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12 **THE DISTRICT COURT OF GUAM**

13 In re:

14 ARCHBISHOP OF AGAÑA,

15 a Corporation Sole,

16 Debtor.

17 Bankruptcy Case No. 19-00010
18 Chapter 11 Bankruptcy

19 **FINDINGS OF FACT AND**
20 **CONCLUSIONS OF LAW**

1 The Archbishop of Agaña, a Corporation Sole (the “**Debtor**”) commenced, on January
2 16, 2019, (the “**Petition Date**”), the above-captioned Chapter 11 case (the “**Chapter 11 Case**”)
3 by filing a voluntary petition for relief under title 11 of the United States Code (the “**Bankruptcy**
4 **Code**”) in the District Court of Guam (the “**Court**”) and operated and managed its property
5 during the Chapter 11 Case as debtor-in-possession pursuant to Bankruptcy Code §§ 1107(a) and
6 1108.

7 The Debtor and the Official Committee of Unsecured Creditors (the “**Committee**”) are
8 the “**Plan Proponents.**” The Plan Proponents:

9 a. filed, on May 20, 2022, the *Motion for an Order (I) Approving Adequacy of*
10 *Disclosure Statement; (II) Approving Solicitation Packages and Distribution Procedures; (III)*
11 *Approving Ballot Forms and Plan Voting Procedures; (IV) Fixing the Voting Deadline; and (V)*
12 *Approving Procedures for Vote Tabulation* [ECF No. 860] (the “**Solicitation Motion**”);

13 b. jointly proposed and filed the (i) *Third Amended Joint Chapter 11 Plan of*
14 *Reorganization for the Archbishop of Agaña* [ECF No. 920] (the “**Third Amended Plan**”) and
15 (ii) *Third Amended Joint Disclosure Statement for the Third Amended Joint Chapter 11 Plan of*
16 *Reorganization Proposed by the Archbishop of Agana and the Official Committee of Unsecured*
17 *Creditors* [ECF No. 919] (the “**Disclosure Statement**”);

18 c. distributed, on July 26, 2022 (CST), the Third Amended Plan, Disclosure
19 Statement, the Notice of Hearing on Confirmation of the Third Amended Plan, and appropriate
20 Solicitation Packages, including the Ballots for holders of Claims in Classes 3, 4, 6, or 7 entitled
21 to vote on the Third Amended Plan (the “**Voting Classes**”), in accordance with the terms of the
22 Order approving the Solicitation Motion, the Bankruptcy Code, the Federal Rules of Bankruptcy
23 Procedure (the “**Bankruptcy Rules**”) and the Local Rules of Bankruptcy Procedure for the
24 Territory of Guam (the “**Local Rules**”) as evidenced by the *Certificate of Service* [ECF No. 932].

25 d. filed, on September 26, 2022, the *Report of Ballot Tabulation* [ECF No. 1034] (the
26 “**Ballot Report**”);

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1 e. filed, on September 26, 2022, the *Declaration of Fr. Romeo Convozar in Support*
2 *of Plan Confirmation* [ECF No. 1035] and *Declaration of Leo Tudela in Support of Plan*
3 *Confirmation* [ECF No. 1036] (together, the “**Plan Declarations**”);

4 f. filed, on September 28, 2022, a *Fifth Amended Joint Chapter 11 Plan of*
5 *Reorganization for the Archbishop of Agaña* (the “**Plan**”), [ECF No. 1044]; and

6 g. filed, on September 28, 2022, a *Joint Expedited Motion for Deemed Acceptance*
7 *of the Fifth Amended Joint Plan of Reorganization for the Archbishop of Agaña* (the
8 “**Modification Acceptance Motion**”) [ECF No. 1047].

9 The Court having:

10 h. entered, on July 25, 2022, the *Order (I) Approving Adequacy of Disclosure*
11 *Statement; (II) Approving Solicitation Packages and Distribution Procedures; (III) Approving*
12 *Ballot Forms and Plan Voting Procedures; (IV) Fixing the Voting Deadline; and (V) Approving*
13 *Procedures for Vote Tabulation* [ECF No. 927] (the “**Disclosure Statement Order**”);

14 i. set August 17, 2022, as the date and time by which any objections to Confirmation
15 of the Plan shall be due (the “**Plan Objection Deadline**”), as set forth in the *Order Setting*
16 *Deadlines for Confirmation Hearing on the Third Amended Joint Plan of Reorganization* [ECF
17 No. 928] (the “**Confirmation Hearing Order**”);

18 j. set September 19, 2022 at 5:00 p.m. as the date and time by which any votes on
19 the Plan shall be due (the “**Voting Deadline**”), as set forth in the Confirmation Hearing Order;

20 k. set October 3, 2022, at 8:30 a.m. as the date and time for the commencement of a
21 hearing to consider confirmation of the Plan, as set forth in the Confirmation Hearing Order, and
22 as held on October 3, 2022 through October 4, 2022 (the “**Confirmation Hearing**”);

23 l. reviewed the Plan, the Disclosure Statement, the Ballot Report, the Certificate of
24 Service, the Plan Declarations, and all filed pleadings, exhibits, statements and comments
25 regarding Confirmation;

26 m. held the Confirmation Hearing, after due and sufficient notice was given to holders
27 of Claims against, and Equity Interests in, the Debtor and other parties-in-interest in accordance
28 PLAN PROPONENTS’ FINDINGS OF FACT AND CONCLUSIONS OF LAW

1 with the Disclosure Statement Order, the Bankruptcy Code, the Bankruptcy Rules and the Local
2 Rules;

3 n. heard statements and arguments made by counsel in respect of Confirmation;

4 o. considered all oral representations, testimony, documents, filings and other
5 evidence regarding Confirmation at the Confirmation Hearing;

6 p. ruled on any and all objections to the Plan and all statements and reservations of
7 rights not consensually resolved or withdrawn, unless otherwise indicated; and

8 q. considered all pleadings and other documents filed, all orders entered, and all
9 evidence and arguments presented in this Chapter 11 Case.

10 **NOW, THEREFORE**, it appearing to the Court that notice of the Confirmation Hearing
11 and the opportunity for any party-in-interest to object to Confirmation of the Plan have been
12 adequate and appropriate as to all parties affected or to be affected by the Plan and the transactions
13 contemplated thereby, and the legal and factual bases set forth in the documents filed in support
14 of approval of Confirmation and other evidence presented at the Confirmation Hearing establish
15 just cause for the relief granted herein; and after due deliberation thereon and good cause appearing
16 therefor, the Court makes and issues the following findings of fact and conclusions of law:

17 **FINDINGS OF FACT AND CONCLUSIONS OF LAW**

18 The Court HEREBY FINDS, DETERMINES AND CONCLUDES as follows:

19 **A. Findings and Conclusions**

20 1. The findings and conclusions set forth herein and in the record of the
21 Confirmation Hearing, including the Plan Declarations, and the Ballot Report, constitute the
22 Court's findings of fact and conclusions of law under Rule 52 of the Federal Rules of Civil
23 Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of
24 the following conclusions of law shall be determined to be a finding of fact, it shall be so deemed,
25 or any of the following findings of fact shall be determined to be a conclusion of law, it shall be
26 so deemed.

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1 **B. Jurisdiction, Venue and Core Proceeding**

2 2. This Court has jurisdiction over this Chapter 11 Case pursuant to 28 U.S.C. §§
3 157 and 1334. This Court has exclusive jurisdiction to determine whether the Plan complies with
4 the applicable provisions of the Bankruptcy Code and should be approved and confirmed,
5 respectively. Venue is proper in this District and before this Court pursuant to 28 U.S.C. §§ 1408
6 and 1409. Confirmation of the Plan is a core proceeding within the meaning of 28 U.S.C.
7 § 157(b)(2). The Plan Proponents are proper plan proponents under section 1121(a) of the
8 Bankruptcy Code.

9 3. The sale of the property described in the Plan used to fund the Plan, including all
10 of the real property, and personal property, including but not limited to cash, accounts, and the
11 interest, if any, of any Protected Party in any insurance policy(ies), in this case is within the
12 Court's core jurisdiction pursuant to 28 U.S.C. § 157(b)(2)(L), (N) and (O); 11 U.S.C. §§ 363(e)
13 and (f); 1123(a)(5)(D); 1123(b)(4) and (5). For the avoidance of doubt, and except where the
14 Debtor is authorized to sell property free and clear of all Claims, Interests, and encumbrances,
15 nothing in these Findings of Fact and Conclusions of Law permits the sale, transfer, or
16 assignment of any property (real or personal) except to the extent of any of the Protected Party's
17 interest in the property.

18 **C. Eligibility for Relief**

19 4. The Debtor is eligible for relief under Bankruptcy Code § 109.

20 **D. Commencement of the Chapter 11 Case**

21 5. On the Petition Date, the Debtor commenced a voluntary case under chapter 11
22 of the Bankruptcy Code. Since the Petition Date, the Debtor has operated its business and
23 managed its properties as debtor-in-possession pursuant to Bankruptcy Code §§ 1107(a) and
24 1108. No trustee or examiner has been appointed in this Chapter 11 Case.

25 **E. Objections**

26 6. Any resolutions of objections to Confirmation explained on the record at the
27 Confirmation Hearing are hereby incorporated by reference. Any and all unresolved objections,
28

1 statements, informal objections, and reservations of rights, if any, related to the Plan or
2 Confirmation are either resolved by agreement of the parties or overruled on the merits by the
3 Confirmation Order and/or these Findings of Fact and Conclusions of Law.

4 **F. Burden of Proof—Confirmation of the Plan**

5 7. The Plan Proponents have met their burden of proving the applicable elements of
6 Bankruptcy Code § 1129(a) by a preponderance of the evidence, which is the applicable
7 evidentiary standard for Confirmation.

8 **G. Notice**

9 8. Notice of (a) the Plan, (b) the Confirmation Hearing, (c) the Voting Deadline,
10 (d) the Plan Objection Deadline, (e) the entry of the Disclosure Statement Order, and (f) the
11 Solicitation Packages has been provided and such notice was adequate and sufficient pursuant to
12 Bankruptcy Code § 1128, Bankruptcy Rules 2002(b), 3017 and 3020, the Disclosure Statement
13 Order and all other applicable law, rules and orders of this Court, and no other or further notice
14 is or shall be required.

15 **H. Solicitation**

16 9. As described in the Ballot Report and the Certificate of Service, Ballots to vote to
17 accept or reject the Plan were transmitted and served upon members of the Voting Classes on
18 July 26, 2022 (CST), in compliance with the Bankruptcy Code, including sections 1125 and 1126
19 thereof, the Bankruptcy Rules, including Bankruptcy Rules 3017 and 3018, the Local Rules, the
20 Disclosure Statement Order, and any applicable non-bankruptcy law, rules, or regulations.
21 Transmission and service of the Solicitation Packages, including the Ballots and the
22 Confirmation Hearing Notice, were timely, adequate, and sufficient. No further notice is
23 required. As evidenced by the mailing of the Solicitation Packages on July 27, 2022 (ChST), and
24 the Voting Deadline of September 19, 2022, the fifty-four (54) calendar days during which the
25 Plan Proponents solicited acceptances or rejections to the Plan was a reasonable and sufficient
26 period of time for holders of Claims in the Voting Classes to make an informed decision to accept
27 or reject the Plan.

1 10. Under Bankruptcy Code § 1126(f) and as approved by the Disclosure Statement
2 Order, the Plan Proponents were not required to solicit votes from holders of Claims in Classes
3 1, 2, 5, 8, 9, and 12 because such holders are unimpaired and deemed to accept the Plan. In
4 addition, under Bankruptcy Code section 1126(g) and as approved by the Disclosure Statement
5 Order, the Plan Proponents were not required to solicit votes from holders of Claims in Classes
6 10 and 11 because such holders are deemed to reject the Plan.

7 11. As described in and as evidenced by the Ballot Report and the Certificate of
8 Service, the transmittal and service of the Plan, the Disclosure Statement, the Ballots and the
9 Confirmation Hearing Notice (all of the foregoing, the “**Solicitation**”) was timely, adequate and
10 sufficient. The Solicitation complied with the procedures set forth in the Solicitation Motion and
11 approved in the Disclosure Statement Order, was appropriate and satisfactory based upon the
12 circumstances of the Chapter 11 Case, was conducted in good faith, and was in compliance with
13 the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules and any other
14 applicable non-bankruptcy law, rule and regulation. To the extent applicable, the persons and
15 entities involved in the offer, issuance, or purchase of securities under the Plan acted in good
16 faith and in compliance with the provisions of the Bankruptcy Code, the Bankruptcy Rules, the
17 Local Rules and any other applicable non-bankruptcy law, rule and regulation. The Exculpated
18 Parties (as defined in the Plan) are each entitled to the protection of Bankruptcy Code section
19 1125(e).

20 **I. Voting**

21 12. As evidenced by the Ballot Report, votes to accept or reject the Plan have been
22 solicited and tabulated fairly, in good faith, and in compliance with the Bankruptcy Code, the
23 Bankruptcy Rules, the Local Rules, the procedures as approved by the Disclosure Statement
24 Order, and any applicable non-bankruptcy law, rule and regulation. All Classes identified as not
25 impaired under the Plan are deemed to accept the Plan, and all Classes identified as impaired
26 under the Plan and not entitled to receive any distribution are deemed to reject the Plan. In
27 accordance with the Disclosure Statement Order, the Ballot Report reflects certain ballot

1 deficiencies and recommendations by the Plan Proponents on whether to count or discard various
2 ballots. Based on a review of each of the ballots, the Ballot Report, the record in this case, and
3 the Plan Proponents' good faith efforts to reasonably count and record every legitimate ballot,
4 the Ballot Report is hereby approved.

5 **J. Compliance with Bankruptcy Code Requirements—Section 1129(a)(1)**

6 13. As detailed below, the Plan complies with all applicable provisions of the
7 Bankruptcy Code, thereby satisfying Bankruptcy Code section 1129(a)(1):

- 8 i. **Proper Classification—Sections 1122 and 1123(a)(1).** The Plan satisfies
9 the requirements of Bankruptcy Code §§ 1122(a) and 1123(a)(1). In
10 addition to Administrative Claims, Professional Claims, and Priority Tax
11 Claims identified in Article II of the Plan, which need not be classified,
12 Article III of the Plan provides for the separate classification of Claims and
13 Equity Interests into 12 Classes of Claims. Valid business, factual and legal
14 reasons exist for the separate classification of such Classes of Claims
15 Interests. The classifications reflect no improper purpose and do not
16 unfairly discriminate between, or among, holders of Claims or Interests.
17 Each Class of Claims Interests contains only Claims or Interests that are
18 substantially similar to the other Claims or Interests within that Class.
- 19 ii. **Specified Classes That Are Not Impaired—Section 1123(a)(2).** The Plan
20 satisfies the requirements of Bankruptcy Code § 1123(a)(2). Article III of
21 the Plan specifies that Claims, as applicable, in the following Classes are
22 not impaired under the Plan within the meaning of Bankruptcy Code § 1124:

Class	Designation
Class 1	Priority Claims
Class 2	Governmental Unit Claims
Class 5	General Unsecured Claims
Class 8	Secured Claims of the Bank of Hawaii
Class 9	Small Business Administration
Class 12	Other Abuse Related Claims

23 Additionally, Article II of the Plan specifies that Administrative
24 Claims, Professional Claims, and Priority Tax Claims will be paid in full in
25 accordance with the terms of the Plan, although these Claims are not
26 classified under the Plan.

- 27 iii. **Specified Treatment of Impaired Classes—Section 1123(a)(3).** The Plan
28 satisfies the requirements of Bankruptcy Code § 1123(a)(3). Article III of
the Plan specifies the treatment of the following Classes of Claims and
Interests, as applicable, that are impaired under the Plan within the meaning
of Bankruptcy Code § 1124:

Class	Designation
Class 3	Tort Claims Other Than Unknown Tort Claims
Class 4	Unknown Tort Claims
Class 6	Secured Claims of Bank of Guam
Class 7	Secured Claims of First Hawaiian Bank
Class 10	Abuse Related Contingent Claims
Class 11	Abuse Related Contingent Claims - Unknown

- iv. **No Discrimination—Section 1123(a)(4).** The Plan satisfies the requirements of Bankruptcy Code § 1123(a)(4). The Plan provides the same treatment by the Plan Proponents for each Claim or Interest in each respective Class unless the holder of a particular Claim or Interest has agreed to a less favorable treatment of such Claim or Interest.
- v. **Adequate Means for Plan Implementation—Section 1123(a)(5).** The Plan satisfies the requirements of Bankruptcy Code § 1123(a)(5). Article V of the Plan and various other provisions in the Plan, the exhibits and attachments to the Plan, and the Disclosure Statement, provide, in detail, adequate and proper means for the Plan's implementation, including regarding: (i) sources of Cash for Plan distributions; (ii) the creation of the Trust; (iii) the transfer of real estate, insurer contributions, scholarship vouchers, cemetery vouchers, and other property such as causes of action to the Trust; and (iv) the establishment of a reserve fund of unknown claims against the Estate. Moreover, the Reorganized Debtor will have, immediately upon the Effective Date, sufficient Cash to make all payments required to be made on the Effective Date or as soon as reasonably practicable thereafter, pursuant to the terms of the Plan.
- vi. **Non-Voting Equity Securities—Section 1123(a)(6).** Non-voting equity securities are not being issued under the Plan, thereby satisfying Bankruptcy Code § 1123(a)(6).
- vii. **Directors and Officers—Section 1123(a)(7).** The Plan satisfies the requirements of Bankruptcy Code § 1123(a)(7). Section 15.3 and Exhibit J of the Plan and the Disclosure Statement contains information regarding the identity and affiliations of the persons proposed to serve as the corporate members of the Reorganized Debtor and the persons proposed to serve as directors of the Reorganized Debtor on and after the Effective Date.
- viii. **Impairment / Unimpairment of Classes—Section 1123(b)(1).** The Plan is consistent with Bankruptcy Code § 1123(b)(1). Under Article III of the Plan each Class of Claims and Interests is impaired or not impaired.
- ix. **Assumption and Cure of Defaults—Section 1123(b)(2).** The Plan is consistent with Bankruptcy Code section 1123(b)(2). Section 16.2 of the Plan provides for the assumption of all executory contracts that were not (i)

1 previously rejected by an order of the Bankruptcy Court or otherwise
2 pursuant to Section 365 of the Bankruptcy Code or (ii) that are not subject
3 to a pending motion to reject before the Bankruptcy Court, and (iii) except
4 as otherwise provided in the Plan, Confirmation Order, or Insurance
5 Settlement Agreements, each executory contract entered into by the Debtor
6 prior to the Petition Date that has not previously expired or terminated
7 pursuant to its own terms.

8 x. **Causes of Action—Section 1123(b)(3).** The Plan is consistent with
9 Bankruptcy Code § 1123(b)(3). In accordance with Bankruptcy Code §
10 1123(b)(3)(A), Section 6.6 of the Plan appropriately provides that Causes
11 of Action are retained and vest in either the Reorganized Debtor or the
12 Trust, which is designated as the Estate’s representative under Bankruptcy
13 Code § 1123(b)(3)(B) for purposes of the Causes of Action assigned to the
14 Trust. The provisions regarding the preservation of Causes of Action in the
15 Plan are appropriate, fair, equitable and reasonable, and are in the best
16 interests of the Debtor, the Estate and holders of Claims and Interests.

17 xi. **Additional Plan Provisions—Section 1123(b)(6).** The other discretionary
18 provisions of the Plan are appropriate and consistent with the applicable
19 provisions of the Bankruptcy Code, thereby satisfying section Bankruptcy
20 Code § 1123(b)(6).

21 **K. Compliance with the Bankruptcy Code—Section 1129(a)(2)**

22 14. The Plan Proponents also have satisfied the requirements of Bankruptcy Code
23 § 1129(a)(2). Specifically, the Debtor is an eligible debtor under Bankruptcy Code § 109, and the
24 Plan Proponents are proper proponents of the Plan under Bankruptcy Code § 1121(a). The Plan
25 Proponents have complied with all applicable provisions of the Bankruptcy Code, except as
26 otherwise provided or permitted by orders of the Court, including Bankruptcy Code §§ 1125 and
27 1126, the Bankruptcy Rules, the Local Rules, any applicable non-bankruptcy law, rule and
28 regulation, the Disclosure Statement Order and all other applicable law, in transmitting the
Solicitation Packages, and related documents and notices, and in soliciting and tabulating the votes
on the Plan.

L. Plan Proposed in Good Faith—Section 1129(a)(3)

15 15. The Plan satisfies the requirements of Bankruptcy Code § 1129(a)(3). The Plan
16 Proponents have proposed the Plan (including all documents necessary to effectuate the Plan) and
17 the transactions contemplated in the Plan in good faith and not by any means forbidden by law. In

1 so determining, the Court has examined the totality of the circumstances surrounding the filing of
2 the Chapter 11 Case, the Plan itself, the process leading to approval of the Disclosure Statement,
3 Confirmation of the Plan and the transactions to be implemented pursuant thereto. The Chapter 11
4 Case was filed, and the Plan was proposed, with legitimate and honest purposes, including the
5 maximization of the value of the Debtor's Estate to effectuate a distribution of such value to
6 Claimants. The Plan Proponents' good faith is evident from the facts and record of the Chapter 11
7 Case, the Disclosure Statement, the record of the hearing on the Disclosure Statement, and the
8 record of the Confirmation Hearing and other proceedings held in this Chapter 11 Case. The Plan
9 (including all documents necessary to effectuate the Plan) was negotiated in good faith and at arm's
10 length among representatives of the Debtor, the Committee, secured creditors, unsecured creditors,
11 and certain of the Debtor's insurers, and each of their respective professionals and other
12 representatives. Further, the Plan's classification, exculpation, and injunction provisions have been
13 negotiated in good faith and at arm's length, are consistent with Bankruptcy Code §§ 105, 1122,
14 1123(b)(6), 1123(b)(3)(A), 1129, and 1142 and are each necessary for the Debtor's successful
15 reorganization.

16 **M. Payment for Services or Costs and Expenses—Section 1129(a)(4)**

17 16. All amounts to be paid by the Debtor or its Estate for services or expenses in this
18 Chapter 11 Case have either been fully disclosed and approved as reasonable or, pursuant to the
19 terms of the Plan, will be disclosed and subject to the approval of the Court following confirmation
20 of the Plan. All expenses that the Trust incurs after the Effective Date (including the fees and
21 expenses of professionals retained by the Trust after the Effective Date) may be paid by the Trustee
22 from the Trust Assets pursuant to the terms of the Plan and the Trust Agreement. Payment of pre-
23 Effective Date Professional Fee Claims shall be governed by the terms of the Plan and shall be
24 paid only upon application to the Bankruptcy Court. Accordingly, the Plan satisfied the
25 requirements of Bankruptcy Code § 1129(a)(4).

1 **N. Appointment of Trustee and Reorganized Debtor—Section 1129(a)(5)**

2 17. The Plan Proponents have satisfied the requirements of Bankruptcy Code
3 § 1129(a)(5). The Plan provides for the appointment of Craig Wade, or any validly selected
4 successor, as Trustee of the Trust, to be retained as of the Effective Date, to oversee and administer
5 the Trust pursuant to the terms of the Plan and the Trust Agreement. Based on the record of the
6 Confirmation Hearing, it appears that Craig Wade does not hold or represent an interest adverse
7 to the Trust and that the appointment of Craig Wade as the Trustee is consistent with the interest
8 of Claimants and with public policy. The Reorganized Debtor will continue to be managed as a
9 corporation sole. The Plan contains information regarding the identity and affiliations of the
10 persons proposed to serve as the corporate members of the Reorganized Debtor and the persons
11 proposed to serve as directors of the Reorganized Debtor on and after the Effective Date. The
12 proposed members and directors of the Reorganized Debtor are qualified, and the appointments
13 to, or continuance in, such offices by the proposed directors and officers is consistent with the
14 interests of the holders of Claims and Interest and with public policy.

15 **O. No Rate Changes—Section 1129(a)(6)**

16 18. Bankruptcy Code § 1129(a)(6) is not applicable to this Chapter 11 Case. The Plan
17 does not provide for any rate change that requires regulatory approval.

18 **P. Best Interest of Creditors—Section 1129(a)(7)**

19 19. The Plan satisfies the requirements of Bankruptcy Code § 1129(a)(7). The
20 liquidation analysis included in the Disclosure Statement, and the other evidence related thereto
21 in support of the Plan that was proffered and accepted at the Confirmation Hearing: (a) are
22 reasonable, persuasive, credible and accurate as of the dates such analysis or evidence was
23 prepared, presented or proffered; (b) utilize reasonable, customary and appropriate methodologies
24 and assumptions; (c) have not been controverted by other evidence; and (d) establish that each
25 holder of an Impaired Claim or Interest either has accepted the Plan or will receive or retain under
26 the Plan, on account of such Claim or Equity Interest, property of a value, as of the Effective Date,
27

1 that is not less than the amount such holder would receive or retain if the Debtor was liquidated
2 under chapter 7 of the Bankruptcy Code on such date.

3 **Q. Acceptance by Certain Classes—Section 1129(a)(8)**

4 20. The Plan does not satisfy the requirements of Bankruptcy Code § 1129(a)(8) but is
5 nevertheless confirmable because the Plan Proponents have satisfied the requirements of
6 Bankruptcy Code §§ 1129(a)(10) and 1129(b) to “cram down” the rejecting Classes, as set forth
7 below. Specifically, Classes 1, 2, 5, 8, 9, and 12 are not impaired and thus deemed to accept the
8 Plan. Classes 3, 4, 6, and 7, which are impaired, voted to accept the Plan by the requisite majorities.
9 With respect to Classes 10 and 11, which are both impaired and deemed to reject the Plan, the Plan
10 Proponents cannot satisfy Bankruptcy Code § 1129(a)(8) with respect to those Classes.

11 **R. Treatment of Claims Entitled to Priority Under Bankruptcy Code Section 507(a)—**
12 **Section 1129(a)(9)**

13 21. The Plan satisfies the requirements of Bankruptcy Code § 1129(a)(9). The
14 treatment of Administrative Claims, Professional Claims and Priority Tax Claims under Article II
15 of the Plan satisfies the requirements of, and complies in all respects with, Bankruptcy Code §
16 1129(a)(9).

17 **S. Acceptance by At Least One Impaired Class—Section 1129(a)(10)**

18 22. The Plan satisfies the requirements of Bankruptcy Code § 1129(a)(10). As
19 evidenced by the Ballot Report, the Voting Classes voted to accept the Plan by the requisite
20 numbers and amounts of Claims, determined without including any acceptance of the Plan by any
21 insider (as that term is defined in Bankruptcy Code § 101(31)), specified under the Bankruptcy
22 Code.

23 **T. Feasibility—Section 1129(a)(11)**

24 23. The Plan satisfies the requirements of Bankruptcy Code § 1129(a)(11). The
25 projections in the Disclosure Statement and the evidence supporting Confirmation of the Plan
26 proffered, accepted and admitted into evidence by the Court at, or prior to, or in a declaration filed
27 in connection with, the Confirmation Hearing, including, without limitation, the Plan Declarations:
28 (a) are reasonable, persuasive, credible and accurate as of the dates such analysis or evidence was
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1 prepared, presented or proffered; (b) utilizes reasonable and appropriate methodologies and
2 assumptions; (c) have not been controverted by other evidence; (d) establish that the Plan is
3 feasible and Confirmation of the Plan is not likely to be followed by the liquidation, or the need
4 for further financial reorganization of Reorganized Debtor or any successor to Reorganized Debtor
5 under the Plan, except as provided in the Plan; and (e) establish that Reorganized Debtor will have
6 sufficient funds available to meet its obligations under the Plan.

7 24. The Plan satisfies the requirements of Bankruptcy Code § 1129(a)(12). All fees
8 payable under 28 U.S.C. § 1930(a) as of the Effective Date are Administrative Claims; provided
9 however that (1) the method for calculating quarterly fees is currently disputed by the U.S. Trustee,
10 (2) the dispute will be resolved by a separate contested matter after the order confirming the plan
11 is entered, and (3) the treatment of fees under 28 U.S.C. § 1930(a) under the plan will be
12 determined by the resolution of the contested matter in Article II of the Plan. The Plan provides
13 for the payment of all Administrative Claims (which include fees payable under 28 U.S.C. §
14 1930(a) as of the Effective Date) on the Effective Date. Section 2.2 of the Plan provides that the
15 Reorganized Debtor is responsible for paying any post-Effective Date fees arising under 28 U.S.C.
16 § 1930(a).

17 **U. Retiree Benefits—Section 1129(a)(13)**

18 25. The Plan provides that the Debtor shall continue payment, if any, of all retiree
19 benefits (as that term is defined in Bankruptcy Code Section 1114) for the duration of the period
20 the Debtor has obligated itself to provide such benefits.

21 **V. Transfer of Property of Non-Profit Organization—1129(a)(16)**

22 26. All transfers of property under the Plan are being made in accordance with any
23 applicable provisions of non-bankruptcy law that governs the transfer of property by a corporation
24 that is not a moneyed business or commercial corporation or trust.

25 **W. Non-Applicability of Certain Sections—Sections 1129(a)(14), (15)**

26 27. Bankruptcy Code §§1129(a)(14), 1129(a)(15) do not apply to this Chapter 11 Case.
27 The Debtor does not owe any domestic support obligations and is not an individual.

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1 **X. Fair and Equitable Treatment; No Unfair Discrimination—Section 1129(b)**

2 28. The Plan is fair and equitable and does not unfairly discriminate with respect to the
3 treatment of Claims and Interests and thus satisfies Bankruptcy Code § 1129(b) in all respects.
4 The Plan Proponents satisfy the “cramdown” requirement of Bankruptcy Code § 1129(b). Section
5 1129(b) requires that a plan must not discriminate unfairly and must be fair and equitable as to
6 each class of claims or interests that is impaired under, and has not accepted, the plan.

7 29. Classes 10 and 11 consist of Abuse Related Contingent Claims and Abuse Related
8 Contingent Claims-Unknown, respectively. The Plan provides that each Abuse Related Contingent
9 Claim and Abuse Related Contingent Claim-Unknown held by any Entity against the Debtor shall
10 be disallowed pursuant to Bankruptcy Code § 502(e)(1) and will receive no distribution under the
11 Plan. The Plan Proponents have further objected to Class 10 and Class 11 Claims and such
12 objections have been sustained. However, by definition under the Plan, any Claim that is an Abuse
13 Related Contingent Claim and Abuse Related Contingent Claim-Unknown would be subject to
14 Bankruptcy Code § 502(e)(1) and therefore disallowed and not entitled to distribution. Because
15 any Claim qualified as a Class 10 and Class 11 Claim under the Plan is not entitled to a distribution
16 as a matter of law, the Plan is fair and equitable as to these Claims and is not discriminatory. As
17 such, no distribution to holders of such Claims is necessary to confirm the Plan.

18 30. In addition, the Plan's treatment of Claims and Interests is proper, as similarly
19 situated creditors will receive substantially similar treatment irrespective of class, and the
20 respective distributions and treatments under the Plan take into account and conform to the relative
21 priority and rights of the Claims and Interests in each Class.

22 **Y. Only One Plan—Section 1129(c)**

23 31. The Plan satisfies the requirements of Bankruptcy Code § 1129(c). The Plan is the
24 only chapter 11 plan that was both filed and solicited in this Chapter 11 Case.

25 **Z. Principal Purpose of the Plan—Section 1129(d)**

26 32. The principal purposes of the Plan are (a) the reorganization of the Debtor as a
27 going concern and (b) the maximization of the value of the Estate, all of which are for the benefit

1 of Claimants. No party in interest has requested that the Court deny Confirmation of the Plan on
2 the grounds that the principal purpose of the Plan is the avoidance of taxes or the avoidance of the
3 application of section 5 of the Securities Act of 1933 (as amended, and including the rules and
4 regulations promulgated thereunder, the “Securities Act”). In addition, the principal purpose of the
5 Plan is not such avoidance. The Plan thus satisfies the requirements of Bankruptcy Code § 1129(d).

6 **AA. Good Faith Solicitation—Section 1125(e)**

7 33. Based on the record before the Court in this Chapter 11 Case, the Plan Proponents
8 or each of their respective members, officers, directors, employees, advisors, professionals, and
9 agents have acted in “good faith” within the meaning of Bankruptcy Code § 1125(e) and in
10 compliance with the applicable provisions of the Bankruptcy Code and Bankruptcy Rules in
11 connection with, related to, or arising out of, this Chapter 11 Case, the pursuit of confirmation of
12 the Plan, the consummation of the Plan, or the administration of the Plan or the property to be
13 distributed under the Plan. As a result, such parties have no liability to any holder of a Claim or
14 Equity Interest for any post-petition act or omission in connection with, related to, or arising out
15 of, this Chapter 11 Case, the pursuit of confirmation of the Plan, the consummation of the Plan, or
16 the administration of the Plan or the property to be distributed under the Plan, except for willful
17 misconduct, gross negligence, fraud, or breach of the fiduciary duty of loyalty, and such parties
18 are entitled to the protections afforded by Bankruptcy Code § 1125(e) and Section 13.4 of the Plan.

19 **BB. Satisfaction of Confirmation Requirements**

20 34. Based on the foregoing, the Plan satisfies the requirements for Confirmation set
21 forth in Bankruptcy Code § 1129.

22 **CC. Transfer of Insurance Interests**

23 35. Bankruptcy Code § 1123(a)(5)(B) allows that a plan may “transfer . . . all or any
24 part of the property of the estate to one or more entities, whether organized before or after the
25 confirmation of such plan.” Bankruptcy Code § 1123(a)(5)(B) permits the transfer of property
26 notwithstanding any anti-assignment provision under a private contract or state law, as set forth in
27 the Plan. Further, Guam law provides that any anti-assignment clause preventing such transfer

1 would be unenforceable. The Reorganized Debtor is permitted to assign the benefits of any
2 insurance policies, to the extent such interests are or may be property of the Estate, to the Trust, as
3 set forth in the Plan.

4 36. As set forth in Article V of the Plan, the Transferred Insurance Interests are assigned
5 and transferred to the Trust on the Effective Date.

6 37. The assignment and transfer of the Transferred Insurance Interests to the Trust does
7 not affect the right of the Archdiocese, the Reorganized Debtor, other Protected Parties, the Boy
8 Scouts of America, Local Councils, Chartered Organization, or any Non-Settling Insurer to contest
9 the Archdiocese's or any other insured's liability, or the amount of damages in respect of any Tort
10 Claims. Notwithstanding the assignment and transfer of the Transferred Insurance Interests, the
11 Archdiocese, the Reorganized Debtor, and any other Protected Party shall not be relieved of any
12 obligations or duties under any Non-Settling Insurer Policy (including without limitation any duty
13 to cooperate) and shall continue to honor such duties and obligations as required by such applicable
14 Non-Settling Insurer Policies and applicable law. The transfer and assignment of the Transferred
15 Insurance Interests does not affect any insurers' rights, obligations, or duties under applicable Non-
16 Settling Insurer Policies or applicable law. If the Trust brings an action against a Non-Settling
17 Insurer to assert any claim or to determine the Non-Settling Insurer's obligation to provide
18 coverage for any Tort Claim, the Non-Settling Insurer may raise any defense to coverage as if the
19 action had been brought by the Archdiocese, the Reorganized Debtor, or any other Protected Party.

20 **DD. Releases and Injunctions**

21 38. This case presents rare and unique circumstances in which channeling injunctions,
22 various supplements injunctions, and releases provided pursuant to the Plan and the Insurance
23 Settlement Agreement(s) may be approved. The Debtor has numerous and significant liabilities on
24 which the Protected Parties and Settling Insurers are also liable or possibly liable to some extent.
25 Under the Plan, the Protected Parties, including the Debtor and Catholic Cemeteries of Guam, Inc.,
26 and the Settling Insurers, including the AIG Insurers Entities, will make substantial contributions,
27 to provide for payment to the Claimants. Such contributions are critical and significant

1 contributions to the effective implementation of the Plan, and the Plan would not be feasible
2 without such contributions. Moreover, the Tort Claimants most burdened by these injunctions and
3 releases have not objected on this basis to, but instead have overwhelmingly approved of, this Plan.

4 39. The Plan Proponents provided specific and adequate notice of, among other things:
5 (i) the releases and injunctions provided for in the Plan and the Insurance Settlement Agreements,
6 (ii) the manner in which a Claimant or interested party could take steps to obtain additional
7 information regarding, or objecting to such, releases or injunctions, and (iii) the names of the
8 Settling Insurers and other Protected Parties.

9 **EE. Indemnification**

10 40. As a condition to the payments under the Insurer Settlement Agreements, the
11 Settling Insurers required the Debtor, or its successors and assigns, to indemnify them from any
12 Claims as set forth in the Insurance Settlement Agreements and/or the Plan.

13 41. The indemnifications by the Debtor are essential components of each of the
14 Insurance Settlement Agreements and the Plan.

15 42. The injunctions in the Plan, as requested in the Insurance Settlement Agreements,
16 will ensure that the indemnifications by the Debtor do not prevent the Debtor from obtaining a
17 fresh start in the Case, and therefore the injunctions in the Plan and in the Insurance Settlement
18 Agreements are necessary to the Plan.

19 **FF. Transfer of Real Property to Trust Free and Clear of Liens, Encumbrances, and**
20 **Interests**

21 43. Pursuant to the Plan, and in accordance with Bankruptcy Code §§ 105, 363, and
22 1123, the Debtor is authorized to sell the Real Property Assets, to the Trust, free and clear of all
23 liens, Claims, and Interests, including, but not limited to, any deed restrictions that limit the
24 ownership, use, sale, or that otherwise affect the marketability of title, of the Real Property Assets.
25 In light of the evidence before the Court, the Trust is a good faith purchaser of the Real Property
26 Assets within the meanings of Bankruptcy Code § 363 and the consideration exchanged for the
27 Real Property Assets constitutes fair and reasonable consideration. The sale of the Real Property
28 Assets complies with the Bankruptcy Code and applicable nonbankruptcy law.

PLAN PROPONENTS' FINDINGS OF FACT AND CONCLUSIONS OF LAW

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GG. Scope of Discharge.

44. The scope of the Debtor’s discharge is a critical component of the Plan and the settlements embodied therein, and is appropriate under the circumstances.

SO ORDERED.



**/s/ Frances M. Tydingco-Gatewood
Chief Judge
Dated: Oct 19, 2022**