terminate after its liquidation, administration, and distribution of the Trust Assets in accordance with the Plan and its full performance of all other duties and functions set forth herein or in the Trust Agreement. The Trust shall terminate no later than the eleventh (11th) annual anniversary of the Effective Date.

7.10. Immunity; Liability; Indemnification.

(a) Neither the Reorganized Debtor nor its respective members, designees, or professionals, nor the Trust Administrator or any duly designated agent or representative of the Trust Administrator, nor their respective employees, shall be liable for the acts or omissions of any other member, designee, agent, or representative of such Trust

Administrator, except that the Trust Administrator shall be liable for its specific acts or omissions resulting from such Trust Administrator's misconduct, gross negligence, fraud, or breach of the fiduciary duty of loyalty. The Trust Administrator may, in connection with the performance of its functions and in its sole and absolute discretion, consult with its attorneys, accountants, financial advisors, and agents, and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such Persons. Notwithstanding such authority, the Trust Administrator shall not be under any obligation to consult with its attorneys, accountants, financial advisors, or agents, and its determination not to do so shall not result in the imposition of liability on the Trust Administrator unless such determination is based on the Trust Administrator's recklessness, gross negligence, willful misconduct, or fraud.

(b) No recourse shall ever be had, directly or indirectly, against the Trust Administrator personally, or against any employee, contractor, agent, attorney, accountant, or other professional retained in accordance with the terms of the Trust Agreement or the Plan by the Trust Administrator, by legal or equitable proceedings or by virtue of any statute or otherwise, nor upon any promise, contract, instrument, undertaking, obligation, covenant or Trust Agreement whatsoever executed by the Trust Administrator in implementation of this Trust Agreement or the Plan, or by reason of the creation of any indebtedness by the Trust Administrator under the Plan for any purpose authorized by the Trust Agreement or the Plan, it being expressly understood and agreed that all such liabilities, covenants, and Trust Agreements of the Trust whether in writing or otherwise, shall be enforceable only against and be satisfied only out of the Trust Assets or such part thereof as shall under the term of any such Trust Agreement be liable therefore or shall be evidence only of a right of payment out of the Trust Assets. Notwithstanding the foregoing, the Trust Administrator may be held liable for its recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud; and if liability on such grounds is established, recourse may be had directly against the Trust Administrator. The Trust shall not be covered by a bond.

(c) The Trust shall defend, indemnify, and hold the Trust Administrator, its officers, directors, agents, representatives, and employees to the fullest extent that a corporation or trust organized under the laws of New Jersey entitled to indemnify and defend its directors, trustees, officers, and employees against any and all liabilities, expenses, Claims, damages or losses incurred by them in the performance of their duties hereunder.

a. Additionally, the Reorganized Debtor, and each of its respective agents, who was or is a party, or is threatened to be made a party to any threatened or pending judicial, administrative, or arbitral action, by reason of any act or omission of the Trust or Trust Administrator or respective agents, with respect to: (i) the Chapter 11 case and any act or omission undertaken by them prior to the commencement thereof; (ii) the assessment or liquidation of any Class 5 Claims and Class 6 Claims; (iii) the administration of the Trust and the implementation of the Trust Distribution Plan; or (iv) any and all activities in connection with the Trust Agreement, shall be indemnified and defended by the Trust, to the fullest extent that a corporation or trust organized under the laws of

New Jersey is from time to time entitled to indemnify and defend its officers, directors, trustees, and employees, against reasonable expenses, costs and fees (including attorneys' fees and costs), judgments, awards, amounts paid in settlement and liabilities of all kinds incurred by the Debtor or Reorganized Debtor, and their respective professionals, officers and directors, in connection with or resulting from such action, suit, or proceeding, provided such expenditures have been approved by the Trust in advance such approval not be unreasonably withheld.

b. Reasonable expenses, costs, and fees (including attorneys' fees and costs) incurred by or on behalf of a Trust Administrator, the Debtor, the Reorganized Debtor, and their respective agents in connection with any action, suit, or proceeding, whether civil, administrative, or arbitative, from which they are entitled to be indemnified by the Trust, shall be paid by the Trust in advance of the final disposition thereof upon receipt of an undertaking, by or on behalf of such Trust Administrator, the Debtor, the Reorganized Debtor, and their respective agents, to repay such amount in the event that it shall be ultimately determined by Non-Appealable Order that such Trust Administrator, the Debtor, the Reorganized Debtor, and their respective professionals, officers, and directors is not entitled to be indemnified by the Trust.

7.11. Treatment of Tort Claims.

(a) **Trust Liability.** On the Effective Date, the Trust shall automatically and without further act or deed assume: (i) all liability, if any, of the Covered Parties in respect of Channeled Claims; and (ii) the responsibility for preserving and managing Trust Assets and distributing Trust Assets.

(b) **Assessment.** Each Tort Claim will be assessed by the Tort Claims Reviewer in accordance with the Trust Distribution Plan to determine whether the Tort Claimant is entitled to a distribution under the Trust. The Diocese or the Reorganized Debtor shall reasonably cooperate with the Tort Claims Reviewer and the Trust Administrator as requested by the Tort Claims Reviewer or the Trust Administrator in connection with any inquiries by either in the administration of the Trust Distribution Plan.

(c) **Distributions to Tort Claimants.** A Tort Claimant whom the Tort Claims Reviewer determines to be entitled to a distribution, will receive a distribution from the Trust in the amount(s) and at the time(s) provided for in the Trust Distribution Plan. Any payment on a Tort Claim constitutes payments for damages on account of personal physical injuries or sickness arising from an occurrence, within the meaning of Section 104(a)(2) of the Internal Revenue Code of 1986, as amended. For the avoidance of doubt, Tort Claimants' recovery on their Class 6 Claims shall be limited to the distributions they are entitled to, if any, from the Trust under the Trust Distribution Plan, and they shall not be entitled to collect personally or otherwise any additional amounts whatsoever on their Tort Claims from any Covered Party or any Covered Party's assets, even if they are denied a distribution pursuant to the Trust Distribution Plan. For the

avoidance of doubt, the Unknown Tort Claims Reserve Fund established and maintained by the Trust shall be the sole source of payment to Class 7 Claimants on account of Class 7 Claims. Tort Claimants' recovery on their Class 6 Claims shall be limited to the distributions they are entitled to, if any, from the Trust determined under the Trust Distribution Plan, and they shall not be entitled to collect personally or otherwise any additional amounts whatsoever on their Tort Claims from the Reorganized Debtor, any Covered Party, or any Covered Party's assets, even if they are denied a distribution pursuant to the Trust Distribution Plan. Similarly, Class 6 Claimants shall be limited to the distributions they are entitled to, if any, from the Unknown Tort Claims Reserve Fund established and maintained by the Trust, and they shall not be entitled to collect personally or otherwise any additional amounts whatsoever on their Tort Claims from the Reorganized Debtor, any Covered Party, or any Covered Party's assets, even if they are denied a distribution pursuant to the Trust Distribution Plan.

(d) Dismissal of Pending Litigation. Within twenty (21) days after the Effective Date, all Claims arising out of, or related to, Tort Claims asserted in any lawsuit against any Covered Party currently pending in state or federal court shall be dismissed with prejudice and without fees and costs being recoverable against any Covered Party or by any Covered Party against the Tort Claimant.

(e) Release. Prior to any Class 5 Claimants and Class 6 Claimants receiving a payment from the Trust, the Claimant shall sign a Release.

(f) Objections and Litigation After the Effective Date. As of the Effective Date, the Trust Administrator shall have the sole and exclusive right to object to Class 5 Claims. The Reorganized Debtor shall have no right to object to any Class 5 Claims after confirmation of the Plan. The Trust and the Reorganized Debtor shall each have the right to object to any Class 6 Claims after confirmation of the Plan.

(g) Claim Withdrawal. A Tort Claimant may withdraw his or her Tort Claim at any time on written notice to the Trust Administrator. If withdrawn, (a) the Tort Claim will be withdrawn with prejudice and may not be reasserted, and such Tort Claimant shall still be subject to the Discharge Injunction and the Channeling Injunctions as provided by this Plan; and (b) any reserve maintained by the Trust on account of such Tort Claim shall revert to the Trust as a Trust Asset for distribution in accordance with the Plan and Trust Distribution Plan.

ARTICLE VIII.

EFFECT OF PLAN ON CLAIMS AND INTERESTS

8.1. General Injunction.

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, THE CONFIRMATION ORDER WILL PROVIDE THAT ALL PERSONS AND ENTITIES WHO HAVE HELD, HOLD, OR MAY HOLD CLAIMS AGAINST THE DEBTOR ARE PERMANENTLY ENJOINED, ON AND AFTER THE CONFIRMATION DATE, FROM (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER

PROCEEDING OF ANY KIND WITH RESPECT TO ANY SUCH CLAIM OR TAKING ANY ACT TO RECOVER SUCH CLAIM OUTSIDE OF THE CLAIMS ALLOWANCE PROCEDURE DISCUSSED IN THE PLAN AND THE BANKRUPTCY CODE AND BANKRUPTCY RULES, (B) THE ENFORCEMENT, ATTACHMENT, COLLECTION OR RECOVERY BY ANY MANNER OR MEANS OF ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST THE DEBTOR ON ACCOUNT OF ANY SUCH CLAIM, (C) CREATING, PERFECTING OR ENFORCING ANY ENCUMBRANCE OF ANY KIND AGAINST THE DEBTOR OR AGAINST THE PROPERTY OR INTERESTS IN PROPERTY OF THE DEBTOR ON ACCOUNT OF ANY SUCH CLAIM AND (D) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE FROM THE DEBTOR OR AGAINST THE PROPERTY OR INTERESTS IN PROPERTY OF THE DEBTOR ON ACCOUNT OF ANY SUCH CLAIM.

8.2. Channeling Injunction.

(a) IN CONSIDERATION OF THE UNDERTAKINGS OF THE COVERED PARTIES UNDER THE PLAN, THEIR CONTRIBUTIONS TO THE TRUST, AND OTHER CONSIDERATION, AND PURSUANT TO THEIR RESPECTIVE SETTLEMENTS WITH THE DEBTOR AND TO FURTHER PRESERVE AND PROMOTE THE AGREEMENTS BETWEEN AND AMONG THE COVERED 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 AGREEMENT AS THE SOLE AND EXCLUSIVE REMEDY FOR ALL HOLDERS OF CHANNELED CLAIMS; AND

b. ALL PERSONS WHO HAVE HELD OR ASSERTED, HOLD OR ASSERT, OR MAY IN THE FUTURE HOLD OR ASSERT ANY CHANNELED CLAIMS 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 THE COVERED 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 COVERED PARTIES OR AGAINST THE PROPERTY OF ANY OF THE COVERED PARTIES;

- ii. ENFORCING, ATTACHING, COLLECTING OR RECOVERING, BY ANY MANNER OR MEANS, FROM ANY OF THE COVERED PARTIES OR THE PROPERTY OF ANY OF THE COVERED PARTIES, ANY JUDGMENT, AWARD, DECREE, OR ORDER WITH RESPECT TO ANY CHANNELED CLAIM AGAINST ANY OF THE COVERED PARTIES;
- iii. CREATING, PERFECTING OR ENFORCING ANY LIEN OF ANY KIND RELATING TO ANY CHANNELED CLAIM AGAINST ANY OF THE COVERED PARTIES OR THE PROPERTY OF THE COVERED PARTIES;
- iv. ASSERTING, IMPLEMENTING OR EFFECTUATING ANY CHANNELED CLAIM OF ANY KIND AGAINST:
 - 1. ANY OBLIGATION DUE ANY OF THE COVERED PARTIES;
 - 2. ANY OF THE COVERED PARTIES; OR
 - 3. THE PROPERTY OF ANY OF THE COVERED 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 TO ANY OF THE COVERED PARTIES.

(b) THE CHANNELING INJUNCTION IS AN INTEGRAL PART OF THE PLAN AND IS ESSENTIAL TO THE PLAN'S CONSUMMATION AND IMPLEMENTATION. IT IS INTENDED THAT THE CHANNELING OF THE CHANNELED CLAIMS AS PROVIDED IN THIS SECTION SHALL INURE TO THE BENEFIT OF THE COVERED PARTIES. IN A SUCCESSFUL ACTION TO ENFORCE THE INJUNCTIVE PROVISIONS OF THIS SECTION IN RESPONSE TO A WILLFUL VIOLATION THEREOF, THE MOVING PARTY MAY SEEK AN AWARD OF COSTS (INCLUDING REASONABLE ATTORNEYS' FEES) AGAINST THE NON-MOVING PARTY, AND SUCH OTHER LEGAL OR EQUITABLE REMEDIES AS ARE JUST AND PROPER, AFTER NOTICE AND A HEARING.

8.3. Release by Debtor

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS PLAN OR THE CONFIRMATION ORDER, AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, FOR GOOD AND VALUABLE CONSIDERATION, THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, THE RELEASED PARTIES ARE DEEMED RELEASED AND DISCHARGED BY THE DEBTOR, ITS ESTATE AND ANY PERSON OR ENTITY SEEKING TO EXERCISE THE RIGHTS OF THE DEBTOR OR ITS ESTATE AND ITS PROPERTY (AND EACH SUCH RELEASED PARTY SHALL BE DEEMED RELEASED BY THE DEBTOR AND ITS ESTATE AND ITS RESPECTIVE PROPERTY) FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS, AVOIDANCE ACTIONS, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED DIRECTLY OR INDIRECTLY, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED, BASED ON OR IN ANY WAY RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTOR, ITS ESTATE OR ITS AFFILIATES, THE CONDUCT OF THE DEBTOR'S BUSINESS, THE FORMULATION, PREPARATION, SOLICITATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE DISCLOSURE STATEMENT OR PLAN OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH OR PURSUANT TO THE DISCLOSURE STATEMENT, THIS PLAN, THE FILING AND PROSECUTION OF THE CHAPTER 11 CASE, THE PURSUIT OF CONSUMMATION OF THIS PLAN, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR EQUITY INTEREST THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE DEBTOR, ITS ESTATE OR ITS AFFILIATES, ON THE ONE HAND, AND ANY RELEASED PARTY, ON THE OTHER HAND, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE BEFORE THE EFFECTIVE DATE; *PROVIDED* THAT, TO THE EXTENT THAT A CLAIM OR CAUSE OF ACTION IS DETERMINED BY A FINAL ORDER TO HAVE RESULTED FROM FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF A RELEASED PARTY, SUCH CLAIM OR CAUSE OF ACTION SHALL NOT BE SO RELEASED AGAINST SUCH RELEASED PARTY; *PROVIDED FURTHER* THAT, THE FOREGOING "DEBTOR RELEASE" SHALL NOT OPERATE TO WAIVE OR RELEASE ANY CLAIMS OR CAUSES OF ACTION OF THE DEBTOR OR ITS CHAPTER 11 ESTATE AGAINST A RELEASED PARTY (OR OF A RELEASED PARTY AGAINST THE DEBTOR AND ITS CHAPTER 11 ESTATE) ARISING UNDER ANY CONTRACTUAL OBLIGATION OWED TO THE DEBTOR THAT IS ENTERED INTO OR ASSUMED PURSUANT TO THE PLAN.

8.4. Release by Holders of Claims

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS PLAN OR THE CONFIRMATION ORDER, AND TO THE FULLEST EXTENT AUTHORIZED BY APPLICABLE LAW, THE RELEASING PARTIES SHALL BE DEEMED TO PROVIDE A FULL RELEASE TO THE RELEASED PARTIES AND THEIR RESPECTIVE PROPERTY FROM ANY AND ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, REMEDIES, CAUSES OF ACTION, RIGHTS OF SETOFF, OTHER RIGHTS, AND LIABILITIES WHATSOEVER, WHETHER FOR TORT, CONTRACT, VIOLATIONS OF FEDERAL OR STATE SECURITIES LAWS, AVOIDANCE ACTIONS, INCLUDING ANY DERIVATIVE CLAIMS, ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED DIRECTLY OR INDIRECTLY, WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, EXISTING OR HEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE, AND ANY AND ALL CAUSES OF ACTION ASSERTED OR THAT COULD POSSIBLY HAVE BEEN ASSERTED, BASED ON OR IN ANY WAY RELATING TO, OR IN ANY MANNER ARISING FROM, IN WHOLE OR IN PART, THE DEBTORS, ITS ESTATE OR ITS AFFILIATES, THE CONDUCT OF THE DEBTORS' BUSINESS, THE FORMULATION, PREPARATION, SOLICITATION, DISSEMINATION, NEGOTIATION, OR FILING OF THE DISCLOSURE STATEMENT OR PLAN OR ANY CONTRACT, INSTRUMENT, RELEASE, OR OTHER AGREEMENT OR DOCUMENT CREATED OR ENTERED INTO IN CONNECTION WITH OR PURSUANT TO THE DISCLOSURE STATEMENT, THIS PLAN OR THE PURCHASE AGREEMENT, THE FILING AND PROSECUTION OF THE CHAPTER 11 CASE, THE PURSUIT OF CONSUMMATION OF THE PURCHASE AGREEMENT AND THIS PLAN, THE SUBJECT MATTER OF, OR THE TRANSACTIONS OR EVENTS GIVING RISE TO, ANY CLAIM OR EQUITY INTEREST THAT IS TREATED IN THIS PLAN, THE BUSINESS OR CONTRACTUAL ARRANGEMENTS BETWEEN THE RELEASING PARTIES, ON THE ONE HAND, AND ANY RELEASED PARTY, ON THE OTHER HAND, OR ANY OTHER ACT OR OMISSION, TRANSACTION, AGREEMENT, EVENT, OR OTHER OCCURRENCE TAKING PLACE BEFORE THE EFFECTIVE DATE; *PROVIDED* THAT, TO THE EXTENT THAT A CLAIM OR CAUSE OF ACTION IS DETERMINED BY A FINAL ORDER TO HAVE RESULTED FROM FRAUD, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF A RELEASED PARTY, SUCH CLAIM OR CAUSE OF ACTION SHALL NOT BE SO RELEASED AGAINST SUCH RELEASED PARTY.

8.5. Exculpation; Limitation of Liability.

FROM AND AFTER THE EFFECTIVE DATE, NONE OF THE EXCULPATED PARTIES SHALL HAVE OR INCUR ANY LIABILITY FOR, AND EACH EXCULPATED PARTY SHALL BE RELEASED FROM, ANY CLAIM, CAUSE OF ACTION OR LIABILITY TO ANY OTHER EXCULPATED PARTY, TO ANY HOLDER OF A CLAIM, OR TO ANY OTHER PARTY IN INTEREST, FOR ANY ACT OR OMISSION THAT OCCURRED DURING AND IN CONNECTION WITH THIS CHAPTER 11 CASE OR IN CONNECTION WITH THE PREPARATION AND FILING

OF THIS CHAPTER 11 CASE, THE FORMULATION, NEGOTIATION, OR PURSUIT OF CONFIRMATION OF A PLAN, THE CONSUMMATION OF THE PLAN, AND THE ADMINISTRATION OF THE PLAN OR THE PROPERTY TO BE DISTRIBUTED UNDER THE PLAN, EXCEPT FOR CLAIMS, CAUSES OF ACTION OR LIABILITIES ARISING FROM THE GROSS NEGLIGENCE, WILLFUL MISCONDUCT, FRAUD, OR BREACH OF THE FIDUCIARY DUTY OF LOYALTY OF ANY EXCULPATED PARTY, IN EACH CASE SUBJECT TO DETERMINATION OF SUCH BY NON-APPEALABLE ORDER OF A COURT OF COMPETENT JURISDICTION AND PROVIDED THAT ANY EXCULPATED PARTY SHALL BE ENTITLED TO REASONABLY RELY UPON THE ADVICE OF COUNSEL WITH RESPECT TO ITS DUTIES AND RESPONSIBILITIES (IF ANY) UNDER THE PLAN. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE COMMITTEE AND THE DIOCESE AND THEIR RESPECTIVE OFFICERS, BOARD AND COMMITTEE MEMBERS, EMPLOYEES, ATTORNEYS, FINANCIAL ADVISORS, AND OTHER PROFESSIONALS SHALL BE ENTITLED TO AND GRANTED BENEFITS OF SECTION 1125(E) OF THE BANKRUPTCY CODE AND THE CHANNELING INJUNCTION.

ARTICLE IX.
PROVISIONS GOVERNING DISTRIBUTIONS GENERALLY

9.1. Disbursing Agent. The Reorganized Debtor shall be the Disbursing Agent for all aspects of the Plan except for payments made pursuant to the Trust. With respect to the Trust, the Trust Administrator shall be responsible for all distributions made under the Trust.

9.2. Manner of Payment. Any payment of Cash under the Plan may be made either by check drawn or by wire transfer from a domestic bank, at the option of the respective Disbursing Agent.

9.3. Payments and Distributions on Disputed Claims. As and when authorized by a Final Order, Disputed Claims that become Allowed Claims shall be paid from the Disputed Claim Reserve. No distribution shall be made on a Claim where only a portion of such Claim is disputed until such dispute is resolved by settlement or Final Order.

9.4. Disputed Claim Reserve. To the extent that a disbursing agent makes a distribution hereunder to a Class prior to the resolution of all Disputed Claims of such Class, the respective disbursing agent shall reserve an amount for any Disputed Claims in such Class equal to the amount that such Holders of Disputed Claims in such Class would be entitled to receive under the Plan if such Disputed Claims were Allowed in the asserted amount of the Claim.

9.5. Transmittal of Distributions to Parties Entitled Thereto. All distributions by check shall be deemed made at the time such check is deposited in the United States mail, postage prepaid. Any distributions by wire transfer shall be deemed made as of the date of the wire transfer is made. Except as otherwise agreed with the Holder of an Allowed Claim in respect thereof or provided in the Plan, any distribution required under the Plan on account of an Allowed Claim, shall be mailed to (i) the latest mailing address filed for the Holder of an Allowed Claim entitled to a distribution, (ii) the latest mailing address filed for a Holder of a

filed power of attorney designated by the Holder of such Claim to receive distributions, (iii) the latest mailing address filed for the Holder's transferee as identified in a filed notice served on the Debtor pursuant to Bankruptcy Rule 3001(e), or (iv) if no such mailing address has been filed, the mailing address reflected on the Schedules or in the Debtor's books and records. The Holder of a Claim shall be required to promptly notify the Reorganized Debtor and the Bankruptcy Court of any change in its mailing address.

9.6. Distribution of Unclaimed Property. Except as otherwise provided in the Plan, any distribution under the Plan which is unclaimed after three (3) months following any Distribution Date shall be forfeited, and such distribution, together with any interest earned thereon, and shall return to and revert in the Reorganized Debtor.

9.7. Saturday, Sunday or Legal Holiday. If any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the following Business Day, but shall be deemed to have been completed as of the required date.

9.8. Setoffs and Recoupment. Subject to the terms of the Plan and pursuant to Section 553 of the Bankruptcy Code or applicable non-bankruptcy law, the Debtor or Reorganized Debtor, as appropriate, may but shall not be required to, setoff against or recoup from any Claim on which payments are to be made pursuant to the Plan, any Claims of any nature whatsoever the Debtor may have against the Holder of such Claim.

9.9. Fractional Cents and *De Minimis* Distributions. Notwithstanding any other provisions of the Plan to the contrary, no payment of fractional cents will be made under the Plan. Cash will be issued to Holders entitled to receive a distribution of Cash in whole cents (rounded to the nearest whole cent when and as necessary). Any distribution of less than \$25.00 will be considered *de minimis*, and Holders of Allowed Claims that are entitled to an interim or final distribution of less than \$25.00 will not receive any distribution. Such funds will remain with and revert in the Reorganized Debtor.

9.10. Prepayment. Except as otherwise provided herein or the Confirmation Order, the Plan Administrator shall have the right to prepay, without penalty, all or any portion of an Allowed Claim.

9.11. Allowance and Disallowance of Claims.

(a) **Allowance of Claims.** Except as expressly provided in the Plan, no Claims shall be deemed Allowed by virtue of the Plan or the Confirmation Order unless and until such Claim is deemed Allowed under the Bankruptcy Code, or the Bankruptcy Court enters a Final Order in the Chapter 11 Case allowing such Claim. Notwithstanding the foregoing, any Claim included in the Debtor's Schedules that is not listed as contingent, unliquidated, and/or disputed shall be an Allowed Claim. Any Proof of Claim Filed in an unliquidated amount shall be deemed Allowed in the amount listed in the Debtor's Schedules as liquidated, not contingent and not disputed. The Allowance and disallowance of Claims shall be in all respects subject to the provisions of Section 502 of the Bankruptcy Code.

(b) **Disallowance of Claims.** All Claims held by Persons against whom the Debtor or Reorganized Debtor, as appropriate, have filed or commenced or may in the future file or commence a Claim or Cause of Action under Sections 522(f), 522(h), 542, 543, 544, 547, 548, 549, 550, 551, 553 or 724(a) of the Bankruptcy Code shall be deemed disallowed pursuant to Section 502(d) of the Bankruptcy Code. The Holders of any and all Claims Filed with the Bankruptcy Court after the Bar Date shall be deemed disallowed without further action by the Debtor or Reorganized Debtor and without any further notice to or action, order, or approval of the Bankruptcy Court. The Holders of any and all Claims Filed with the Bankruptcy Court after the relevant bar date shall not be entitled to a distribution, unless otherwise allowed by Final Order of the Bankruptcy Court.

9.12. Resolution of Disputed Administrative Expense Claims and Disputed Claims.

(a) **Prosecution of Objections to Claims.** Except as otherwise set forth herein, prior to the Effective Date, the Debtor shall have standing and the right to commence and pursue objections to Claims, and the Reorganized Debtor shall have such standing after the Effective Date. As set forth above, after the Effective Date, the Trust Administrator shall be the sole party with the right to object to Class 5 Claims. All objections to Claims shall be Filed with the Bankruptcy Court by the Claims Objection Deadline and served upon the Holders of each of the Claims to which objections are made. The Debtor, Reorganized Debtor or Trust Administrator, as applicable, shall have the right, after notice and a hearing, to seek an extension of the Claim Objection Deadline and such an extension shall not be deemed a material modification of the Plan.

(b) **Objections to Claims.** An objection to the allowance of a Claim shall be in writing and shall be Filed with the Bankruptcy Court by the Debtor, Reorganized Debtor, or Trust Administrator, as applicable. Except as expressly set forth herein, nothing herein, in the Confirmation Order or in any Order in aid of Confirmation, shall constitute, or be deemed to constitute, a waiver or release of any Claim, Cause of Action, Avoidance Action, right of setoff or recoupment or other legal or equitable defense which the Debtor had immediately prior to the commencement of the Chapter 11 Case against or with respect to any Claim. Except as set forth herein, upon Confirmation, the Debtor and Reorganized Debtor shall have, retain, reserve and be entitled to assert all such Claims, Causes of Action, rights of setoff and recoupment and other legal or equitable defenses that the Debtor had immediately prior to the commencement of the Chapter 11 Case against or with respect to any Claim.

9.13. Controversy Concerning Impairment. If a controversy arises as to whether any Claims or any Class of Claims or Interests are Impaired under the Plan, the Bankruptcy Court, after notice and a hearing, shall determine such controversy before approving the Disclosure Statement.

ARTICLE X.

TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

10.1. Executory Contracts and Unexpired Leases. On the Effective Date, all Executory Contracts and unexpired leases not rejected on or before the Confirmation Date will

be deemed assumed. The Confirmation Order shall constitute an order approving such assumption as of the Effective Date. No cure payments or adequate assurance of future performance shall be due.

10.2. Bar to Rejection Damages. All proofs of claim with respect to claims arising from said rejection must be filed with the Bankruptcy Court within the earlier of (i) the date set forth for filing claims in any order of the Bankruptcy Court approving such rejection; (ii) the date set forth in D.N.J. LBR 3003-1(b) or (iii) thirty (30) days after the Confirmation Date. Any such claims, proofs of which are not filed timely, will be barred forever from assertion.

ARTICLE XI.

EFFECTS OF CONFIRMATION

11.1. Authority to Effectuate Plan. Upon the Effective Date, all matters provided under the Plan shall be deemed to be authorized and approved without the requirement of further approval from the Bankruptcy Court or the Debtor. The Debtor and/or Reorganized Debtor shall be authorized, without further application to or order of the Bankruptcy Court, to take whatever action necessary to achieve consummation and carry out the Plan and to effectuate the transactions provided for thereunder.

11.2. Binding Effect. Except as otherwise expressly provided in the Plan, on and after the Effective Date, the Plan shall bind all Holders of Claims and Interests. Subject to the terms of the Plan, upon the Effective Date, every Holder of a Claim or Interest shall be precluded and permanently enjoined from asserting against the Debtor and/or Reorganized Debtor any Claim based on any document, instrument, judgment, award, order, act, omission, transaction or other activity of any kind or nature that occurred before the Petition Date.

11.3. Discharge of the Debtor.

(a) Upon the Effective Date, the Debtor shall be deemed discharged and released under Section 1141(d)(1)(A) of the Bankruptcy Code from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in Section 502 of the Bankruptcy Code, whether or not (i) a proof of claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code, (ii) a Claim based upon such debt is Allowed under Section 502 of the Bankruptcy Code, (iii) a Claim based upon such debt is or has been disallowed by order of the Bankruptcy Court, or (iv) the Holder of a Claim based upon such debt accepted the Plan.

(b) As of the Effective Date, except as provided in the Plan or the Confirmation Order, all Persons shall be precluded from asserting against the Debtor, the Reorganized Debtor and their respective members, shareholders, officers, directors, partners, attorneys or advisors, any other or further Claims, debts, rights, Causes of Action, claims for relief, liabilities, or equity interests relating to the Debtor based upon any act, omission, transaction, occurrence, or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order shall be a judicial determination

of discharge of all such Claims and other debts and liabilities against the Debtor, pursuant to Sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment obtained against the Debtor and/or Reorganized Debtor at any time, to the extent that such judgment relates to a discharged Claim.

11.4. Release and Discharge of the Trade Committee. Effective on the Effective Date, the Trade Committee and its professionals shall be deemed disbanded and released from their duties and obligations.

11.5. Release and Discharge of the Tort Committee. Effective on the Effective Date, the Tort Committee and its professionals shall be deemed disbanded and released from their duties and obligations.

ARTICLE XII.

RETENTION OF JURISDICTION

The Court shall retain jurisdiction of this case pursuant to the provisions of chapter 11 of the Bankruptcy Code, pending the final allowance or disallowance of all Claims affected by the Plan, to make such orders as are necessary or appropriate to carry out the provisions of this Plan, and with respect to the following matters:

- (a) To enable the Plan Proponent to consummate the Plan and to resolve any disputes arising therefrom;
- (b) To adjudicate all controversies concerning the classification, estimation or allowance of any Claim herein;
- (c) To make such Orders as are necessary or appropriate to implement the provisions of this Plan;
- (d) To determine the classification, estimation and priority of all claims against the Debtor and to re-examine any Claims which may have been allowed;
- (e) To determine applications for the rejection or assumption of executory contracts or unexpired leases pursuant to the provisions of this Plan which are not determined prior to the Confirmation date and to determine allowance of Claims for damages with respect to rejection of any such executory contracts or unexpired leases within such time as the Court may direct;
- (f) To oversee and issue further appropriate orders respecting disbursement of amounts deposited as may be required by this Plan;
- (g) To conduct hearings on valuation, as necessary, and to determine whether any party in interest is entitled to recover against any Person any Claim, whether arising under section 506(c) of the Bankruptcy

Code, or arising out of a voidable preference, a fraudulent transfer, or otherwise;

- (h) To hear and determine all applications for compensation and other Administrative Expenses;
- (i) To hear and determine any and all pending adversary proceedings or contested matters;
- (j) To determine all causes of action which may exist in favor of the Debtor;
- (k) To determine any modification of the Plan after confirmation pursuant to section 1127 of the Bankruptcy Code;
- (l) To enter any order, including injunctions, necessary to establish and enforce the rights and powers of the Debtor under the Plan;
- (m) To enter a final decree pursuant to Rule 3022 of the Bankruptcy Rules.
- (n) To hear and determine all controversies, suits and disputes, if any, as may arise in connection with the interpretation or enforcement of the Plan;
- (o) To hear and determine all controversies, suits and disputes, if any, as may arise with regard to orders of Bankruptcy Court in the Chapter 11 Case entered on or before the Confirmation Date;
- (p) To hear and determine any and all controversies and disputes arising under, or in connection with, the Plan;
- (q) To hear and determine any and all objections to payments under the Plan;
- (r) To liquidate damages in connection with any disputed, contingent or unliquidated Claims;
- (s) To adjudicate all Claims to a security or ownership interest in any property of the Debtor or in any proceeds thereof;
- (t) To adjudicate all causes of action to recover all assets and properties of the Debtor wherever located;
- (u) To enter any order, including injunctions necessary to enforce the title, rights and powers of the Debtor, and to impose such limitations,

restrictions, terms and conditions on such title rights and powers as the Bankruptcy Court may deem necessary or appropriate; and

- (v) To make such orders as are necessary or appropriate to carry out the provisions of the Plan, including but not limited to orders interpreting, or enforcing the provisions thereof.

In addition, this Court shall retain jurisdiction to implement the provisions of the Plan in the manner as provided under section 1142, sub-paragraphs (a) and (b) of the Bankruptcy Code. If the Court abstains from exercising, or declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter set forth in this Section, or if the Debtor elects to bring an action or proceeding in any other forum, then this section shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court, public authority or commission having competent jurisdiction over such matters.

ARTICLE XIII. **MISCELLANEOUS PROVISIONS**

13.1. Amendment or Modification of this Plan. On or before the Effective Date, this Plan or any exhibits hereto may be amended, modified, or supplemented by the Debtor in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code. In addition, after the Confirmation Date, the Debtor or Trust Administrator, as applicable, may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in this Plan or the Confirmation Order with respect to such matters as may be necessary to carry out the purposes and effects of this Plan. The Debtor may make appropriate technical adjustments and modifications to this Plan prior to the Effective Date without further order or approval of the Bankruptcy Court.

13.2. Revocation or Withdrawal of this Plan. The Debtor reserves the right to revoke or withdraw this Plan before the Confirmation Date. If the Debtor revokes or withdraws this Plan before the Confirmation Date, then this Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against the Debtor or the Trust Administrator or to prejudice in any manner the rights of the Debtor or the Trust Administrator in any further proceedings.

13.3. Reports. Until a Final Decree is entered, the Debtor shall submit all post-Confirmation quarterly reports to the U.S. Trustee as required by the U.S. Trustee guidelines (with a copy served on the Office of the U.S. Trustee) setting forth all receipts and disbursements of the Debtor. The first report shall be filed within thirty (30) days after the end of the quarter in which the Effective Date occurs. The Debtor shall be responsible to request that a Final Decree be entered in this Bankruptcy Case. The Debtor shall also be responsible for any quarterly fees due to the U.S. Trustee from and after the Effective Date until the Bankruptcy Case are closed.

13.4. Severability of Plan Provisions. If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtor or Reorganized Debtor, shall have the power to alter and

interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may be altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

13.5. No Interest. Except as expressly stated in the Plan, no interest, penalty or late charge is allowed or shall be paid on any Claim.

13.6. Allocation of Distributions Between Principal and Interest. To the extent that any Allowed Claim entitled to a Distribution under this Plan comprises indebtedness and accrued but unpaid interest thereon, such Distribution shall be allocated to the principal amount of the Claim first and then, to the extent the consideration exceeds the principal amount of the Claim, to accrued but unpaid prepetition interest.

13.7. Notices. All notices, requests or demands with respect to this Plan shall be in writing and shall be deemed to have been received within five (5) days of the date of mailing, provided they are sent by registered mail or certified mail, postage prepaid, return receipt requested, and if sent to the Proponent, addressed to Richard D. Trenk, Esq. and Robert S. Roglieri, Esq., Trenk Isabel P.C., 235 Mt. Pleasant Avenue, Suite 2350, Livingston, New Jersey 07037.

13.8. Plan Controls Disclosure Statement. Notwithstanding anything to the contrary contained herein or in the Disclosure Statement, in the event and to the extent that any provision of the Plan is inconsistent with any provision of the Disclosure Statement, the provisions of the Plan shall control and take precedence.

13.9. Filing of Additional Documents. Prior to the Effective Date, the Debtor may File with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan that are not inconsistent with the terms of the Plan. On or after the Effective Date, the Debtor and/or the Reorganized Debtor may file with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to effectuate the terms and conditions of the Plan.

13.10. Reservation of Rights. If the Plan is not confirmed by the Bankruptcy Court or any other Court of competent jurisdiction for any reason, the rights of the Debtor and all parties in interest in the Bankruptcy Case shall and will be reserved in full. Statements and provisions made in the Plan or in the Disclosure Statement are made only for the purpose(s) of the Plan. If the Plan is withdrawn, the Confirmation Order is not entered, or if the Effective Date does not occur, no Person shall be bound by or deemed prejudiced by any such statement or provision.

13.11. Rules of Interpretation; Computation of Time. For purposes of the Plan, (a) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or

document as being in a particular form or containing particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, (b) any reference in the Plan to an existing document, schedule or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented, (c) unless otherwise specified, all references in the Plan to Sections, Articles, Schedules and Exhibits, if any, are references to Sections, Articles, Schedules and Exhibits of or to the Plan, (d) the words "herein" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan, (e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan, and (f) the rules of construction set forth in Section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply. In computing any period of time prescribed or allowed by the Plan, unless otherwise specifically designated herein, the provisions of Bankruptcy Rule 9006(a) shall apply.

13.12. Successors and Assigns. The rights, duties and obligations of any Person named or referred to in the Plan, including all Creditors, shall be binding on, and shall inure to the benefit of, the successors and assigns of such Person.

13.13. Waiver of Subordination. Notwithstanding any provision of the Plan to the contrary, all holders of Claims shall be deemed to have waived any and all contractual subordination rights to which they may have with respect to the distributions made pursuant to the Plan, and the Confirmation Order shall permanently enjoin, effective as of the Effective Date, all holders of Claims from enforcing or attempting to enforce any such rights against any Person receiving distributions under the Plan.

13.14. Post-Effective Date Professional Fees. The reasonable fees and actual and necessary expenses incurred after the Effective Date by professionals for the Debtor shall be paid by the Debtor or Reorganized Debtor upon the submission of an invoice to the Debtor or Reorganized Debtor without the need for further notice to any Person or approval by the Bankruptcy Court.

13.15. Governing Law. Unless a rule of law or procedure is supplied by federal law, including the Bankruptcy Code and Bankruptcy Rules, (a) the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, and (b) governance matters shall be governed by the laws of the State of New Jersey, without giving effect to the principles of conflict of law thereof.

13.16. Headings. Headings are used in this Plan for convenience and reference only, and shall not constitute a part of this Plan for any other purpose.

13.17. No Admissions. Notwithstanding anything herein to the contrary, nothing contained in this Plan shall be deemed as an admission by any Entity with respect to any matter set forth herein.

Dated: October 12, 2021

THE DIOCESE OF CAMDEN, NEW JERSEY

By: Rev. Robert E. Hughes
Reverend Robert E. Hughes,
Vicar General/Vice President

- and -

Dated: October 12, 2021

TRENK ISABEL P.C.

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*Counsel to The Diocese of Camden, New Jersey,
Chapter 11 Debtor and Debtor-in-Possession*

Exhibit B
Projections

Diocese of Camden, New Jersey

Date of Analysis:

October 12, 2021

The accompanying dated analysis was assembled for the Diocese of Camden, New Jersey (the "Debtor"). The analysis was developed by EisnerAmper LLP ("EisnerAmper") from, and supported by information, documentation and data furnished by the Debtor. We were not engaged to, and did not conduct an audit, review, compilation or valuation, the objective of which would be an expression of an opinion. In addition, we did not review this analysis in accordance with standards promulgated by the American Institute of Certified Public Accountants. As of the date of the analysis, EisnerAmper has not independently verified the viability of the

EISNERAMPER

Diocese of Camden, New Jersey
Five year Cash Flow Projections
October 12, 2021

	Fiscal 2022			9 months	Year 2	Year 3	Year 4	Year 5	
	Q2 FY 2022	Q3 FY 2022	Q4 FY 2022	ending 6/30/2022	6/30/2023	6/30/2024	6/30/2025	6/30/2026	
Cash Sources									
Unrestricted									
Accounts Receivable ¹	3,487,693	3,487,697	3,492,676	10,468,066	14,653,550	14,946,621	15,245,553	15,550,464	
Miscellaneous Collections	410,171	375,873	375,860	1,161,904	1,601,701	1,617,718	1,633,896	1,650,235	
Stop Loss Reimbursement	212,502	212,502	212,494	637,498	909,500	973,165	1,041,287	1,114,177	
Catholic Strong	342,469	-	342,469	684,937	1,006,857	765,212	221,911	64,354	
Future Campaign	-	-	-	-	-	1,199,026	3,882,192	3,400,000	
Sacred Heart Residence	-	-	-	-	-	-	-	-	
Black Catholic Ministry	3,000	3,000	4,500	10,500	13,500	13,500	13,500	13,500	
Sale of Assets / Settlements	-	-	-	-	-	-	-	-	
Interest and Principal Payments on RF Loans	378,000	324,000	378,000	1,080,000	1,431,000	1,431,000	1,431,000	1,431,000	
Payroll	-	-	-	-	-	-	-	-	
Total Unrestricted Cash	4,833,835	4,403,072	4,805,998	14,042,905	19,616,109	20,946,242	23,469,339	23,223,730	
Restricted									
Health Insurance Reimbursement	3,941,008	3,941,004	3,941,007	11,823,019	16,867,507	18,048,232	19,311,608	20,663,421	
Trusts Receivable	1,072,439	1,484,356	1,484,353	4,041,148	5,164,723	5,216,370	5,477,189	5,751,048	
Priest Pension Receivable	45,000	45,000	45,000	135,000	187,200	194,688	202,476	210,575	
Cemeteries	1,144,740	3,449,740	1,144,635	5,739,115	4,638,302	4,684,685	4,731,532	4,778,847	
Bishop's Account	15,000	15,000	-	30,000	30,300	30,603	30,909	31,218	
Brazilian Mission	-	-	40,000	40,000	40,000	40,000	40,000	40,000	
Utility Escrow	-	-	-	-	-	-	-	-	
House of Charity	753,646	1,912,026	984,155	3,649,827	4,768,594	4,816,280	4,864,443	4,913,087	
HealthCare Foundation	345,048	345,048	345,054	1,035,150	1,394,000	1,407,940	1,422,019	1,436,240	
Total Restricted Cash	7,316,881	11,192,174	7,984,204	26,493,259	33,090,625	34,438,798	36,080,176	37,824,436	
Total Cash Inflows	12,150,716	15,595,247	12,790,202	40,536,164	52,706,734	55,385,040	59,549,514	61,048,165	
Cash Uses									
	Payroll Expenses	1,743,064	1,512,609	1,627,845	4,883,518	6,641,581	6,774,413	6,909,901	7,048,099
	Payroll taxes	149,675	128,289	138,994	416,958	567,059	578,400	589,968	601,767
X1	Communications	72,107	69,542	71,316	212,966	289,466	295,255	301,161	307,184
X2	Pastoral	177,025	174,196	175,582	526,803	716,462	730,791	745,407	760,315
X3	Religious Personnel Development	615,284	612,811	613,982	1,842,077	2,505,247	2,555,352	2,606,459	2,658,589
X4	Education	247,307	243,168	245,232	735,706	1,000,562	1,020,573	1,040,984	1,061,804
X5	Tribunal	60,794	60,411	60,569	181,774	247,224	252,168	257,212	262,356
X6	Insurance	2,170,883	2,169,311	2,170,054	6,510,248	9,287,969	9,938,127	10,633,796	11,378,162
X6	Employee Benefit Program	3,996,452	3,996,456	3,996,454	11,989,362	17,104,823	18,302,161	19,583,312	20,954,144
X7	Cemetery Operations	848,834	834,716	841,684	2,525,234	3,434,349	3,503,036	3,573,097	3,644,559
X17	Vitality	320,462	313,896	317,152	951,509	1,294,062	1,319,943	1,346,342	1,373,269
X8	Youth and Young Adult Ministry	31,827	31,081	31,457	94,365	128,335	130,901	133,519	136,190
X9	Office of Life & Social Justice	9,462	9,005	9,226	27,693	37,665	38,418	39,186	39,970
X11	Grant to Catholic Charities, DOC Inc.	446,349	459,435	446,349	1,352,133	1,841,126	1,877,948	1,915,507	1,953,817
X12	Grants to Other Catholic Entities	188,897	168,897	168,896	526,690	709,499	723,689	738,162	752,926
X15	Administration	907,494	873,348	900,819	2,681,661	3,643,524	3,716,394	3,790,722	3,866,536
X16	Development	223,051	219,501	221,216	663,767	902,744	920,799	939,215	957,999
		12,208,966	11,876,670	12,036,827	36,122,463	50,351,695	52,678,368	55,143,950	57,757,684

Total Cash Outflows Before CapEx & Professional Fees	(58,250)	3,718,577	753,375	4,413,701	<u>2,355,039</u>	<u>2,706,672</u>	<u>4,405,564</u>	<u>3,290,481</u>
Sources and Uses of Cash before CapEx & Professional Fees								
Cemetery Reserve	-	2,367,500	62,500	2,430,000	252,500	255,025	257,575	260,151
Capital Expenditures	<u>124,998</u>	<u>124,998</u>	<u>125,006</u>	<u>375,002</u>	<u>505,000</u>	<u>510,050</u>	<u>515,151</u>	<u>520,302</u>
Total CapEx and Reserve	<u>124,998</u>	<u>2,492,498</u>	<u>187,506</u>	<u>2,805,002</u>	<u>757,500</u>	<u>765,075</u>	<u>772,726</u>	<u>780,453</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	(183,248)	1,226,079	565,869	1,608,699	1,597,539	1,941,597	3,632,839	2,510,028
Sources an Reorganization Related Expenses								
Debtor's Counsel	150,000	50,000	-	200,000	-	-	-	-
Debtor's General Counsel	25,000	25,000	25,000	75,000	400,000	400,000	400,000	-
Debtor's Financial Advisor	100,000	50,000	-	150,000	-	-	-	-
Committee's Professionals	500,000	125,000	-	625,000	-	-	-	-
Claims Agent	75,000	50,000	-	125,000	-	-	-	-
US Trustee Fees	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Professional Fees	<u>970,000</u>	<u>300,000</u>	<u>25,000</u>	<u>1,295,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Payments to Unsecured Creditors (\$1.5m)	-	75,000	75,000	150,000	300,000	300,000	300,000	300,000
Payments to PNC	-	411,917	411,916	823,833	1,647,668	1,647,668	1,647,668	1,647,668
Net Cash Flow	<u>(1,153,248)</u>	<u>439,162</u>	<u>53,953</u>	<u>(660,134)</u>	<u>(750,129)</u>	<u>(406,071)</u>	<u>1,285,171</u>	<u>562,360</u>
Cumulative Cash Flow				(660,134)	(1,410,262)	(1,816,333)	(531,163)	31,198

Diocese of Camden, New Jersey
 Cash Flow Projection, Assumptions and Explanations
 October 12, 2021

Sources of Cash

Projection Increase / Decrease

	<u>Assumption</u>
# 1) Accounts Receivable consists primarily of Diocesan Assessments from Parishes and their proportionate non-premium share of the Insurance Program. Assessments are determined based upon prior-year collections, which were impacted due to COVID-19, and therefore lower than historical data. Assessments are due on a monthly basis and provide financial support for pastoral, education, religious personnel development, youth and administrative programs.	FY 2022 - 4% FY 2023 - 5% FY 2024 - 2% FY 2025 - 2% FY 2026 - 2%
2) Miscellaneous Income is for salary reimbursements from related entities for IT, HR and Payroll, as well as programs, workshops, printed materials, etc. The projections assume an increase of 1% each year through the fiscal year ending June 30, 2026.	1%
3) Stop Loss Reimbursement In the event a beneficiary of the Catholic Health Insurance Plan Diocese of Camden ("CHIP-DOC") requires extraordinary levels of medical care, the CHIP-DOC maintains a stop-loss policy with BCS, Inc., ("BCS") which provides coverage for claims of any individual in excess of \$350,000 per year. Premiums for the stop-loss policy are paid directly to BCS. Reimbursement for these payments are made to the Diocese. The projections assume a 7% increase in reimbursements each year through the fiscal year ending June 30, 2026.	7%
4) Catholic Strong ("CSC") was a capital campaign that sought to raise \$40 million primarily to benefit the parishes. Of the funds raised through the CSC, 70% was designated solely for the parishes from which these funds were raised. Their needs include updates to physical plant, new or expanded youth and pastoral ministries, and the hiring of staff to support the parish programs. 30% of the funds raised are designated for the Diocese for supporting stronger faith, stronger service and stronger Catholic schools. The projections assume a slight decrease of collections over years 2 & 3 and a further decrease in years 4 & 5 as the collections from the program taper off.	Based on Historical Trends, Pledge amounts, and uncollectible balances
5) Future Campaigns are collections relating to new campaigns that the Diocese anticipate in future periods. This assumption is based on the Diocese creating and implementing a new campaign(s). Historical trends support the assumptions of lower collections in the year implemented which increase as pledges are collected. Any future campaign will be impacted by the status and outcome of the reorganization. The projections anticipate a program(s) in year 3 with lower collections which increase through year 5 as pledges are collected.	Based on Historical Trends
6) Health Insurance Reimbursement the Diocese coordinates and administers the Catholic Health Insurance Plan Diocese of Camden, which provides voluntary self-insured medical coverage for Diocesan employees, employees of other Catholic entities, and their dependents. The CHIP-DOC utilizes a third-party administrator to assist the Diocese in processing claims and establishing appropriate financial contributions for the CHIP-DOC participants and their employees. Sources of cash relating to the Health Insurance Reimbursements are offset against outflows of Insurance and Employee Benefit Programs, to cover the cost of claims and contributions. The projections assume an increase of 7% relating to sources and a corresponding increase of 7% relating to outflows, for these items each year through the fiscal year ending June 30, 2026.	7%
7) Trusts Receivables the Diocese of Camden Trusts, Inc. ("DOC Trusts") is a separate legal entity from the Diocese, formed in 2001. DOC Trusts is organized for the purpose of assisting the Diocese in fulfilling its religious, charitable and educational mission by providing funding for education, religious personnel development, health care needs, canonically required offices and long-term capital needs. The Board of Trustees of DOC Trusts are responsible for the overall governance of DOC Trusts and determines all funding. All of the investments are managed based on the Diocese of Camden Trusts, Inc. Statement of Investment Policies and Objectives. The assumptions assume an increase of 1% each year through the fiscal year ending June 30, 2024 and then 5% in June 2025 and 2026.	FY 2022 - 1% FY 2023 - 1% FY 2024 - 1% FY 2025 - 5% FY 2026 - 5%
8) Priest Pension Receivable The Priest Post-Retirement Plan is a non-contributory defined benefit plan that provides health benefits and automobile insurance for all incardinated priests in good standing of the Diocese. Inflows relate to funding amounts for the operation of the Sacred Heart Residence for Retired Priests. The projections assume an increase of 4% each year through the fiscal year ending June 30, 2026.	4%

Diocese of Camden, New Jersey
 Cash Flow Projection, Assumptions and Explanations
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- 9) **Cemeteries** the Diocese manages several Catholic Cemeteries within its territory. The Diocese has been serving Catholic families in this capacity since before the establishment of the Diocese of Camden in 1937. There are three Diocesan cemeteries and twelve Parish cemeteries. The projections assume an increase in cash sources related to the Catholic Cemeteries of 1%. The Diocese is in the process of obtaining an actuarial report to assist in determining appropriate reserves for perpetual maintenance and other capital expenses. While this reserve has not yet been determined, a preliminary estimate of \$250,000/per year, is budgeted toward this reserve. 1%

- 10) **Bishop's Account** this account is for contributions and membership dues for various groups at the Bishop's discretion. Average funding is \$30,000 every 3-6 months. The projections assume a 1% increase in funding from the Bishop's Foundation, each year through the fiscal year ending June 30, 2026. 1%

- 11) **House of Charity - Bishop's Annual Appeal** is an annual campaign undertaken early in the calendar year, the proceeds of which are used to support various ministerial and social service programs. The House of Charity provides the day-to-day operational income that supports the pastoral, charitable and social ministries of the Diocese, including Catholic Charities, support for seminarian education and housing for retired priests, support for VITALity Catholic Healthcare Services, support for Catholic education including special education, as well as support for the various pastoral ministries. The projections assume an increase in cash sources related to the House of Charity campaigns of 1% each year through the fiscal year ending June 30, 2026. 1%

- 12) **Healthcare Foundation** the Diocese of Camden Healthcare Foundation, Inc. is a separate legal entity from the Diocese, formed in 2015. The Healthcare Foundation assists in funding the development, implementation and ongoing support of healthcare programs. The Foundation was assigned the net proceeds of the purchase price of the sale of three nursing homes in 2015 pursuant to the Order and Opinion of the Honorable Deborah Silverman Katz, Assignment Judge. As part of the transaction, \$10 million must remain in an account with PNC Bank until December 14, 2023 as a guarantee of certain covenants in the transaction. The projections assume a 1% increase each year related to sources of cash from the Healthcare Foundation each year through the fiscal year ending June 30, 2026. 1%

Cash Outflows

- 13) Cash outflows related to the various expenditures of the Diocese, including payroll, Insurance and Employee Benefit Programs (described above Item 7), Administrative and Development expenditures and other operating outflows. The projections assume a 7% increase in Insurance and Employee Benefit programs and a 2% increase in all other expenses, through the fiscal year ending June 30, 2026. 2% (7% - Insurance and Employee Benefit)

- 14) **Grants to Catholic Charities, DOC Inc. & Grants to Other Catholic Entities** relate to distributions from the HOC (item 12) to other related entities.

Diocese of Camden, New Jersey Five year Cash Flow Projections	2021-2022 Year 1 1.1 Total Budget	2022-2023 Year 2 1.1 Total Budget	2023-2024 Year 3 1.1 Total Budget	2024-2025 Year 4 1.1 Total Budget	2025-2026 Year 5 1.1 Total Budget
Cash Sources					
Unrestricted					
Accounts Receivable ¹	1.02	1.05	1.02	1.02	1.02
Miscellaneous Collections	1.01	1.01	1.01	1.01	1.01
Stop Loss Reimbursement	1.05	1.07	1.07	1.07	1.07
Excess of 3% on Revolving Fund	1.00	1.00	1.00	1.00	1.00
Catholic Strong	1.00	1.47	0.76	0.29	0.29
Sacred Heart Residence	1.00	1.00	1.00	1.00	1.00
Black Catholic Ministry	1.00	1.00	1.00	1.00	1.00
Sale of Assets / Settlements	1.00	1.00	1.00	1.00	1.00
Interest and Principal Payments on RF Loans	1.00	1.00	1.00	1.00	1.00
Payroll	1.00	1.00	1.00	1.00	1.00
Total Unrestricted Cash					
Restricted					
Health Insurance Reimbursement	1.05	1.07	1.07	1.07	1.07
Trusts Receivable	1.01	1.01	1.01	1.05	1.05
Priest Pension Receivable	1.01	1.04	1.04	1.04	1.04
Cemeteries	1.01	1.01	1.01	1.01	1.01
Bishop's Account	1.01	1.01	1.01	1.01	1.01
Brazilian Mission	1.00	1.00	1.00	1.00	1.00
Utility Escrow	1.00	1.00	1.00	1.00	1.00
House of Charity	1.01	1.01	1.01	1.01	1.01
HealthCare Foundation	1.01	1.01	1.01	1.01	1.01
Total Restricted Cash					
Total Cash Inflows					
Cash Uses					
Payroll Expenses	1.02	1.02	1.02	1.02	1.02
Payroll taxes	1.02	1.02	1.02	1.02	1.02
Communications	1.02	1.02	1.02	1.02	1.02
Pastoral	1.02	1.02	1.02	1.02	1.02
Religious Personnel Development	1.02	1.02	1.02	1.02	1.02
Education	1.02	1.02	1.02	1.02	1.02
Tribunal	1.02	1.02	1.02	1.02	1.02
Insurance	1.05	1.07	1.07	1.07	1.07
Employee Benefit Program	1.05	1.07	1.07	1.07	1.07
Cemetery Operations	1.02	1.02	1.02	1.02	1.02
Vitality	1.02	1.02	1.02	1.02	1.02
Youth and Young Adult Ministry	1.02	1.02	1.02	1.02	1.02
Office of Life & Social Justice	1.02	1.02	1.02	1.02	1.02
Grant to Catholic Charities, DOC Inc.	1.02	1.02	1.02	1.02	1.02
Grants to Other Catholic Entities	1.02	1.02	1.02	1.02	1.02
Administration	1.02	1.02	1.02	1.02	1.02
Development	1.02	1.02	1.02	1.02	1.02
Repayment of PPP Loan					
Total Cash Outflows Before CapEx 7 Professional Fees					
Sources and Uses of Cash before CapEx & Professional Fees					
Cemetery Reserve	1.01	1.01	1.01	1.01	1.01
Capital Expenditures	1.01	1.01	1.01	1.01	1.01
Total CapEx and Reserve					

Exhibit C

Order Approving Disclosure Statement

TO BE FILED WITH MOTION TO APPROVE DISCLOSURE STATEMENT

Exhibit D

Trust Agreement

THE DIOCESE OF CAMDEN PLAN TRUST AGREEMENT

This trust agreement (the “Trust Agreement”) is made and entered into by and between The Diocese of Camden, New Jersey (the “Diocese”) and [•] (the “Trustee”) pursuant to the Chapter 11 Plan of Reorganization (together with any and all amendments, exhibits, and schedules, the “Plan”) filed in the Diocese’s chapter 11 bankruptcy, Case No. 20-21257 (JNP), before the United States Bankruptcy Court for the District of New Jersey (the “Bankruptcy Court”). Unless otherwise stated in this Trust Agreement, capitalized terms used in this Trust Agreement shall have the meanings as ascribed to them in the Plan, the Confirmation Order, and/or the Bankruptcy Code.

RECITALS

A. On the Petition Date, the Diocese filed a voluntary petition for relief pursuant to chapter 11 of the Bankruptcy Code. The Diocese continues to operate its business as debtor in possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code.

B. It is anticipated that in 2021, the Bankruptcy Court will enter an order confirming the Plan (the “Confirmation Order”).

C. The Plan anticipates the existence of the Trust and the transfer and assignment to the Trust of the Trust Assets.

D. Pursuant to the Plan, the Trust is to use the Trust Assets to pay the Class 5 and Class 6 Claims and carry out the purposes of the Plan.

E. The Trust is established for the benefit of the Beneficiaries of the Trust, as defined in Section 1.5 of this Trust Agreement, and is intended to qualify as a “Designated” or “Qualified Settlement Fund” within the meaning of Section 468B of the Internal Revenue Code and the Treasury Regulations promulgated under the Internal Revenue Code and codified at 26 C.F.R. §§ 1.468B-1 to -5.

NOW, THEREFORE, pursuant to the Plan and the Confirmation Order, in consideration of the premises and provisions in the Plan, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and affirmed, it is agreed as follows:

DECLARATION OF TRUST

Subject to approval by the Bankruptcy Court, the Diocese hereby absolutely assigns to the Trust, and to its successors in trust and its successors and assigns, all rights, title, and interest of the Diocese in and to the Trust Assets;

TO HAVE AND TO HOLD unto the Trust and its successors in trust and its successors and assigns forever;

IN TRUST NEVERTHELESS upon the terms and subject to the conditions set forth in this Trust Agreement and for the benefit of the Beneficiaries, as defined below, as and to the extent provided in the Plan, and for the performance of, and compliance with, the terms of this Trust Agreement, the Plan, and the Confirmation Order;

PROVIDED, HOWEVER, that upon termination of the Trust in accordance with Article IV of this Trust Agreement, this Trust Agreement shall cease, terminate, and be of no further force and effect; and

IT IS HEREBY FURTHER COVENANTED AND DECLARED that the Trust Assets are to be held and applied by the Trustee upon the further covenants and terms and subject to the conditions set forth in this Trust Agreement.

ARTICLE I.
AGREEMENT OF TRUST

1.1. Creation and Name. The Diocese hereby creates the Trust known as “The Diocese of Camden Plan Trust,” which is the Trust provided for in the Plan. In the event of any inconsistency between the Plan and this Trust Agreement, the terms of the Plan shall govern.

1.2. Purpose. The purpose of the Trust is to assume responsibility for preserving, managing, and distributing Trust Assets to Class 5 Claimants and Class 6 Claimants in accordance with the Trust Agreement and the requirements of the Plan and Confirmation Order.

1.3. Transfer of Trust Assets. Pursuant to the Plan and upon the Effective Date, the Diocese will irrevocably transfer, absolutely grant, assign, convey, set over and deliver to the Trust at all times as set forth in the Plan, all of the Diocese’s rights, titles, and interests in and to the Trust Assets in accordance with the Plan to be held in trust and for the uses and purposes stated in this Trust Agreement and in the Plan. The Trustee is hereby authorized to file with the proper governmental authorities any and all documents necessary or helpful to establish the Trust.

1.4. Transfer of Confidential Information. The Trustee shall maintain the confidentiality of all documents and follow the confidentiality procedures provided for in the Bankruptcy Court’s *Order (I) Granting Expedited Relief; (II) Establishing Deadlines for Filing Proofs of Claim; (III) Approving Sexual Abuse Proof of Claim Form; (IV) Approving Form and Manner of Notice; and (V) Approving Confidentiality Procedures* [ECF 409].

1.5. Irrevocability. The Trust shall be irrevocable. The Diocese shall not alter, amend, revoke, or terminate the Trust. The Diocese shall have no power or authority to direct the Trustee to return any of the Trust Assets to the Diocese.

1.6. Beneficiaries. The beneficiaries of the Trust are Class 5 Claimants and Class 6 Claimants under the Plan whose Claims are allowed by the Tort Claims Reviewer (the “Beneficiaries”).

1.7. Acceptance of Assets and Assumption of Liabilities.

1.7.1. In furtherance of the purposes of the Trust, the Trustee hereby accepts the role of trustee of the Trust and accepts the grant, assignment, transfer, conveyance, and delivery of the Trust Assets to the Trust, subject to the terms and conditions set forth in this Trust Agreement, the Plan, and the Confirmation Order.

1.7.2. In furtherance of the purposes of the Trust, the Trustee, on behalf of the Trust, hereby expressly assumes all responsibility for preserving, managing, and distributing Trust Assets to the Beneficiaries. The Claims of the Beneficiaries will be evaluated by the Tort Claims Reviewer in accordance with the Tort Claims Distribution Plan.

1.7.3. The Trustee shall have all of the rights, powers, and duties set forth in this Trust Agreement, the Tort Claims Distribution Plan, and the Plan, and available under applicable law, for accomplishing the purposes of the Trust. The Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the applicable provisions of the Plan, the purpose of the Trust, and applicable law. The Trustee shall have the authority to bind the Trust within the limitations set forth in this Trust Agreement, but shall be acting in the capacity as Trustee, and not individually, for all purposes contained in this Trust Agreement.

1.7.4. In furtherance of the purposes of the Trust, the Trustee assumes responsibility for (a) making payments to the Beneficiaries; (b) receiving, collecting, liquidating, maintaining, and distributing the Trust Assets; and (c) fulfilling all other obligations of the Trust under this Trust Agreement, the Plan, and the Confirmation Order. The Trust will be administered consistent with the purpose of the Trust and with no objective to continue or to engage in the conduct of a trade or business, except to the extent reasonably necessary to preserve the value of the Trust Assets or as otherwise provided in the Plan or Confirmation Order.

1.7.5. All Trust expenses and all liabilities of the Trust with respect to the Beneficiaries shall be payable solely by the Trustee out of the Trust Assets.

ARTICLE II.

CORPUS OF THE TRUST

2.1. Trust Composition. The Trust Assets shall include all property transferred to the Trust pursuant to the Plan, Confirmation Order, and any future orders of the Bankruptcy Court, including without limitation all rights of every kind, nature, and description transferred to the Trust pursuant to Article [•] of the Plan.

2.2. Transfer to Trust. Upon the Effective Date, pursuant to the Plan and Confirmation Order, title to and all rights and interests in the Trust Assets shall be transferred to the Trust free and clear of all Liens, claims, encumbrances or Interests of any kind in the Trust Assets of any other Person (including all Liens, claims, encumbrances or Interests of creditors of, or holders of claims against or Interests in the Diocese) in accordance with Sections 1123, 1141, and 1146(a) of the Bankruptcy Code, except as otherwise provided for in the Plan. The Trustee, on behalf of the Trust, shall receive the Trust Assets when they are transferred to the Trust.

2.3. Trustee's Right to and Title and Interest in Trust Assets. Upon the transfer of the Trust Assets, the Trust succeeds to all of the Diocese's and the bankruptcy estate's right to and title and Interest in the Trust Assets, and the Diocese and the bankruptcy estate shall have no

further right to, or title or Interest in or with respect to, the Trust Assets or this Trust, except as provided in this Trust Agreement, the Plan, or the Confirmation Order.

2.4. No Tax on Transfers to Trust. Pursuant to 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 this Trust, including any deeds, bills of sale, or assignments executed in connection with any transfer to the Trust or receipt or disposition/sale of assets by the Trust contemplated by the Plan, shall not be subject to any stamp tax, real estate transfer tax, excise tax, sales tax, use tax, or similar tax.

2.5. Spendthrift Provision. To the fullest extent permitted by law, neither the principal nor income of the Trust, in whole or in part, shall be subject to (a) any legal or equitable claims of creditors of any Beneficiary or others, (b) legal process, or (c) voluntary or involuntary transfer, assignment, anticipation, pledge, or other form of alienation or encumbrance except as may be ordered by the Bankruptcy Court.

2.6. Trust Corpus. The entirety of the Trust's corpus shall be available to pay the Beneficiaries and authorized expenses. The Trust Corpus shall be allocated, administered, and distributed as provided in the Tort Claim Distribution Plan, the Plan, and the Confirmation Order.

2.7. Unknown Claim Reserve. The Diocese shall contribute \$500,000 separate from the Trust Assets to a reserve fund for Unknown Claims pursuant to the Plan (the "Unknown Claim Reserve"). The payments to holders of Unknown Tort Claims shall be made in accordance with the Tort Claim Distribution Plan. The Unknown Claim Reserve will terminate in accordance with the Plan. After the Unknown Claim Reserve terminates, to the extent there are any remaining funds after payment to all Unknown Tort Claims pursuant to the Tort Claim Distribution Plan, such remaining funds shall be retained by the Trust, with no further restrictions on the Trust's use of such funds except for the general restrictions on use of Trust Assets provided for herein.

ARTICLE III. **POWERS AND DUTIES OF TRUSTEE**

3.1. Trustee's Bond. The Trustee shall not be required to post any bond, surety, or other security for the performance of the Trustee's duties unless otherwise ordered by the Bankruptcy Court and, in the event the Trustee is so otherwise ordered, all reasonable costs and expenses of procuring any bond or surety shall be borne by the Trust and paid for from the Trust Assets.

3.2. Powers and Duties. The Trustee shall have, in addition to any other powers and duties conferred on the Trustee by applicable trust law (to the extent not inconsistent with applicable bankruptcy law, the Plan, and the Confirmation Order), the Plan, and the other provisions in this Trust Agreement, the following powers and duties:

3.2.1. To act as custodian of, and to receive, control, manage, liquidate, monetize, and dispose of, all Trust Assets for the benefit of the Beneficiaries as the Trustee deems appropriate to accomplish the purpose of the Trust, in accordance with the terms contained in this Trust Agreement, the Plan, and the Confirmation Order.

3.2.2. To abandon any property which the Trustee determines in the Trustee's reasonable discretion to be of *de minimus* value or of more burden than value to the Trust.

3.2.3. To protect and enforce the rights in and to the Trust Assets by any method deemed appropriate, including without limitation by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium, or similar law and general principles of equity.

3.2.4. To enter into contracts in the course of administering the Trust Assets for liquidation and in conjunction with their disposition under this Trust Agreement and the Plan.

3.2.5. To open and maintain bank accounts on behalf of the Trust, deposit funds in the bank accounts, and draw checks on the bank accounts, as appropriate under this Trust Agreement, the Plan, and the Confirmation Order.

3.2.6. To obtain all reasonably necessary insurance coverage with respect to any property that is, or may in the future become, a Trust Asset.

3.2.7. To incur on behalf of the Trust, and pay from the assets of the Trust, all fees, costs, and expenses of administering the Trust as provided in this Trust Agreement and the Plan. These fees, costs, and expenses include: (a) the fees of bankruptcy claims and/or distribution agents, (b) the fees and costs of professionals employed by the Trustee (the "Professionals"), including without limitation, the Tort Claim Reviewer, investment advisors, accountants, agents, managers, attorneys-at-law, actuaries, or auditors, (c) the premiums charged by insurers, including without limitation professional liability insurers, (d) reimbursement of any Statutory Fees and Court Costs incurred by the Debtor (i) in the event the Trustee opposes the closure of the Chapter 11 Case, from the date of the filing of any such opposition through the closure of the Chapter 11 Case or (ii) should the Trustee reopen the Chapter 11 Case in the future.

3.2.8. In accordance with the evaluation of the Tort Claim Reviewer to the Tort Claimant Distribution Plan, to make distributions, in accordance with the Tort Claim Distribution Plan to Beneficiaries who have provided signed copies of all required releases and forms.

3.2.9. In the Trustee's discretion, to rely on the authenticity of the signature of the Tort Claim Reviewer, and the accuracy of the information set forth by, and the reasonableness of the determination of, the Tort Claim Reviewer in the administration of the Tort Claim Distribution Plan and assessment of the Class 5 and Class 6 Claims without any verification or confirmation.

3.2.10. In the Trustee's discretion, as a party in interest, to seek enforcement of any provision of the Plan pertaining to the Trust.

3.2.11. To retain any attorney-at-law, consultant, expert, accountant, investment advisor, bankruptcy management company or such other agents and advisors as are necessary and appropriate to effectuate the purpose of, and maintain and administer, the

Trust and shall be entitled to rely on advice given by such advisors within his, her, or its areas of competence. In no event, however, shall the Trustee incur fees from any professional, except the Trustee's primary legal counsel, in excess of \$50,000.00 without prior approval of the Bankruptcy Court.

3.2.12. In the Trustee's sole right and discretion, to appoint the Tort Claim Reviewer. The Trustee may subsequently remove the Tort Claim Reviewer for cause. For purposes of this Trust Agreement, "cause" shall mean (a) the willful and continued refusal by the Tort Claim Reviewer to perform the Tort Claim Reviewer's duties as set forth in this Trust Agreement, the Trust Distribution Plan, and the Plan, (b) gross negligence, gross misconduct, fraud, embezzlement, or theft, (c) a serious breach of fiduciary duty, or (d) other cause as the Trustee shall in good faith determine. In the event the Tort Claim Reviewer resigns, is removed, or is otherwise unable to perform the Tort Claim Reviewer's obligations, the Trustee shall have exclusive authority to appoint a new Tort Claim Reviewer. Nothing contained in this Trust Agreement shall prohibit the Trustee from also serving as the Tort Claim Reviewer if the Trustee determines that serving as both the Trustee and the Tort Claim Reviewer is in the best interest of the Trust and the Beneficiaries.

3.2.13. To make, sign, execute, acknowledge, and deliver any documents that may be necessary or appropriate to effectuate the purpose of the Plan or the Trust or to maintain and administer the Trust.

3.2.14. To seek the examination of any Person under, and subject to, the provisions of the Bankruptcy Rules, including without limitation Bankruptcy Rule 2004.

3.2.15. To amend, modify, or alter the Trust Agreement by filing a motion with the Bankruptcy Court, with notice to the Beneficiaries, the Diocese, and any or all other parties in interest. For the avoidance of doubt, the amendments, modifications, or alterations may not be inconsistent with the terms of the Plan, the terms of the Confirmation Order, or the purpose of the Trust, as identified in Section 1.2 of this Trust Agreement.

3.2.16. Upon any event terminating the Trust, to defer distribution of Trust Assets for a reasonable time needed to wind up the affairs of the Trust, including time needed to provide for payment of debts and expenses, although the Beneficiaries' rights to distributions shall vest immediately.

3.2.17. To comply with Section 345 of the Bankruptcy Code with regard to the investment of the Trust Assets. The Trustee is relieved of any obligation to diversify.

3.2.18. To establish the accounts, funds, and reserves, as required by the Plan, for ease of administration. Nothing in this provision shall restrict the Trustee's authority to pool the accounts, funds, or reserves for investment purposes or require separate bank accounts for the accounts, funds, or reserves.

3.2.19. To be responsible for only the Trust Assets delivered to the Trust and have no duty to make, nor incur any liability for failing to make, any search for unknown property or liabilities.

3.2.20. The Trust will assume all duties, obligations and indemnification responsibilities outlined in the Plan.

3.3. Limitations on the Trustee. Notwithstanding anything in this Trust Agreement to the contrary, the Trustee shall not do or undertake any of the following:

3.3.1. Guaranty any debt other than as provided for in this Trust Agreement or as required by the Plan;

3.3.2. Loan Trust Assets;

3.3.3. Make any transfer or distribution of Trust Assets other than those authorized in this Trust Agreement, the Plan, or the Confirmation Order;

3.3.4. Engage in any trade or business; or

3.3.5. Engage in any investments or activities inconsistent with the treatment of the Trust as a “Designated” or “Qualified Settlement Trust.”

ARTICLE IV. **TERMINATION OF THE TRUST**

4.1. Pre-Confirmation Termination. The Trustee shall terminate the Trust if (a) the Confirmation Order does not become a Non-Appealable Order within one year from the date the Trust Agreement is executed by the Diocese and the Trustee or (b) the Chapter 11 Case is dismissed or converted to a case under Chapter 7 of the Bankruptcy Code (the “Pre-Confirmation Termination”). Upon the Pre-Confirmation Termination of the Trust, the Trust Agreement shall be null and void and of no force and effect, with the Trustee and the Diocese both discharged from any and all duties and obligations provided for in this Trust Agreement.

4.2. Post-Confirmation Termination. The Trustee shall terminate the Trust after (a) the Trustee’s liquidation, administration, and distribution of the Trust Assets in accordance with this Trust Agreement and the Plan and (b) the Trustee’s full performance of all other duties and functions set forth in this Trust Agreement and the Plan (the “Post-Confirmation Termination”). The Trust shall terminate no later than the eleventh anniversary of the Effective Date.

4.3. Post-Confirmation Termination Procedures. After the Post-Confirmation Termination of the Trust and solely for the purpose of liquidating and winding up its affairs, the Trustee shall continue to act as Trustee until the Trustee’s duties in this Trust Agreement have been fully performed. The Trustee shall retain the books, records, documents, and files that shall have been delivered to, or created by, the Trustee until distribution of all the Trust Assets. For purposes of this provision, the Trust Assets will be deemed distributed when the total amount remaining in the Trust is less than \$50,000. At the Trustee’s discretion, all of the books, records, documents, and files may be destroyed at any time following the later of: (a) the first anniversary of the final distribution of the Trust Assets or (b) the date until which the Trustee is required by applicable law to retain the books, records, documents, and files; provided that, notwithstanding the foregoing, the Trustee shall not destroy or discard any books, records, documents, or files

relating to the Trust without giving the Diocese and the Beneficiaries reasonable prior written notice.

4.4. Post-Confirmation Termination Distribution. Upon Post-Confirmation Termination of the Trust, provided that all fees and expenses of the Trust have been paid or provided for in full, the Trustee will deliver all funds and other investments in the Trust, if any, including any investment earnings to a charity supporting survivors of childhood sexual abuse as set forth in the Confirmation Order.

4.5. Discharge, Exculpation, and Exoneration. Upon Post-Confirmation Termination of the Trust and accomplishment of all activities described in this Article, the Trustee and the Trustee's Professionals shall be discharged and exculpated from liability, and the Trustee's bond (if any), shall be exonerated except for acts or omissions resulting from the recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud of the Trustee or his designated agents or representatives. The Trustee may, at the expense of the Trust, seek an order of the Bankruptcy Court confirming the discharges, exculpations, and exoneration referenced in this Section.

ARTICLE V.

IMMUNITY, LIABILITY, AND INDEMNIFICATION OF TRUSTEE

5.1. Limitations on Liability. Neither the Trustee nor any of the Trustee's duly designated agents, representatives, or Professionals shall be liable for any act or omission taken or omitted by the Trustee in good faith, other than acts or omissions resulting from the recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud of the Trustee or the Trustee's designated agents, representatives, or Professionals. The Trustee may, in connection with the performance of the Trustee's functions, and in the Trustee's sole and absolute discretion, consult with the Trustee's Professionals and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with the advice or opinions rendered by the Trustee's Professionals. Notwithstanding this authority, the Trustee shall be under no obligation to consult with the Trustee's Professionals, and the Trustee's good faith determination not to consult with the Trustee's Professionals shall not result in the imposition of liability on the Trustee, unless the determination is based on the Trustee's recklessness, gross negligence, willful misconduct, knowing and material violation of law, or fraud.

5.2. No Recourse Against the Trustee Personally. No recourse shall be had, directly or indirectly, against the Trustee personally, or against any employee, contractor, or Professional retained by the Trustee in accordance with the terms of this Trust Agreement, Plan, or Confirmation Order, by legal or equitable proceedings or by virtue of any statute or otherwise, nor upon any promise, contract, instrument, undertaking, obligation, covenant, or trust agreement executed by the Trustee in implementation of this Trust Agreement or the Plan or by reason of the creation of any indebtedness by the Trustee under the Plan for any purposes authorized by this Trust Agreement or the Plan, it being expressly understood and agreed that any promise, contract, instrument, undertaking, obligation, covenant, or trust agreement entered into by the Trustee, whether in writing or otherwise, shall be enforceable only against, and be satisfied only out of, the Trust Assets and shall be evidence only of a right of payment out of the Trust Assets. The Trustee may be held liable for the Trustee's recklessness, gross negligence,

willful misconduct, knowing and material violation of law, or fraud; and if liability for these grounds is established, recourse may be had directly against the Trustee. The Trust will not be covered by a bond.

5.3. Indemnification. The Trustee, using Trust Assets, shall defend, indemnify, and hold harmless the Trustee, the Trustee's officers, directors, agents, representatives, and employees to the fullest extent that a corporation or trust organized under the laws of the state of New Jersey is entitled to defend, indemnify, and hold harmless its trustees, officers, directors, agents, representatives, and employees against any and all costs (including attorneys' fees and costs), judgments, awards, amounts paid in settlement, liabilities, expenses, claims, damages, or losses incurred by them in the performance of their duties under this Trust Agreement; provided that neither the Trustee nor the Trustee's officers, directors, agents, representatives, or employees shall be defended, indemnified, or held harmless in any way for any liability, expense, claim, damage, or loss for which they are ultimately held liable under Section 5.1 of this Trust Agreement.

ARTICLE VI.
COMPENSATION AND EXPENSE
REIMBURSEMENT OF TRUSTEE AND ITS AGENTS

6.1. Trustee Compensation. The Trustee shall be entitled to receive compensation from the Trust Assets.

6.2. Compensation of the Trustee's Professionals. Any Professional retained by the Trustee pursuant to this Trust Agreement or the Plan will be entitled to reasonable compensation for services rendered paid by the Trustee from the Trust Assets.

6.3. Reimbursement of Expenses. Any and all reasonably necessary costs and expenses incurred by the Trustee and any Professional retained by the Trustee, in performing their respective duties under this Trust Agreement, will be reimbursed by the Trustee from the Trust Assets.

ARTICLE VII.
SUCCESSOR TRUSTEE

7.1. Vacancy Caused by the Trustee's Resignation or Removal.

7.1.1. The Trustee may resign at any time upon 30-days written notice to be filed with the Bankruptcy Court. The outgoing trustee (the "Outgoing Trustee") shall, within 30 days after the Outgoing Trustee's resignation takes effect, deliver to the successor trustee (the "Successor Trustee") all of the Trust Assets which were in the possession of the Outgoing Trustee along with a complete list of Trust Assets and a complete accounting of all transactions engaged by the Outgoing Trustee while serving as the Trustee.

7.1.2. Any Tort Claimant may petition the Bankruptcy Court to remove the Trustee.

7.1.3. The Bankruptcy Court may remove a Trustee for cause, which cause shall include, but shall not be limited to, the factors set forth in any applicable New Jersey law. The removal will take effect upon the date the Bankruptcy Court specifies. In the event of removal, the Trustee shall, within thirty (30) days after such removal takes effect, or at some earlier date as the Bankruptcy Court may specify, deliver to the successor Trustee all of the Trust Assets which were in the possession of the Trustee along with a complete list of Trust Assets and a complete accounting of all transactions engaged in by the Trustee while serving as such.

7.2. Outgoing Trustee Obligations. In the event of the resignation or the removal of the Trustee, the Outgoing Trustee, in addition to the duties imposed under Sections 7.1.1 or 7.1.2, shall:

7.2.1. Execute and deliver by the effective date of the resignation or removal the documents, instruments, records, and other writings as may be reasonably requested by the Successor Trustee to effect the resignation or removal of the Outgoing Trustee and the conveyance of the Trust Assets to the Successor Trustee.

7.2.2. Deliver to the Successor Trustee all documents, instruments, records, and other writings relating to the Trust Assets as may be in the possession or under the control of the Outgoing Trustee.

7.2.3. Otherwise assist and cooperate in effecting the assumption of the Outgoing Trustee's obligations and functions by the Successor Trustee.

7.2.4. The Outgoing Trustee hereby irrevocably appoints the Successor Trustee (and any interim trustee) as the Outgoing Trustee's attorney-in-fact and agent with full power of substitution for the Outgoing Trustee and the Outgoing Trustee's name, place, and stead to do any and all acts that the Outgoing Trustee is obligated to perform under this Trust Agreement. The appointment of the Successor Trustee as the Outgoing Trustee's attorney-in-fact and agent shall not be affected by the subsequent disability or incompetence of the Outgoing Trustee. The Bankruptcy Court may also enter any order necessary to effect the termination of the appointment of the Outgoing Trustee and the subsequent appointment of the Successor Trustee.

7.3. Appointment of Successor Trustee. Any vacancy in the office of the Trustee shall be filled by the nomination of a majority of the members of the Tort Committee (notwithstanding dissolution of the Tort Claimant Committee on the Effective Date), subject to the approval of the Bankruptcy Court, after notice and a hearing. If at least three (3) members of the Tort Claimant Committee do not participate in the nomination of the Successor Trustee within 10 days after the Outgoing Trustee resigns, is removed, or otherwise becomes unable to serve, the counsel for the majority of Tort Claimants shall designate a successor after notice to Beneficiaries and the Diocese and a hearing, the Bankruptcy Court may appoint a Successor Trustee.

7.4. Preservation of Record of Changes in Trustees. A copy of each instrument of resignation, removal, appointment, and acceptance of appointment shall be attached to an executed counterpart of this Trust Agreement.

ARTICLE VIII
TRUSTEE REPORTING AND DISCHARGE

8.1. Annual Accountings. The Trustee shall prepare, at least annually, a written accounting of the administration of the Trust listing the current assets with fair market values and detailing all transactions that occurred during the period covered by the accounting. Each accounting shall be filed with the Bankruptcy Court for as long as the Bankruptcy Case remains open and pending before the Bankruptcy Court. Copies of the accounting shall be available to the Beneficiaries upon request. However, the Trustee shall redact any and all confidential and personal identifying information from any and all accountings or reports filed with the Bankruptcy Court or provided to any Beneficiary.

8.2. Approval of Accountings and Discharge of the Trustee. At any time when the Bankruptcy Case is open, the Trustee may file with the Bankruptcy Court a motion for approval of any accounting described in Section 8.1 of this Trust Agreement. Upon the entry of an order of the Bankruptcy Court approving the accounting, the Trustee shall be discharged from all liability to the Trust, any Beneficiary, or any Person who has or may have a claim against the Trustee or Trust for acts or omissions in the Trustee's capacity as Trustee with respect to all assets listed and transactions detailed in the accounting.

ARTICLE IX
SECTION 468B SETTLEMENT FUND

9.1. Qualification. In accordance with the Plan, the Trustee shall take all reasonable steps to ensure that the Trust will qualify as, and remain, a "Designated" or "Qualified" settlement fund within the meaning of Section 468B of the Internal Revenue Code of 1986 (as amended, the "Tax Code") and the regulations promulgated pursuant the Tax Code (the "Treasury Regulations"). The Diocese shall be the "Transferor" within the meaning of Treasury Regulation Section 1.468B-1(d)(1). The Trustee shall be classified as the "Administrator" within the meaning of Treasury Regulation Section 1.468B-2(k)(3).

9.2. All Events Test and Economic Performance Requirement. It is intended that the transfer of the Trust Assets to the Trust shall satisfy the "All Events Test" and the "Economic Performance" requirement of Section 461(h)(1) of the Tax Code and Treasury Regulation Section 1.461-1(a)(2).

9.3. Employer Identification Number. Upon establishment of the Trust, the Trustee shall apply for an employer identification number for the Trust in accordance with Treasury Regulation Section 1.468B-2(k)(4).

9.4. Relation-Back Election. If applicable, the Trustee and the Diocese shall fully cooperate in filing a relation-back election under Treasury Regulation Section 1.468B-1(j)(2) to treat the Trust as coming into existence as a settlement fund as of the earliest possible date.

9.5. Filing Requirements. The Trustee shall cause to be filed, on behalf of the Trust, all required federal, state, and local tax returns in accordance with the provisions of Treasury Regulation Section 1.468B-2(k)(1). The Diocese shall file an election statement satisfying the

requirements of Treasury Regulation Section 1.468B-1(k)(2)(ii) so that the Trust is treated as a grantor trust under Section 671 of the Tax Code and the Treasury Regulations. The election statement shall be included with the Trust's first timely filed trust income tax return. The Diocese shall supply to the Trustee and to the Internal Revenue Service the statement described in Treasury Regulation Section 1.468B-3(e)(2) no later than February 15 of the year following each calendar year in which the Diocese makes a transfer to the Trust.

9.6. Broad Powers of the Trustee. The Trustee is empowered to take all actions, including any action consistent with those expressly set forth in Article IX of this Trust Agreement, as the Trustee deems necessary to reasonably ensure that the Trust is treated as a "Designated" or "Qualified" settlement fund under Section 468B of the Tax Code and the Treasury Regulations. Further, the Trustee may, unilaterally and without order from the Bankruptcy Court, amend, either in whole or in part, any administrative provision of this Trust Agreement which causes unanticipated tax consequences or liabilities inconsistent with Article IX of this Trust Agreement.

ARTICLE X **BENEFICIARIES**

10.1. Register. The Trustee shall keep a register (the "Register") in which the Trustee shall at all times maintain the (i) names and addresses of the Beneficiaries and the actual distributions made to the Beneficiaries pursuant to the Plan. The Trustee may rely upon the Register for the purposes of delivering distributions or notices. In preparing and maintaining this Register, the Trustee may rely on the name and address of each holder of a Claim as set forth in a proof of claim filed by the holder, or proper notice of a name or address change, which has been delivered by the Beneficiary to the Trustee. The Trustee shall be obligated to maintain the confidentiality of all names, addresses, and any and all other personally identifying information of the Beneficiaries provided to the Trustee.

10.2. Rights of Beneficiaries. The rights of a Beneficiary under this Trust Agreement shall, upon the death or incapacity of an individual Beneficiary, pass to the legal representative of the Beneficiary. A Beneficiary shall have no title to, right to, possession of, management of, or control of the Trust Assets, or any right to call for a partition or division of the Trust Assets. Title to all the Trust Assets shall be vested in the Trustee, and the sole interest of the Beneficiaries shall be the rights and benefits given to the Beneficiaries under this Trust Agreement, the Plan, the Confirmation Order, and the Tort Claims Distribution Plan.

10.3. Tax Identification Numbers. The Trustee shall require any Beneficiary to furnish to the Trustee the Beneficiary's employer or taxpayer identification number or social security number as assigned by the IRS, and other records or documents necessary to satisfy the Trustee's tax reporting obligations (including, but not limited to, certificates of non-foreign status). The Trustee shall condition the payment of any distribution to any Beneficiary upon receipt of the number and records or documents.

ARTICLE XI.
MISCELLANEOUS PROVISIONS

11.1. Plan Incorporation. The terms of the Plan and the Confirmation Order are incorporated into this Trust Agreement. In the event of any conflict between the terms of this Trust Agreement and the Plan, the terms of the Plan shall govern.

11.2. Notices. All notices or deliveries required or permitted under this Trust Agreement shall be given as directed in the Plan, to the following:

11.3. Waiver. No failure or delay of any party to exercise any right or remedy pursuant to this Trust Agreement shall affect the right or remedy or constitute a waiver by the party of any right or remedy pursuant to this Trust Agreement. Resort to one form of remedy shall not constitute a waiver of alternative remedies.

11.4. Reimbursement of Costs. If the Trustee or the Trust, as the case may be, is the prevailing party in a dispute regarding the provisions of this Trust Agreement or the enforcement of a provision of this Trust Agreement, the Trustee or the Trust, as the case may be, shall be entitled to collect from the non-prevailing party any and all costs, reasonable and documented out-of-pocket expenses and fees, including attorneys' fees, incurred in connection with the dispute or enforcement action.

11.5. Entirety of Trust Agreement. This Trust Agreement supersedes any and all prior oral discussions and agreements with respect to the subject matter in this Trust Agreement. This Trust Agreement, together with the Exhibits to the Trust Agreement, the Plan, and the Confirmation Order, contain the sole and entire Trust Agreement and understanding with respect to the matters addressed in the Trust Agreement. It is acknowledged that there are no communications or oral understandings that are contrary to, or that in any way restrict, this Trust Agreement and that all prior agreements or understandings within the scope of the subject matter of this Trust Agreement are, upon execution and delivery of this Trust Agreement, superseded, null, and void.

11.6. Counterparts. This Trust Agreement may be executed in two or more counterparts, with the same effect as if all signatures on the counterparts appeared on one document, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signatures or signatures delivered by any other electronic means shall have the same force and effect as original signatures.

11.7. Captions. The captions of Articles and Sections are included for convenience only and are to be disregarded in interpreting this Trust Agreement.

11.8. Representation. It is acknowledged that each of the parties to this Trust Agreement has reviewed this Trust Agreement and has consulted counsel, or knowingly chose not to consult counsel, before executing this Trust Agreement. Each of the parties to this Trust Agreement relied upon its own judgment and that of its counsel in executing this Trust Agreement and has not relied on, or been induced by, any representation, statement, or act by any party that is not referred to in this instrument. It is specifically acknowledged and understood that this Trust Agreement has

not been submitted to, nor reviewed or approved by, the Internal Revenue Service or the taxing authorities of any state or territory of the United States of America. Each of the parties entered into this Trust Agreement voluntarily, with full knowledge of its significance, and the Trust Agreement is, in all respects, complete and final.

11.9. Interpretation. This Trust Agreement has been reached through negotiations between the parties to this Trust Agreement. Each of the parties to this Trust Agreement acknowledges that the party has participated in the drafting of this Trust Agreement and reviewed the terms of the Trust Agreement and, as such, no rule of construction shall apply which might result in this Trust Agreement being construed in favor or against any of the parties, including without limitation, any rule of construction to the effect that ambiguities ought to be resolved against the drafting party. The parties to this Trust Agreement have used their own judgment in entering into this Agreement.

11.10. Savings Clause. If any clause or provision of this Trust Agreement shall for any reason be held invalid or unenforceable by the Bankruptcy Court or any other court with competent jurisdiction, such invalidity or unenforceability shall not affect any other clause or provision in this Trust Agreement, but this Trust Agreement shall be construed, insofar as reasonable to effectuate the purpose of this Trust Agreement, as if the invalid or unenforceable provision had never been contained in the Trust Agreement.

11.11. Applicable Law. This Trust Agreement shall be administered under, governed by, and enforced according to the laws of the State of New Jersey applicable to contracts and trust agreements made and to be performed in this Trust Agreement, except that all matters of federal tax law and the Trust's compliance with Section 468B of the Tax Code and any Treasury Regulations shall be governed by federal tax law and all matters of federal bankruptcy law shall be governed by the Bankruptcy Code and federal bankruptcy law.

[Remainder of page intentionally left blank.]

Exhibit E

Liquidation Analysis

**Diocese of Camden
Liquidation Analysis**

	<u>8/31/2021</u>	<u>fn</u>	<u>Adjustments</u>	<u>Liquidation</u>
			<u>Amount</u>	<u>Value</u>
<u>Current Assets</u>				
Cash and Cash Equivalents	\$ 15,782,236	1	\$ (8,702,004)	\$ 7,080,232
Accounts and grants receivable	33,753,722	2	(33,753,722)	-
Allowance on AR	(25,974,041)	2	25,974,041	-
Pledges receivable, net	2,246,952	2	(2,246,952)	-
Inventory	135,036	3	(101,277)	33,759
Investments	288,369		-	288,369
Prepaid insurance	1,816,284	4	(1,816,284)	-
Loans receivable	42,191,992	5	(42,191,992)	-
Allowance on loans	(28,213,500)	5	28,213,500	-
Claims Against Other Catholic Entities	-	6	-	-
Total	\$ 42,027,050		\$ (34,624,690)	\$ 7,402,360
<u>Property and Equipment</u>				
Appraised equipment	192,620	7		192,620
Real estate	20,470,000	8	(2,047,000)	18,423,000
Total	\$ 20,662,620		\$ (2,047,000)	\$ 18,615,620
Total Assets	\$ 62,689,670		\$ (36,671,690)	\$ 26,017,980

footnotes

1 - Cash net of estimated restricted cash of \$8.7m.

2 - Presumes accounts receivable and grants uncollectable in Chapter 7.

3 - Presumes discount of 75% to liquidate.

4 - Presumes no recovery on prepaid insurance.

5 - Presumes no recovery on parish loans in Chapter 7 due to collection difficulties, offsets and defenses.

6 - As more fully described in the Disclosure Statement.

7 - Equipment appraisals from A. Atkins.

8 - Real estate appraisal from Binswanger with 10% reduction for closing and other costs of sale.

**Diocese of Camden
Liquidation Analysis**

	<u>fn</u>	<u>Amount</u>
Liquidation value of assets		\$ 26,017,980
Less:		
Chapter 7 Administration fees		7,000,000
Chapter 11 Administrative fees	1	6,000,000
Cemetery reserve	2	2,305,000
WARN Act claims	3	1,500,000
Other Administrative claims		1,000,000
Priority claims		TBD
Admin & Priority Claims		<u>\$ 17,805,000</u>
Amount Available for Unsecured Creditors		<u><u>\$ 8,212,980</u></u>
Estimated general unsecured claims	4	\$ 104,200,000
Percentage Distribution in Hypothetical Chapter 7		<u><u>7.9%</u></u>

footnotes

- 1 - Includes US Trustee statutory quarterly fees and professional fees.
- 2 - Reserve for future upkeep and maintenance based on actuarial report.
- 3 - Approximately two months of payroll and related costs.
- 4 - PNC loan (\$22.8m), Abuse claims (\$34m), pension liability (\$45.4) and other payables (\$2m).

Exhibit F

Trust Distribution Plan

**DIOCESE OF CAMDEN, NEW JERSEY
TRUST DISTRIBUTION PLAN**

**ARTICLE I
DEFINITIONS**

1.1. Capitalized Terms.

Capitalized terms used in this Trust Distribution Plan shall have the meanings given them in the Plan, the Trust Agreement, or the Bankruptcy Code, unless otherwise defined herein, and such definitions are incorporated in this Trust Distribution Plan by reference.

**ARTICLE II
RULES OF INTERPRETATION AND GENERAL GUIDELINES**

2.1. Purpose

This Trust Distribution Plan is designed to provide guidance to the Tort Claim Reviewer in determining the amount of each Tort Claim under the Plan by assigning to each such Claim a value pursuant to the Evaluation Factors below.

2.2. General Principles

As a general principle, this Trust Distribution Plan intends to set out a procedure that provides substantially the same treatment to holders of similar Tort Claims. The range of values set forth in the Evaluation Factors below and the discretion given to the Tort Claim Reviewer to determine and to adjust the value to be assigned to a particular Tort Claim are intended to reflect the relative values of Tort Claims.

2.3. Sole and Exclusive Method

The Evaluation Factors set forth below shall be the sole and exclusive method by which a Tort Claimant may seek allowance and distribution of such Claim. Although the factors collectively comprise the methodology that must be applied in reviewing Claims, the Tort Claim Reviewer may, as indicated below, take into account considerations in addition to those identified herein when evaluating a Claim within the parameters of the delineated factors.

2.4. Interpretation

The terms of the Plan shall prevail if there is any discrepancy between the terms of the Plan and the terms of these Procedures.

2.5. Confidentiality and Privilege

All information that the Tort Claim Reviewer receives from any source about any Tort Claimant shall be held in strict confidence and shall not be disclosed absent an Order of the Bankruptcy Court or the written consent of the Tort Claimant (or such Claimant's counsel of record). All information the Tort Claim Reviewer receives from any Tort Claimant (including

from counsel to such Claimant) shall be subject to a mediation privilege and receipt of such information by the Tort Claim Reviewer shall not constitute a waiver of any attorney-client privilege or attorney work-product claim or any similar privilege or doctrine.

2.6. Tort Claim Reviewer

[•] is the Tort Claim Reviewer. The Tort Claim Reviewer shall conduct a review of each of the Tort Claims and, according to the guidelines set forth below, shall make determinations upon which individual monetary distributions will be made subject to the Plan and the Trust Agreement.

ARTICLE III **PROCEDURE**

3.1. Allowance of a Tort Claim

A Tort Claim shall be allowed if the Tort Claim Reviewer determines the Tort Claimant proved his or her claim by a preponderance of the evidence. If necessary, the Tort Claim Reviewer can ask for additional information to make this determination. The Tort Claimant may refuse such a request at his or her own risk.

3.2. Claim Amount Determination

If a Tort Claim is allowed, the Tort Claim Reviewer shall determine the amount of such Tort Claim by assigning such Tort Claim a value pursuant to the Evaluation Factors. The Tort Claim Reviewer shall consider all of the facts and evidence presented by the Tort Claimant in the Tort Claimant's filed Proof of Claim or, if the Tort Claimant did not file a Proof of Claim prior to the Effective Date, the Proof of Claim form submitted by the Tort Claimant to the Tort Claim Reviewer after the Effective Date. Tort Claimants may supplement their filed Proofs of Claim to provide additional information to the Tort Claim Reviewer until thirty (30) days after a plan is confirmed. Tort Claimants shall have no later than thirty (30) days from the Confirmation Date to provide the Tort Claim Reviewer with any additional information. The Tort Claim Reviewer may consider the credibility of the Tort Claimant and the facts alleged in support of the Claim and, in the Tort Claim Reviewer's sole discretion, reduce or deny the Tort Claim.

3.3. Determinations by the Tort Claim Reviewer

The Tort Claim Reviewer shall notify each Tort Claimant in writing of the expected monetary distribution with respect to the Tort Claimant's claim, which distribution may be greater or smaller than the actual distribution to be received based on the outcome of any reconsideration claims. The Tort Claim Reviewer's determination shall be final unless the Tort Claimant makes a timely request for the point award to be reconsidered by the Tort Claim Reviewer. The Tort Claimant shall not have a right to any other appeal of the Tort Claim Reviewer's point award.

3.4. Requests for Reconsideration

The Tort Claimant may request reconsideration by delivering a written request for reconsideration to the Tort Claim Reviewer within ten (10) calendar days after the date of mailing of the notice of the preliminary monetary distribution. Each written request must be accompanied by a check for the reconsideration fee, five hundred dollars (\$500.00). The Tort Claimant, with the request for reconsideration, may submit additional evidence and argument in support of such request. The Tort Claimant's monetary distribution amount may go up or down as a result of his or her request for reconsideration. The Tort Claim Reviewer shall have sole discretion to determine how to respond to the request for reconsideration. The Tort Claim Reviewer's determination of such request for reconsideration shall be final and not subject to any further reconsideration, review or appeal by any party, including a court.

3.5. Distribution to Holders of Class 5 Claims

Once the Tort Claim Reviewer has made all reconsideration determinations, the Trust Administrator shall determine the dollar value of each Class 5 Claimant's actual distribution based on the Class 5 Claimant's pro rata share of the total final points assigned pursuant to this distribution and the available funds for distribution. The Trust Administrator shall then make payment to Class 5 Claimants in accordance with the Trust Administrator's powers and duties under Section 3.2.8 of the Trust Agreement.

3.6. Distribution to Holders of Class 6 Claims

The Tort Claim Reviewer will also assign a total point value to each claim determined to be an Unknown Tort Claim. The Trust Administrator shall then make a distribution to each holder of Class 6 Claims from the Unknown Tort Claim Reserve pursuant to the following: the points assigned by the Tort Claim Reviewer for each Unknown Tort Claim divided by the combined total points of all Unknown Tort Claims multiplied by the amount held in the Unknown Claim Reserve.

3.7. Deceased Abuse Survivors

The Tort Claim Reviewer shall review the claim of a deceased Tort Claimant without regard to the Claimant's death, except that the Tort Claim Reviewer may require evidence that the person submitting the claim on behalf of the decedent is authorized to do so.

ARTICLE IV

GUIDELINES FOR ALLOCATION FOR ABUSE TORT CLAIMS

4.1. Evaluation Factors

Each Tort Claim will be evaluated by the Tort Claim Reviewer. Each Claim will be assigned points according to the following system (the "Evaluation Factors").

- a) **Nature of Abuse & Circumstances.** A point value ranging from 0 to 55 should be allocated for this section. Considerations should include, but are not limited to, the following factors:

1. The duration and/or frequency of the abuse;
2. Type of abuse: e.g. penetration, attempted penetration, masturbation, oral sex, touching under the clothing, touching over the clothing, removing of clothing covering genitals, exposure of perpetrator's genitals, kissing, sexualized talk;
3. Circumstances of abuse:
 - i. grooming behaviors including but not limited to special privileges, special activities, and attention, social relationship with parents, personal relationship with claimant, opportunity to experience sports or activities, isolation from others, use of alcohol or illicit drugs by abuser or claimant or use of or exposure to pornography;
 - ii. coercion or threat or use of force or violence, stalking;
 - iii. relationship of claimant to perpetrator including but not limited to whether claimant was a parishioner or student, held perpetrator in high regard, whether perpetrator was in position of trust, whether perpetrator had unsupervised access to claimant, and whether claimant valued relationship with perpetrator;
 - iv. location of abuse, including but not limited to isolated location, Tort Claimant's home, rectory, church, cabin, orphanage, boarding school, trip.

b) **Impact of the Abuse.** Overall, this category looks to how the abuse impacted the claimant. This includes how the abuse impacted the claimant's mental health, physical health, spiritual well-being, inter-personal relationships, vocational capacity or success, academic capacity or success, and whether the abuse at issue resulted in legal difficulties for the claimant. Some of these considerations may include the below factors, but the below list is not intended to be exhaustive. A point value ranging from 0 to 40 should be allocated for this section.

The Tort Claim Reviewer should consider, along with any and all other relevant factors, whether the abuse at issue manifested, or otherwise led the claimant to experience, or engage in behaviors resulting from:

1. **Mental Health Issues:** This includes but is not limited to anxiety, depression, post-traumatic stress disorder, substance abuse, addiction, embarrassment, fear, flashbacks, nightmares, sleep issues, sleep disturbances, exaggerated startle response, boundary issues, self-destructive behaviors, guilt, grief, homophobia, hostility, humiliation, anger, isolation, hollowness, regret, shame, isolation, sexual addiction, sexual problems, sexual identity confusion, low self-esteem or self-image, bitterness, suicidal ideation and suicide attempts.
2. **Physical Health Issues:** This includes but is not limited to physical manifestations of emotional distress, gastrointestinal issues, headaches, high blood pressure, physical manifestations of anxiety, erectile dysfunction, heart palpitations,

sexually-transmitted diseases, physical damage caused by acts of abuse, reproductive damage, self-cutting and other self-injurious behavior.

3. **Spiritual Wellbeing:** This includes but is not limited to loss of faith in God, loss of faith and trust in religion and spiritual distress.
 4. **Interpersonal Relationships:** This includes but is not limited to problems with authority figures, hypervigilance, sexual problems, marital difficulties, problems with intimacy, lack of trust, isolation, betrayal, impaired relations, secrecy, social discreditation and isolation; damage to family relationships, and fear of children or parenting.
 5. **Vocational Capacity:** This includes but is not limited to under- and un-employment, difficulty with authority figures, difficulty changing and maintaining employment, feeling of unworthiness or guilt related to financial success.
 6. **Academic Capacity:** This includes but is not limited to school behavior problems.
 7. **Legal Difficulties:** This includes but is not limited to criminal difficulties, bankruptcy, fraud.
- c) **Claimant Involvement.** The Tort Claim Reviewer shall consider that all Claimants have benefited from the work and cost incurred by those Claimants who have previously asserted claims against the Diocese and have participated in the legal and factual development of claims against the Diocese. A point value ranging from 0 to 5 should be allocated for this section.

The Tort Claim Reviewer should consider factors including but not limited to whether the Claimant has filed a lawsuit; whether the Claimant and/or the Claimant's family has been subject to a deposition, mediation or interview; whether the Claimant has participated on the committee representing survivors; and whether the Claimant participated in publicizing the issue of clergy sex abuse which has benefitted all claimants.

ARTICLE V

ADDITIONAL PROVISIONS

5.1. Reduction

If the Tort Claimant's abuser(s) belonged to a religious order, the Tort Claimant's final monetary distribution shall be reduced by thirty-three percent (33%). If the reduction result is not a whole number, the Tort Claim Reviewer should round up to the nearest whole number.

If the Tort Claimant received a monetary distribution from another diocese or archdiocese on account of the same Abuse that is the subject of his or her Tort Claim, the Tort Claimant's final monetary distribution shall be reduced by fifty percent (50%). If the reduction result is not a whole number, the Tort Claim Reviewer should round up to the nearest whole number.

If a Tort Claimant is also a clergy abuser in another allowed Tort Claim, then his points will be reduced by the number of points allocated to his victim(s).

5.2. Minimum Point Allocation

Notwithstanding anything to the contrary herein or in the Plan, every holder of an allowed Tort Claim shall receive a point allocation of at least 15, unless the Claim is disallowed in its entirety by an Order of the Bankruptcy Court or a decision by the Tort Claim Reviewer.

Exhibit G

List of Covered Parties

MISSIONS - TITLE 15A

Mater Ecclesiae Chapel, Inc.
261 Cross Keys Road
Berlin, NJ 08009

St. Yi Yun Il John Korean Catholic Mission
2001 Springdale Road
Cherry Hill NJ 08003

Saint Andrew Kim Korean Catholic Mission, Inc.
631 Market Street
Camden, New Jersey 08102

PARISHES & PARISH SCHOOLS – TITLE 16

Divine Mercy Parish, Vineland, N.J.
23 West Chestnut Avenue
Vineland, NJ 08360

The Church of Our Lady of the Angels, Cape May Court House, N.J.
35 East Mechanic Street
Cape May Court House, NJ 08210

Church of the Holy Family, Washington Township
226 Hurffville Road
Sewell, NJ 08080

Christ the Good Shepherd Parish, Vineland, N.J.
1655 Magnolia Road
Vineland, NJ 08361

Holy Angels Parish, Woodbury, N.J.
64 Cooper Street
Woodbury, NJ 08096

St. Peter's Catholic Church Merchantville, N.J.
43 West Maple Avenue
Merchantville, NJ 08109

Our Lady of Guadalupe Parish, Lindenwold, N.J.
135 North White Horse Pike
Lindenwold, NJ 08021

Mary, Mother of Mercy Parish, Glassboro
500 Greentree Road
Glassboro, NJ 08028

St. Joseph's Catholic Church, Sea Isle City, N.J.
126 44th Street
Sea Isle City, NJ 08243

Saint Gabriel the Archangel Parish, Carneys Point, N.J.
369 Georgetown Road
Carneys Point, NJ 08069

Church of Saint Elizabeth Ann Seton, Absecon, N.J.
591 New Jersey Avenue
Absecon, NJ 08201

Saint Simon Stock Parish, Berlin, N.J.
178 West White Horse Pike
Berlin, NJ 08009

The Church of Our Lady, Star of the Sea, Cape May
520 Lafayette Street
Cape May, NJ 08204

Catholic Community of the Holy Spirit, Mullica Hill, N.J.
17 Earlington Avenue
Mullica Hill, NJ 08062

The Parish of the Cathedral of the Immaculate Conception, Camden, N.J.
642 Market Street
Camden, NJ 08102

Mary, Queen of All Saints Parish, Pennsauken, N.J.
4824 Camden Avenue
Pennsauken, NJ 08110

Holy Child Parish, Runnemede, N.J.
13 East Evesham Road
Runnemede, NJ 08078

R.C. Church of the Incarnation, Township of Mantua, New Jersey
240 Main Street
Mantua, NJ 08051

Church of Our Lady of the Lakes, Collings Lakes, N. J.
19 Malaga Road
Collings Lakes, NJ 08094

Church of St. Rose of Lima, Haddon Heights, N.J.
300 Kings Highway
Haddon Heights, NJ 08035

The Church of the Sacred Heart
1739 Ferry Avenue
Camden, NJ 08104

The Church of Our Lady of Sorrows, Linwood, N.J.
724 Maple Avenue
Linwood, NJ 08221

St. Vincent de Paul Parish, Mays Landing, N.J.
5021 Harding Highway
Mays Landing, NJ 08330

Our Lady of the Blessed Sacrament Parish, Newfield, N.J.
104 Catawba Avenue
Newfield, NJ 08344

St. Mary's Church Gloucester
426 Monmouth Street
Gloucester, NJ 08030

St. Joseph's Catholic Church, East Camden
2907 Federal Street
Camden, NJ 08105

The Parish of All Saints, Millville, N.J.
621 Dock Street
Millville, NJ 08332

Saint Teresa of Calcutta Parish, Collingswood, N.J.
809 Park Avenue
Collingswood, NJ 08108

The Parish of St. Maximilian Kolbe, Marmora, N.J.
200 Tuckahoe Road
Marmora, NJ 08223

St. Brendan the Navigator Parish, Avalon, N.J.
5012 Dune Drive
Avalon, NJ 08202

St. Clare of Assisi Parish, Gibbstown, N.J.
140 Broad Street
Swedesboro, NJ 08085

Holy Trinity Parish, Margate, N.J.
11 North Kenyon Avenue
Margate, NJ 08402

St. Thomas' Catholic Church, Brigantine, N.J.
331 8th Street South
Brigantine, NJ 08203

Christ the Redeemer Parish, Atco, N.J.
318 Carl Hasselhan Drive
Atco, NJ 08004

St. Gianna Beretta Molla Parish, Northfield, N.J.
1417 New Road
Northfield, NJ 08225

Our Lady of Perpetual Help Parish, Galloway, N.J.
146 South Pitney Road
Galloway, NJ 08205

St. Andrew The Apostle's R. C. Church, Gibbsboro, N. J.
27 Kresson-Gibbsboro Road
Gibbsboro, NJ 08026

The Church of St. Charles Borromeo, Washington Township, N. J.
176 Stagecoach Road
Sicklerville, NJ 08081

Our Lady of Peace Parish, Monroe Township, N.J.
32 Carroll Avenue
Williamstown, NJ 08094

St. Joseph's Church, Somers Point, N.J.
606 Shore Road
Somers Point, NJ 08244

The Parish of Saint Monica, Atlantic City, N.J.
2651 Atlantic Avenue
Atlantic City, NJ 08401

The Church St. Thomas More, Cherry Hill, New Jersey
1439 Springdale Road
Cherry Hill, NJ 08003

Saint Damien Parish, Ocean City, N.J.
1337 Ocean Avenue
Ocean City, NJ 08226

Most Precious Blood Parish, Collingswood, N.J.
445 White Horse Pike
West Collingswood, NJ 08107

St. Joseph the Worker Parish, Haddon Township, N.J.
901 Hopkins Road
Haddon Township, NJ 08033

St. Mary's R.C. Church, Delaware Township, N.J.
2001 Springdale Road
Cherry Hill, NJ 08003

Infant Jesus Parish, Woodbury Heights, N.J.
334 Beach Avenue
Woodbury Heights, NJ 08097

The Catholic Community of Christ Our Light, Cherry Hill, N.J.
402 Kings Highway North
Cherry Hill, NJ 08034

Parish of St. Michael the Archangel, Franklinville, N.J.
49 West North Street
Clayton, NJ 08312

The Church of Saint Katharine Drexel, McKee City, New Jersey
6075 West Jersey Avenue
Egg Harbor Township NJ 08234

The Church of Saints Peter and Paul, Washington Township, N. J.
362 Ganttown Road
Turnersville, NJ 08012

Saint Mary of Mount Carmel Parish, Hammonton, N.J.
226 French Street
Hammonton, NJ 08037

St. Stephen's R. C. Church, Pennsauken Township, N. J.
6306 Browning Road
Pennsauken, NJ 08109

St. Bridget's Catholic Church Glassboro N.J.
202 Ellis Street
Glassboro, NJ 08028

Holy Eucharist Parish, Cherry Hill, N.J.
344 Kresson Road
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St. Padre Pio Parish, Vineland, N.J.
4680 Dante Avenue
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The Parish of St. John Neumann, North Cape May, N.J.
680 Town Bank Road
North Cape May, NJ 08204

St. Joachim Parish, Bellmawr, N.J.
601 West Browning Road
Bellmawr, NJ 08031

Our Lady of Hope Parish, Blackwood, N.J.
701 Little Gloucester Road
Blackwood, NJ 08012

Church of Christ the King, Haddonfield, N.J.
300 Windsor Avenue
Haddonfield, NJ 08033

Notre Dame de la Mer Parish, Wildwood, N.J.
2900 Pacific Avenue
Wildwood, NJ 08260

The Parish of the Holy Cross, Bridgeton, N.J.
46 Central Avenue
Bridgeton, NJ 08302

SCHOOLS – TITLE 15A

Archbishop Damiano School
1145 Delsea Drive
Westville Grove, NJ 08093

Pope Paul VI High School, Haddon Township, N.J.
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Haddonfield, NJ 08033

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Cuthbert Boulevard and Route 38
Cherry Hill, NJ 08002

Holy Spirit High School, Absecon, N.J.
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The Bishop James T. McHugh Regional School, Inc.
2221 NJ State Highway Route 9
Cape May Courthouse, NJ 08210

St. Joseph Child Development Center, Inc.
17 Church St.
Camden, NJ 08105

Exhibit H

List of Released Parties

OTHER CATHOLIC ENTITIES

Catholic Charities, Diocese of Camden, Inc.
1845 Haddon Avenue
Camden, NJ 08103

Diocese of Camden Trusts, Inc.
631 Market Street
Camden, New Jersey 08102

MISSIONS - TITLE 15A

Mater Ecclesiae Chapel, Inc.
261 Cross Keys Road
Berlin, NJ 08009

St. Yi Yun Il John Korean Catholic Mission
2001 Springdale Road
Cherry Hill NJ 08003

Saint Andrew Kim Korean Catholic Mission, Inc.
631 Market Street
Camden, New Jersey 08102

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Hammonton, NJ 08037

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Cherry Hill, NJ 08034

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4680 Dante Avenue
Vineland, NJ 08360

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Haddonfield, NJ 08033

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2900 Pacific Avenue
Wildwood, NJ 08260

The Parish of the Holy Cross, Bridgeton, N.J.
46 Central Avenue
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Westville Grove, NJ 08093

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Camden Catholic High School, Cherry Hill, N.J.
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Cherry Hill, NJ 08002

Holy Spirit High School, Absecon, N.J.
500 South New Road
Absecon, NJ 08201

The Bishop James T. McHugh Regional School, Inc.
2221 NJ State Highway Route 9
Cape May Courthouse, NJ 08210

St. Joseph Child Development Center, Inc.
17 Church St.
Camden, NJ 08105

Exhibit I

IVCP Analysis

The Diocese of Camden

IVCP SURVIVOR CLAIMS PAID - ADJUSTMENT SUPPORT

- Outlined below is a summary of the percentage impact on the value of claims due to the stepdown in category under the IVCP survivor claims paid.

Category	# of Beginning Claims ⁽¹⁾	# of Ending Claims ⁽²⁾	Average Award Paid by Category ⁽³⁾	Estimated Amount Based on Average Award ⁽⁴⁾	Actual Award Paid ⁽⁵⁾	% Impact ⁽⁶⁾
Category 1	3	3	\$ 4,167	\$ 12,501	\$ 12,500	(0.0%)
Category 2	2	4	30,000	60,000	75,000	25.0%
Category 3	14	16	40,000	560,000	510,000	(8.9%)
Category 4	15	21	83,000	1,245,000	1,155,000	(7.2%)
Category 5	10	12	142,000	1,420,000	1,235,000	(13.0%)
Category 6	15	9	178,000	2,670,000	2,145,000	(19.7%)
Category 7	12	6	383,000	4,596,000	2,970,000	(35.4%)
Total				\$ 10,563,501	\$ 8,102,500	(23.3%)

Notes: Based on IVCP Survivor Claims Paid

- ¹⁾ Number of claims prior to stepdown adjustments. Adjustments were made based on inconsistent details / lack of support.
- ²⁾ Number of claims under each category after stepdown adjustments.
- ³⁾ Average award paid under each category per the IVCP program.
- ⁴⁾ Illustrative amounts to show what the award would have been assuming there was no stepdown.
- ⁵⁾ Actual award paid to claimants under the IVCP program.
- ⁶⁾ Implied adjustment per category based on stepdowns.

Exhibit J

Tort Claim Analysis

The Diocese of Camden Survivor Claims Summary

CLAIMS SUMMARY					
Category	Description of Abuse	Range of Compensation	Count Per Category	Total Award Determined	Average Award Determined
CATEGORY I	Sex talk, no physical touching	\$0- \$25,000	0	\$ -	\$ -
CATEGORY II	Nudity/Pornography - nophysical touching	\$25,000 - \$50,000	4	\$ 120,000	\$ 30,000
CATEGORY III	Fondling over clothing	\$50,000 - \$100,000	26	\$ 930,714	\$ 35,797
CATEGORY IV	Fondling under clothing	\$100,000 - \$150,000	28	\$ 2,038,530	\$ 72,805
CATEGORY V	Masturbation	\$150,000 - \$200,000	38	\$ 4,588,000	\$ 120,737
CATEGORY VI	Oral sex	\$200,000 - \$350,000	53	\$ 7,451,500	\$ 140,594
CATEGORY VII	Penetration	\$350,000 - \$500,000	75	\$ 17,555,000	\$ 234,067
TOTAL			224	\$ 32,683,744	\$ 145,910

CLAIMS SUMMARY - SPECIAL CLAIMS*					
Category	Description of Abuse	Average Compensation	Count Per Category	Total Award Determined	Average Award Determined
CATEGORY I	Sex talk, no physical touching	\$0	0	\$ -	\$ -
CATEGORY II	Nudity/Pornography - nophysical touching	\$5,000	1	\$ 5,000	\$ 5,000
CATEGORY III	Fondling over clothing	\$10,000	8	\$ 75,000	\$ 9,375
CATEGORY IV	Fondling under clothing	\$15,000	9	\$ 135,000	\$ 15,000
CATEGORY V	Masturbation	\$20,000	11	\$ 220,000	\$ 20,000
CATEGORY VI	Oral sex	\$30,000	16	\$ 480,000	\$ 30,000
CATEGORY VII	Penetration	\$40,000	20	\$ 800,000	\$ 40,000
TOTAL			65	\$ 1,715,000	\$ 26,385

TOTAL INCLUDING SPECIAL CLAIMS			289	\$ 34,398,744	\$ 119,027
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Notes:

* Special claims reflect claims previously valued at \$0 due to inconsistent details / allegations not consistent with background facts.