

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION**

In re:

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION,<sup>1</sup>

Debtor.

Chapter 11

Case No: 21-20687 (JJT)

**THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE COURT.**

**FIFTH AMENDED JOINT DISCLOSURE STATEMENT  
FOR CHAPTER 11 PLAN OF REORGANIZATION  
PROPOSED BY THE NORWICH ROMAN CATHOLIC DIOCESAN  
CORPORATION AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

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<sup>1</sup> The Debtor in this chapter 11 case is The Norwich Roman Catholic Diocesan Corporation, a/k/a The Roman Catholic Diocese of Norwich. The last four digits of the Debtor's federal tax identification number are 7373.

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Dated: February 2, 2024

**TABLE OF CONTENTS**

	<u>Page</u>
I. EXECUTIVE SUMMARY OF THE PLAN .....	1
A. Introduction.....	1
B. Principal Terms of the Plan.....	3
C. The Reorganized Debtor .....	12
D. Voting and Confirmation Procedures .....	13
II. QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND THE PLAN.....	15
III. OVERVIEW OF THE CHAPTER 11 PROCESS.....	23
A. A Chapter 11 Case .....	23
B. A Chapter 11 Plan.....	24
C. Voting On a Chapter 11 Plan .....	24
D. Effect of Rejection Upon Confirmation of a Chapter 11 Plan.....	25
IV. THE DEBTOR, ITS OPERATIONS AND THE CHAPTER 11 CASE.....	26
A. Nature and History of the Diocese.....	26
B. Hierarchy of the Roman Catholic Church .....	26
C. Operations of the Diocese.....	27
D. Mount St. John’s School.....	27
E. Insurance Liability Coverage .....	28
F. Diocese Non-Abuse Related Liabilities.....	30
G. Events Leading to the Chapter 11 Case .....	31
H. Events During the Chapter 11 Case .....	33
V. KEY TERMS OF THE PLAN.....	43
A. Treatment of Unclassified Claims .....	44
B. Treatment of Classified Claims .....	46
VI. MEANS FOR IMPLEMENTATION OF THE PLAN.....	54
A. Establishment of Trust .....	54
B. Liquidation And Payment of Abuse Claims .....	61
C. Insurance Matters Regarding Non-Settling Insurers.....	64
D. Settled Insurers and Participating Parties.....	70
E. Means of Implementation of the Plan.....	77

VII. CONDITIONS PRECEDENT ..... 81

    A. Conditions to Effectiveness ..... 81

VIII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES ..... 83

IX. MISCELLANEOUS PROVISIONS..... 84

    A. Retention of Jurisdiction ..... 84

    B. Miscellaneous Provisions..... 85

X. EFFECTS OF PLAN CONFIRMATION AND DISCHARGE ..... 92

    A. Discharge ..... 92

XI. BEST INTERESTS TEST ..... 99

XII. RISK FACTORS ..... 100

    A. Parties in Interest May Object to the Committee’s Classification of  
    Claims ..... 100

    B. The Debtor and the Committee May Not Be Able to Secure  
    Confirmation of the Plan..... 100

    C. The Non-Settling Insurers May Object to the Plan..... 100

    D. Abuse Claimants May Not Consent to the Releases and Injunctions  
    Contained In The Plan ..... 101

    E. Nonconsensual Confirmation..... 101

    F. Non-Occurrence of the Effective Date ..... 101

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS..... 101

    G. Tax Consequences to Creditors ..... 102

    H. Tax Consequences to the Debtor ..... 103

    I. Tax Consequences to the Trust..... 103

XIII. VOTING INSTRUCTIONS ..... 103

XIV. CONCLUSION AND RECOMMENDATION..... 103

The Norwich Roman Catholic Diocesan Corporation, the debtor and debtor-in-possession in the above captioned Bankruptcy Case (the “Debtor” or “Diocese”), and the Official Committee of Unsecured Creditors (the “Committee”), jointly submit this fifth amended disclosure statement (the “Disclosure Statement”) in support of the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by The Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Dkt. No. ] as it may hereafter be amended or modified (the “Plan”), a copy of which is attached to this Disclosure Statement as Exhibit 1.<sup>2</sup>

## I. EXECUTIVE SUMMARY OF THE PLAN

### A. Introduction

On July 1, 2021, the Diocese filed a voluntary chapter 11 petition with the United States Bankruptcy Court for the District of Connecticut (the “Bankruptcy Court”), to address fully and fairly through the bankruptcy reorganization process the claims of sexual abuse made against it and certain other related parties, while enabling the Diocese to continue to fulfill its Catholic mission and support its ministries. On July 29, 2021, the United States Trustee for Region 2 appointed the Committee to represent the Diocese’s unsecured creditors under § 1102(a)(1) of the Bankruptcy Code. The Committee consists of five individuals who hold claims against the Debtor based upon the sexual abuse they suffered as children inflicted upon them by perpetrators for whom the Diocese is allegedly responsible.

Since its appointment, the Committee and its professionals have conducted an extensive examination and analysis of the Diocese and its assets and liabilities, including insurance coverage and available causes of action against certain other parties. The Committee and the Diocese sought to resolve this bankruptcy case in a manner that would provide meaningful financial compensation to the survivors of child sexual abuse and some measure of accountability to those allegedly responsible parties while still permitting the Diocese to reorganize and pursue its religious, charitable, and educational mission.

Commencing in August, 2022, and continuing in the months that followed, the Diocese and the Committee engaged in a formal mediation to attempt to negotiate a global resolution of the Diocese’s reorganization and the bankruptcy case. The major parties with a significant stake in the Diocese’s bankruptcy case also participated in the mediation, namely: The Catholic Mutual Relief Society of America, The Association of Parishes of the Roman Catholic Diocese of Norwich, Mount Saint John, Inc., The Oceania Province of the Congregation of Christian Brothers f/k/a The St. Patrick’s Province of the Christian Brothers, Xavier High School Corporation of Middletown, Mercy High School Corporation and Saint Bernard School of Montville, Incorporated. After extensive negotiations to attempt to resolve the myriad of issues presented, the Diocese and the Committee agreed to propose jointly the terms and conditions of reorganization now set forth in the Plan. Catholic Mutual and the Participating Parties also support confirmation of the proposed Plan.

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<sup>2</sup> The definitions set forth in Section I of the Plan apply to capitalized terms used, but not defined, in this Disclosure Statement. The rules of construction set forth in Section II of the Plan apply to this Disclosure Statement.

The Plan provides the means for settling and paying all Claims asserted against the Debtor while providing for the Diocese's emergence from bankruptcy. The Plan requires the Diocese, Catholic Mutual and the Participating Parties—including the Parishes, Mount St. John, Oceania, Xavier, Mercy and St. Bernard—to make fair and reasonable settlement payments, and/or substantial and meaningful contributions to fund Distributions to Abuse Claimants. The Plan also appropriately treats other Claimants of the Diocese. The Debtor and the Committee estimate that the funding provided for in the Plan for the benefit of Abuse Claimants shall ultimately exceed \$32 million.

Pursuant to the Plan and the Bankruptcy Code, the Diocese shall be discharged of all Claims. The Participating Parties shall be granted releases and the benefit of injunctions related to Abuse Claims as provided for in the Plan and certain other Plan Documents, in exchange for their contributions and settlement payments.

Because the Plan realizes substantial and meaningful value consistent with the rights and interests of the Diocese, the estate, and its creditors, including the Abuse Claimants, and for the other reasons set forth herein and to be established at the Confirmation Hearing, the Diocese and the Committee submit that the Plan is in the best interests of, and provides the highest and most expeditious recoveries to all parties including the Abuse Claimants who hold Claims against the Debtor.

**THE DEBTOR AND THE COMMITTEE RECOMMEND THAT HOLDERS OF CLAIMS, INCLUDING HOLDERS OF ABUSE CLAIMS VOTE TO ACCEPT THE PLAN.**

This Disclosure Statement describes why Claims are placed into certain classes, the relative allocations of property to the Holders of such Claims, the manner by which the Diocese's Assets are to be distributed, the risks inherent in the Plan, and the applicable bankruptcy and tax consequences of the Plan. You are advised and encouraged to read this Disclosure Statement and the Plan in their entirety before voting to accept or reject the Plan.

The following table briefly summarizes the classification and treatment of Claims under the Plan. For a more detailed description of the Plan's classification and treatment of Claims, see Section V below.

CLASS	DESCRIPTION	IMPAIRMENT	VOTING	ESTIMATED RECOVERY
1	Other Priority Claims	Unimpaired	Deemed to Accept	100%
2	Secured Claim of Citizens Bank, N.A.	Impaired	Yes	100%
3	Secured Revolving Loan and Secured Guaranty Claims of M&T	Unimpaired	No	100%
4	Abuse Claims Other Than Unknown	Impaired	Yes	To Be Determined

	Abuse Claims			
5	Unknown Abuse Claims	Impaired	Yes	To Be Determined
6	General Unsecured Claims	Unimpaired	Deemed to Accept	100%
7	Abuse Related Contribution Claims	Impaired	Deemed to Reject	No Recovery
8	Claims Held by the Catholic Entities, Xavier and Oceania	Impaired	Yes	No Recovery Other Than Non-Monetary Settlement Terms

As provided by § 1126 of the Bankruptcy Code, only classes of Claims that are both impaired under the Plan and entitled to a recovery under the Plan may vote to accept or reject the Plan. Here, the classes of Claims entitled to vote are Class 2 (Secured Claim of Citizens Bank, N.A.), Class 4 (Abuse Claims other than Unknown Abuse Claims), Class 5 (Unknown Abuse Claims, other than Post-Petition Abuse Claims), and Class 8 (Claims held by the Catholic Entities, Xavier and Oceania) (collectively, the “Voting Classes”).

#### **B. Principal Terms of the Plan**

This Section contains a summary of the principal terms of the Plan. You should carefully review the Plan in full before determining whether to vote to accept or reject the Plan. To the extent that any provision of this Disclosure Statement conflicts with any term of the Plan, the terms of the Plan shall control.

#### **Reorganization and Recovery**

Through the Plan, the Debtor and the Committee seek to establish a platform for the Debtor to reorganize and continue its Catholic mission and support its ministries, and to contribute a fair and equitable amount of its assets to fund Distributions to Abuse Claimants through the Trust and the Unknown Abuse Claims Trust. The rights of the Holders of secured Claims and general unsecured Claims against the Diocese are treated under the Plan in a manner authorized by and consistent with the Bankruptcy Code. The expeditious reorganization of the Diocese would also significantly reduce the further diminishment of the Diocese’s resources to pay for fees and expenses incurred by Professionals employed in this case, and other bankruptcy related costs. The Plan is also funded by Catholic Mutual and the Participating Parties who in exchange shall receive the benefit of the releases, Supplemental Settled Insurer Injunction, and Channeling Injunction provided for in the Plan precluding Abuse Claimants from proceeding with litigation against them.

The Non-Settling Insurers and other potentially responsible Persons (referred to in the Plan as Co-Defendants) also have the ability through the Plan to resolve with the Trustee Abuse Claims and Insurance Claims. The Abuse Claimant’s ability to pursue the Non-Settling Insurers and other

Co-Defendants would be preserved by the Plan (subject to its terms and conditions) but such Non-Settling Insurers and other Co-Defendants would still, even after the Effective Date, have the ability to reach a Settlement Agreement with the Trustee, among others, and thereby, upon consummation of such settlement, receive the benefit of the releases, Supplemental Settled Insurer Injunction, and Channeling Injunction provided for in the Plan.

The funds and assets received by the Trust and the Unknown Abuse Claims Trust will be used for Distributions to Abuse Claimants, and in the case of the Trust will also be used for payment of expenses of the Trust, under the terms of the Trust Documents and Unknown Abuse Claims Trust Documents. Notwithstanding the uncertainty concerning the precise total amount available to the Trust and the allocation to be determined by the Abuse Claims Reviewer, among other considerations, the Diocese and the Committee believe that those recoveries will be significantly greater than amounts to be distributed to Abuse Claimants if the Diocese or the Committee had proceeded unilaterally to attempt to confirm their own plan of reorganization or that would be distributed to Abuse Claimants if the Diocese's Chapter 11 Case were converted to a case under Chapter 7 of the Bankruptcy Code.

#### **Overview of the Treatment of Abuse Claims in Class 4 (Excluding Unknown Abuse Claims)**

Excluding duplicative claims, 150 individuals have filed Abuse Claims against the Debtor classified in Class 4, including Late-Filed Abuse Claims and Barred Child Sexual Abuse Claims. Such Abuse Claims resulted or arose, in whole or in part, directly or indirectly, from Abuse, and seek 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 Debtor.<sup>3</sup> Abuse Claims also include Claims against a Participating Party for which the Debtor's conduct is a legal cause or a legally relevant factor.

#### ***Summary of Contributions***

On the Effective Date, under the terms of the Plan and the Trust Documents, the Trust shall be created for the benefit of all Class 4 Claims. The Trust will be funded by the Debtor and the Reorganized Debtor with the following:

- (i) \$1.22 million of cash;
- (ii) \$500,000 on account of reserved amounts held for Epiq or amounts disgorged by Epiq;
- (iii) \$2.5 million realized from that certain settlement agreement by and between Xavier, the Debtor and the Committee that was negotiated through the mediation and is sought to be approved under the Plan in accordance with § 1123(b)(3) of the Bankruptcy Code (the "Xavier Settlement Agreement") and results in, among other things, the property on which Xavier currently operates, portions of which it does not currently own (the "Xavier Property") being transferred to Xavier pursuant to

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<sup>3</sup> "Abuse Claim" does not include any Abuse Related Contribution Claim or Related Insurance Claim. To avoid doubt, an Abuse Claim only includes those resulting or arising in whole or in part, directly or indirectly, from Abuse the first occurrence of which against such Abuse Claimant was committed by any Person before the Effective Date. Abuse Claims also include Late-Filed Abuse Claims and Unknown Abuse Claims.

- § 1123(a)(5)(D) of the Bankruptcy Code within thirty (30) days of the Effective Date of the Plan (the “Xavier Property Transfer”);
- (iv) \$6.55 million realized from that certain settlement agreement by and between St. Bernard, the Debtor and the Committee that was negotiated through the mediation and is sought to be approved under the Plan in accordance with § 1123(b)(3) of the Bankruptcy Code (the “St. Bernard Settlement Agreement”) and results in, among other things, the property on which St. Bernard operates (the “St Bernard Property”) having been transferred pursuant to an Order of the Bankruptcy Court;
  - (v) \$800,000 evidenced by a promissory note granted by the Diocese to the Trust due and payable in one year from the Effective Date of the Plan;
  - (vi) The Transferred Real Estate owned by the Diocese described in Plan Section 7.1(a)4, or their Net Proceeds;
  - (vii) The loan debt owed by Mount St. John in the approximate amount of \$1.5 million and mortgage granted by Mount St. John to secure this amount;
  - (viii) The Transferred Insurance Interests related to the Non-Settling Insurers including the Insurance Claims against and Insurance Recoveries due from such Non-Settling Insurers; and
  - (ix) \$50,000 realized from that certain settlement agreement by and between Mercy, the Debtor and the Committee that was negotiated through the mediation and is sought to be approved under the Plan in accordance with § 1123(b)(3) of the Bankruptcy Code (the “Mercy Settlement Agreement”) .

The Trust shall also be funded by the following transfers made by the corresponding Settled Insurer or Participating Parties:

- (i) \$7 million from Oceania;
- (ii) \$2.7 million from the Parishes;
- (iii) \$5.3 million from Catholic Mutual;
- (iv) The subdivided portion of real estate known as 50-54 North Main Street, Jewett City (Griswold), Connecticut, consisting of approximately the 1.5 +/- acres of portion of the site and the former school building situated thereon, more fully described in Exhibit O appended hereto, or its Net Proceeds from St. Mary’s Roman Catholic Church Corporation; and
- (v) The Net Proceeds realized from the sale of the real estate owned by Mount St. John or the transfer of such real estate to the Trust.

***The Diocese’s Contribution of Real Estate***

With respect to the unliquidated contributions set forth above, the Plan Proponents reasonably project, upon information and belief, that that the Transferred Real Estate should generate Net Proceeds in the following estimated amounts:

<u><b>Transferred Real Estate</b></u>	<u><b>Fair Market Value</b></u>
Bath Street Office, 7-11 Bath St. Norwich, CT 06360:	\$ 190,000 <sup>4</sup>
Moss Property, 7 Otis St. Norwich, CT 06360:	\$ 583,200 <sup>5</sup>
Tribunal, 17 Otis St., Norwich, CT 06360:	\$ 170,000 <sup>6</sup>
Diocesan School Office, 25 Otis St Norwich, CT 06360:	\$ 174,000 <sup>7</sup>
Vacant Office, 31 Perkins Ave., Norwich, CT 06704:	\$ 145,000 <sup>8</sup>
St. Mary’s School, subdivided portion of 50-54 North Main Street, Jewett City (Griswold), CT 06351:	<u>\$ 400,000</u> <sup>9</sup>
Total Gross Fair Market Value:	\$ 1,662,200
Adjustment for Estimated Closing Costs (7% reduction):	<u>(\$ 116,354)</u>
Estimated Net Proceeds from Transferred Real Estate:	\$ 1,545,846

***The Mount St. John Property***

The Net Proceeds to be realized from the real estate owned by Mount St. John is much more difficult to project. The property known as 135 Kirtland St. (the “Mount St. John Property”) situated in Deep River, Connecticut, consists of approximately 74 (per the survey, the main parcel is 65.45 acres, and the two ancillary parcels are 5.96 and 2.73 acres, respectively) acres of land abutting the Connecticut River, the over 90,000 square foot former school building and multiple additional accessory buildings. Mount St. John originally listed the real estate through Cushman & Wakefield in August, 2019. After various unsuccessful attempts to reach an agreement with other potential buyers, Mount St. John negotiated and ultimately reached an agreement with a buyer to purchase the Mount St. John Property for an amount which is subject to a confidentiality provision preventing its public disclosure. The Committee knows the amount of this previously agreed to purchase price. The parties entered into their purchase and sale contract on June 10, 2022. The purchase and sale contract contained inspection, financing and permitting contingencies which Mount St. John believed as appropriate under the circumstances. After numerous extensions of various deadlines, the buyer timely exercised its right to terminate the purchase and sale contract on August 25, 2023.

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<sup>4</sup> Based on marketing and negotiated highest and best purchase price approved by the Bankruptcy Court. Appraised value reported by City of Norwich equaled \$211,200.

<sup>5</sup> Based on appraised value reported by City of Norwich.

<sup>6</sup> Based on marketing and negotiated highest and best purchase price approved by the Bankruptcy Court. Appraised value reported by City of Norwich equaled \$190,600.

<sup>7</sup> Based on marketing and negotiated highest and best purchase price approved by the Bankruptcy Court. Appraised value reported by City of Norwich equaled \$150,300.

<sup>8</sup> Based on marketing and negotiated highest and best purchase price approved by the Bankruptcy Court. Appraised value reported by City of Norwich equaled \$152,100.

<sup>9</sup> Based on that certain Real Estate Appraisal dated March 15, 2021, and prepared by Howard B. Russ, SRPA.

Pursuant to the Plan and the Settlement Agreement reached with Mount St. John, Mount St. John will, subject to the direction of the Trustee, attempt to sell the Mount St. John Property; the net proceeds from any sale of the Mount St. John Property will be paid to the Trust for the benefit of the Class 4 Claimants. During this period of time which may continue for up to a year from the Effective Date, the Trust shall advance to Mount St. John the reasonable and necessary expenses incurred to maintain and insure the Mount St. John Property as set forth in the Mount St. John Settlement Agreement. If the closing on the sale of the Mount St. John Property does not occur within one year of the Effective Date or if the Trustee requests in writing at an earlier date, Mount St. John is obligated to transfer by quitclaim deed the Mount St. John Property to the Trustee's designee. It is contemplated that the Trust will create a single purpose entity to own the Mount St. John Property (as the Trustee's designee) to insulate the Trust from any potential liabilities that may arise on account of the Mount St. John Property.

The Trustee will then attempt to maximize the value realized from the Mount St. John Property for the benefit of its beneficiaries, the Class 4 Claimants. The Trustee may at any time prior to receiving the net proceeds of its sale or transfer of the Mount St. John Property waive and relinquish the Trust's right to receive such net proceeds or transfer. This option again protects the Trust from any potential liability arising on account of the Mount St. John Property.

In projecting the net proceeds to be realized from the sale of the Mount St. John Property, obviously, the purchase price is the most important component. The Plan Proponents believed and continue to believe that the previously agreed upon purchase price represents a close approximation to what should be realized from its sale. The actual purchase price agreed to by a ready, willing and able buyer will likely be impacted by the resolution of a significant issue with respect to access from the public street, Kirtland St., to the Mount St. John Property

Upon review of the land records and maps, it was discovered that the subject property did not include a right-of-way for the primary access driveway from Kirtland St. The original right-of-way reserved for the then owner of the Mount St. John Property in a deed dated October 10, 1889, was specific to the grantor only and did not include the grantor's heirs and assigns. Notwithstanding, upon information and belief, the driveway has been used continuously since to access the Mount St. John Property and specifically since the school's original establishment in 1904. After having reviewed the factual and legal grounds therefor, the Plan Proponents have concluded that a prescriptive easement may be established through a civil action against the owners of the real property used for the driveway to the Mount St. John Property. Additionally, although not ideal, the Mount St. John Property may be accessed from a separate public road, Winter Ave.

Other factors will significantly impact the net proceeds that may be realized by the Trust from the sale of the Mount St. John Property. The amount of real property taxes owed to the Town of Deep River is presently subject to dispute and being litigated in two civil actions pending before the Middletown Superior Court, Judicial District of Middlesex, State of Connecticut. As of October 1, 2019, the Town of Deep River took the position that once Mount St. John ceased operating, it was no longer entitled to the real property tax exemption applicable to educational institutions pursuant to Conn. Gen. Stat. § 12-81(7). The Town of Deep River had also assessed real property taxes based on its appraised value for the Mount St. John Property in the approximate amount of \$36 million. The most recent appraised value publicly disclosed by the Town of Deep River equals approximately \$30 million. The Town of Deep River presently asserts unpaid real property taxes owed against the Mount St. John Property in excess of \$2.6 million (again, based on appraised values ranging from \$30 to \$36 million).

On or about September 15, 2020, Mount St. John commenced the first real property tax appeal challenging both the non-applicability of the educational institution exemption and the valuation asserted by the Town of Deep River. On or about April 19, 2021, Mount St. John commenced the second real property tax appeal. Trials in these appeals have previously been scheduled to proceed in September, 2023, but have been adjourned while the parties continue to discuss a possible resolution. Although confidential and, therefore, cannot be disclosed publicly by the Committee, the Committee is aware of the settlement offers that have been exchanged and based upon this knowledge continues to believe that significant value (in the multiple millions of dollars) may be realized from the sale of the Mount St. John Property.

In addition to the payment of real property taxes, the Committee agreed as part of the proposed settlement agreement with Mount St. John to other deductions from the purchase price before realizing the balance of net proceeds. These are set forth in Section 3.4 of the Mount Saint John Settlement Agreement appended to the Plan as Exhibit K. The Committee was compelled to compromise in this regard because either: (i) they already constituted appropriate deductions from the purchase price or encumbrances against the Mount St. John Property which would have to be paid from the sale regardless (escrows and credits due buyer, conveyance taxes, brokerage commissions, mortgage balances, and tax liens); or (ii) the Committee concluded that their payment (unfunded pension benefit liability and attorneys' fees) was appropriate and necessary to reach a settlement with Mount St. John.

Notwithstanding these risks and uncertainties, the Committee concluded that either receiving the net proceeds from the sale of or obtaining title to the Mount St. John Property (through the Trust's designee) and agreeing to the payment of these specified amounts from the sale proceeds represented the best among any other alternative settlement structures and would, therefore, maximize value for the Trust and its beneficiaries, the Abuse Claimants. Upon information and belief, Mount St. John possesses no asset of any meaningful value other than the Mount St. John Property and so the Committee could not realize anything else of value from a settlement with Mount St. John. The Mount St. John Property has very significant inherent value that should be realized by the Trust. Unlike Mount St. John, the Trust, through its designee, will have the financial ability to fund (to a reasonable and cost-effective extent) the continued prosecution of the tax appeals with the Town of Deep River (including by obtaining a formal appraisal) and any litigation necessary to establish the prescriptive easement for the right-of-way between Kirtland St. and the Mount St. John Property. Additionally, as a hedge against the risk less is obtained for the Mount St. John Property than anticipated, the Committee negotiated with the Debtor for the Debtor, as part of the Plan, to assign its mortgage against the Mount St. John Property to the Trust. This mortgage secures approximately \$1.5 million and is prior in right pursuant to the settlement agreement with Mount St. John to the unfunded pension benefit liability and attorney's fees. Thus, the Committee reasonably anticipates that the Trust will realize significant value from the settlement agreement with Mount St. John and, in particular, the recovery of the net proceeds of sale or the transfer of the Mount St. John Property to the Trust's designee.

#### ***Other Potential Sources***

After the Effective Date, the Trust will also be funded through settlements reached, if any, between the Trustee and any Non-Settling Insurers or Co-Defendants. These settlement agreements will be subject to Bankruptcy Court approval. In the event of such settlements, any

post-Effective Date settled party shall then be entitled to the benefits of a Participating Party, and its liabilities will be subject to the releases, Supplemental Settled Insurer Injunction, and Channeling Injunction provided for under the Plan. Nothing in the Plan is intended to affect, diminish or impair a Class 4 Claimant’s rights against a Co-Defendant, including that Co-Defendant’s joint and several liability for Abuse, unless and until such Co-Defendant becomes a Participating Party pursuant to the terms of the Plan. The Plan is further intended to preserve and protect a Class 4 Claimant’s claims and interests in any Non-Settling Insurer Policies and against any Non-Settling Insurer; again, unless and until such Non-Settling Insurer becomes a Settled Insurer.

***Late-Filed Abuse Claims***

A Late-Filed Abuse Claim may be Allowed by the Bankruptcy Court as a Class 4 Claim upon motion by the Abuse Claimant and after due notice and a hearing where the Abuse Claimant establishes their excusable neglect excusing the late filing of their Proof of Claim and the Bankruptcy Court orders that the Late-Filed Abuse Claim shall be treated as timely filed on or before the Claims Bar Date. Unless and until such motion is granted and the Late-Filed Abuse Claim is Allowed as a Class 4 Claim by a Non-Appealable Order, no Distribution shall be paid on account of the Late-Filed Abuse Claim as a Class 4 Claim pursuant to the Trust Distribution Plan.

The Holder of a Late-Filed Abuse Claim may instead elect on their Ballot to be treated as an Unknown Abuse Claimant in Class 5. If this election is made, such Holder of a Late-Filed Abuse Claim will not be permitted to attempt to establish their excusable neglect to be Allowed as a Class 4 Claimant. Even if the election is made, such Holder must still establish that they are entitled to Distributions on account of an Unknown Abuse Claim pursuant to the Plan and the Unknown Abuse Claims Trust Distribution Plan.

***Anticipated Distributions***

As soon as possible after the Effective Date, and under the terms of the Plan and the Trust Documents, the Trust shall make Distributions to all Class 4 Claimants to the extent of available funds taking into account necessary reserves.

Based upon these contributions, including the estimated amounts to be realized from currently unliquidated assets, and based further upon the terms and conditions set forth in the Trust Distribution Plan, the Plan Proponents reasonably project, upon information and belief, that the aggregate value to be contributed to the Trust should approximate \$32 million. Based upon this total amount, the Plan Proponents further reasonably project, upon information and belief, that the following average amounts will be available for Distribution to Allowed Abuse Claimants:

<u><b>Type of Claimant in Class 4</b></u>	<u><b>Estimated Average</b></u>
Class 4 Claimant (excluding Barred Child Sexual Abuse Claimants):	\$ 320,000
Barred Child Sexual Abuse Claimant:	\$ 48,000

**These amounts are estimates only based upon various projections and assumptions reasonably made by the Plan Proponents. They are also estimated averages based upon the anticipated amount of funds available and the projected number of Abuse Claimants in each category entitled to a Distribution pursuant to the Plan and the Trust Distribution Plan. The actual Distributions made to each Abuse Claimant in Class 4 will depend upon the actual amount realized by the Trust, the actual number of Abuse Claimants entitled to a**

**Distribution, and the results of the claims review process implemented by the Abuse Claims Reviewer pursuant to the Trust Distribution Plan. Each Abuse Claimant in Class 4 may actually receive more in Distributions, if not significantly more, or less in Distributions, if not significantly less, than these estimated averages depending upon the Abuse Claims Reviewer's review of claims and application of the evaluation factors, additional factors and adjustments required by the Trust Distribution Plan among all of the Abuse Claimants in Class 4.**

#### **Overview of Treatment of Unknown Abuse Claims in Class 5**

Unknown Abuse Claims in Class 5 are impaired under the Plan. The Unknown Abuse Claims Trust will be funded by the Debtor and the Reorganized Debtor based, in part, upon the findings and recommendations of the Unknown Abuse Claims Representative and as determined by the Bankruptcy Court. The Unknown Abuse Claims Representative has concluded that up to \$500,000 should be contributed by the Debtor and/or Reorganized Debtor for the benefit of the reasonably projected number of Unknown Abuse Claims. As soon as possible after the Effective Date, and under the terms of the Plan and the Unknown Abuse Claims Trust Documents, the Unknown Abuse Claims Trust shall pay all Class 5 Claimants.

#### **Overview of Treatment of Claims Other Than Abuse Claims**

Claims against the Debtor that are not Abuse Claims are identified and described in full in Section VI of this Disclosure Statement. They will be treated as follows under the Plan:

- Other Priority Claims in Class 1 is unimpaired under the Plan and shall receive 100% recovery.
- The Citizens Secured Guaranty Claim in Class 2 is impaired and upon the closing of the Xavier Property Transfer within thirty (30) days after the Effective Date pursuant the Xavier Settlement Agreement, Citizens shall fully, finally, and completely release and forever discharge the Diocese from any and all obligations arising under the Citizens Guaranty Agreement; *provided, however*, Citizens shall retain a lien against the Xavier Property representing those certain loan agreements by and between Xavier and Citizens.
- The M&T Secured Revolving Loan Claim and M&T Secured Guaranty Claim in Class 3 are unimpaired and shall retain its Claims against the Reorganized Debtor and the Liens securing such Claims under the Plan.
- General Unsecured Claims in Class 6 are unimpaired under the Plan and shall receive 100% recovery.
- Abuse Related Contribution Claims in Class 7 are impaired under the Plan and shall receive no recovery.

- The Claims held by the Catholic Entities (which include Mercy, St. Bernard and Mount St. John), Xavier and Oceania classified in Class 8 are impaired under the Plan and the Catholic Entities, Xavier and Oceania have, as part of their settlement with the Diocese reflected in the Plan, waived the right to receive any Distribution under the Plan.

With respect to Class 7, the Debtor and Committee are not aware of any Abuse Related Contribution Claims classified in Class 7. The Debtor and Committee proposed to separately classify this type of Claim given the possibility (albeit unlikely) that such Claims could be asserted and permitted to vote, their unique legal distinctions, and the proposed treatment of no Distribution on account of their Abuse Related Contribution Claims.

Class 8 specifically includes all Claims (including Abuse Related Contribution Claims) against the Debtor held by the Catholic Entities (which include the Parishes, Mercy, St. Bernard and Mount St. John), Xavier and Oceania. These parties participated in the mediation to negotiate the terms of a plan of reorganization to be proposed by the Debtor and the Committee.

As set forth in the schedules filed by the Debtor shortly after the commencement of this Bankruptcy Case, the following Parishes and other Catholic Entities have each filed a Proof of Claim against the Debtor in the corresponding amounts:

<u>Parish / Catholic Entity</u>	<u>Amount of Claim</u>
Norwich Diocesan Cemetery Corporation <sup>10</sup>	\$ 1,521,571.45
Saint Mary’s Church Corp	\$ 98,013.37
St. John’s Roman Catholic Cemetery Corporation	\$ 104,739.78
St. John’s Roman Catholic Church Montville	\$ 394,936.22
St. Teresa of Calcutta Parish Corporation	\$ 101,381.71
The St. Joseph’s Church Corporation of New London	\$ 96,091.54
The St. Paul Catholic Church Corporation <sup>11</sup>	<u>\$ 50,000.00</u>
<b>Total:</b>	<b>\$ 2,366,734.07</b>

These amounts reflect loans made or other consideration provided by the corresponding entities to the Diocese prior to the commencement of this Bankruptcy Case.

Additionally, Xavier, Mount St. John, Mercy, St. Bernard, the Association of Parishes on behalf of all Parishes, and Oceania all filed Proofs of Claim in this Bankruptcy Case asserting Claims for contribution, indemnification and other related Claims in connection with the Abuse Claims. Furthermore, on behalf of all Parishes, the Association of Parishes asserted Claims against

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<sup>10</sup> In part, as successor in interest to St. Mary, New London Cemetery Corporation (in the amount of \$471,852.66), St. Mary’s and St. Joseph’s Cemetery Corporation (in the amount of \$795,574.55), and St. Patrick Cemetery Uncasville (in the amount of \$184,137.31).

<sup>11</sup> On December 9, 2021, The St. Paul Catholic Church Corporation merged into The St Josephs Church Corporation of New London. Therefore, Proof of Claim No. 10010 was filed by The St Josephs Church Corporation of New London (the surviving entity) on behalf of The St. Paul Catholic Church Corporation (the merged entity).

the Debtor arising on account of applicable insurance policies in which a Parish is or is intended to be a covered party.

As part of the global resolution reached and set forth in the Plan, such Claimants classified in Class 8 shall not receive any Distribution on behalf of their Claims.

### **Non-Monetary Commitments and Reforms**

To further promote healing and reconciliation, and to continue its efforts to prevent Abuse and other injury to children from occurring in the Diocese in the future, the Diocese agrees that it will undertake and the Diocese shall comply with the Non-Monetary Commitments to Healing and Reconciliation in Exhibit G attached to the Plan.

#### **C. The Reorganized Debtor**

Following confirmation of the Plan, the Diocese's assets not contributed to the Trust or the Unknown Abuse Claims Trust will be revested in the Diocese. To facilitate the Diocese's reorganization and continued fulfillment of its mission and support of its ministries, the Plan provides for the following assets, among others, to be retained by the Diocese:

- All personal property including all office equipment and books and records;
- All deposit and investment accounts with all financial institutions (other than the amount necessary to make the cash payment due on the Effective Date pursuant to the Plan);
- The Chancery Office, 201 Broadway, Norwich, CT 06360;
- The Bishop's Residence, 274 Broadway Norwich, CT 06360;
- Vacant Parcel, 7-9 Bath St., Norwich, CT 06360;
- St Vincent De Paul Middletown, 613 Main St., Middletown, CT 06457;
- The real property located at 1470 Randolph Road, Middletown, Connecticut and leased by the Debtor to Mercy; and
- Spanish Center New London, 60 Jay Street, New London, Ct 06320.

Based on the Diocese's operational history, the Diocese and the Committee submit that the Diocese will have sufficient funds to continue to execute its mission after the Effective Date of the Plan.

To confirm a plan, the Bankruptcy Code requires that a Bankruptcy Court find that confirmation of the plan is not likely to be followed by liquidation or the need to further financially reorganize the Debtor (the "Feasibility Test"). For a plan to meet this test, the Bankruptcy Court must determine there is a reasonable likelihood that the Reorganized Debtor will possess the working capital and other resources to meet its obligations under the Plan. The Debtor's cash flow projections for six months following the projected Plan confirmation date are attached hereto as **Exhibit 4**.

The Diocese and the Committee believe and will demonstrate at the Confirmation Hearing that the Reorganized Debtor can make all Distributions required by the Plan and to fund its

operations going forward and, therefore, that confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

#### **D. Voting and Confirmation Procedures**

By order dated \_\_\_\_\_, 2024 (the “Disclosure Statement Order”), the Bankruptcy Court approved this Disclosure Statement as containing adequate information of a kind and in sufficient detail to enable creditors of the Debtor to decide whether to accept the Plan.

A copy of the Disclosure Statement Order is attached as **Exhibit 3**. The Bankruptcy Court’s approval of the Disclosure Statement does not constitute a recommendation by the Bankruptcy Court to creditors they should vote to accept or to reject the Plan. Holders of Allowed Claims in Voting Classes can find voting instructions in the Disclosure Statement Order and in the Ballots that accompany this Disclosure Statement. Because the Abuse Claims have not been determined in a particular amount, for voting purposes only, each Abuse Claim in Class 4 will be valued at one dollar (\$1.00). Similarly, the Unknown Abuse Claims Representative is deemed to have an Allowed Claim in the amount of one dollar (\$1.00). To be counted, Ballots must be properly completed, executed, and actually received by the Debtor’s claims agent (the “Claims Agent”), by 5:00 p.m. (prevailing Eastern time), on \_\_\_\_\_, 2024 (the “Voting Deadline”).

Each Ballot also includes for Class 4 Claimants the Abuse Claim Release form. In order to receive Distributions from the Trust, each Abuse Claimant must sign and return the Abuse Claim Release. To effectively and efficiency accomplish this, the Abuse Claimant should return the signed Abuse Claim Release to the Claims Agent by the Voting Deadline.

The Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan to commence [\_\_\_\_\_,] 2024 at 10:00 a.m. (prevailing Eastern time) (the “Confirmation Hearing”), at the United States Bankruptcy Court, Abraham Ribicoff Federal Building, 450 Main Street, 7<sup>th</sup> Floor, Hartford, CT 06103. This hearing may be adjourned occasionally, including without further notice other than by announcement in the Bankruptcy Court on the scheduled date of the Confirmation Hearing. At the Confirmation Hearing, the Bankruptcy Court will consider whether the Plan satisfies the Bankruptcy Code for confirmation. The Bankruptcy Court will also receive and consider a Ballot report prepared by the Debtor’s Claims Agent tabulating the votes accepting and rejecting the Plan.

#### **DISCLAIMER**

**The Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors believe that the Chapter 11 Plan of Reorganization, attached as Exhibit 1 to this Disclosure Statement, is in the best interests of creditors of the above captioned Debtor and Debtor-In Possession and urges all Holders of Claims entitled to vote to accept the Plan.**

**This entire Disclosure Statement and its related documents are the only documents approved by the Bankruptcy Court to be used in connection with the solicitation of votes to accept or reject the Plan.**

**This Disclosure Statement contains only a summary of the Plan and is not intended to replace a detailed review and analysis of the Plan. All Holders of Claims are encouraged to review the full text of the Plan and the exhibits to the Plan and this entire Disclosure Statement carefully before deciding whether to vote to accept or reject the Plan. In the event of a conflict between the Plan and this Disclosure Statement, the provisions of the Plan will govern.**

**This Disclosure Statement is based on the factual information and the financial, business, and accounting data provided by the Debtor, or data obtained from other sources considered reliable by the Debtor and the Committee. The Committee's Professionals have not independently verified the financial information provided by the Debtor contained in this Disclosure Statement and make no representations or warranties as to such information. The information contained in this Disclosure Statement has not been subject to a certified audit. Thus, the Debtor and the Committee are unable to warrant or represent that the information contained in this Disclosure Statement is complete and accurate, although reasonable effort has been made to present complete and accurate information based on information made available to the Debtor, the Debtor's Professional's, the Committee and the Committee's Professionals.**

**This Disclosure Statement has been prepared in accordance with § 1125 of the Bankruptcy Code and Rule 3016(b) of the Bankruptcy Rules and not necessarily in accordance with federal or state securities law or other non-bankruptcy law.**

**This Disclosure Statement may not be relied on for any purposes other than to determine whether to vote to accept or reject the Plan. Nothing in this Disclosure Statement is, or shall be deemed to be an admission or a declaration against interest by the Debtor or Committee for purposes of any existing or future litigation as to contested matters, adversary proceedings and other actions or threatened actions. This Disclosure Statement shall not constitute or be construed as an admission of any fact or liability, stipulation, or waiver, but rather as a statement made in settlement negotiations. The Disclosure Statement shall not be admissible in any non-bankruptcy proceeding nor shall it be construed to be conclusive advice on the tax or other legal effects of the plan as to Holders of Claims in this case.**

**This Disclosure Statement contains statements that are forward-looking. Forward-looking statements are statements of expectations, beliefs, plans, objectives, assumptions, projections, and future events of performance. Among other things, this Disclosure Statement contains forward-looking statements with respect to anticipated future performance of a trust to be created for the benefit of Holders of Allowed Claims, as well as anticipated future determination of Claims, Distributions on Claims, and recoveries under insurance policies. These statements, estimates, and projections may or may not prove to be correct. Actual results could differ materially from those reflected in these forward-looking statements. Forward-looking statements are subject to inherent uncertainties and to a wide variety of significant business, economic, and competitive risks, including, among others, those described in this Disclosure Statement. The Debtor and the Committee undertake no obligation to update any forward-looking statement. New factors emerge from time to time**

**and it is not possible to predict all such factors, nor can the impact of any such factors be assessed.**

**The statements contained in this Disclosure Statement are made as of the date hereof. The delivery of this Disclosure Statement does not imply that the information contained herein is correct at any time after the date hereof, and the Debtor and the Committee does not assume any obligation to update this Disclosure Statement for events or information arising after the date hereof.**

**Holders of Claims shall not construe this Disclosure Statement as providing any legal, financial, or tax advice. All Holders of Claims should consult with their own advisors as to any matters concerning the Plan, its solicitation, and the transactions, treatment, and distributions contemplated by the Plan.**

## **II. QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND THE PLAN**

### **Why are the Debtor and the Committee sending me this Disclosure Statement?**

The Debtor and the Committee are jointly seeking Bankruptcy Court approval of the Plan. This Disclosure Statement contains information about the Plan. Section 1125 of the Bankruptcy Code requires the proponents of the Plan, the Debtor and the Committee, to provide a Disclosure Statement approved by the Court with the Plan to assist you in making an informed judgment about whether you will accept or reject the Plan.

### **What happens to my recovery if the Plan is not confirmed, or does not go effective?**

If the Plan is not confirmed, the Debtor and the Committee believe that recoveries for all claimants, including Abuse Claimants, will be materially reduced.

### **If the Plan provides that I get a Distribution, do I get it upon Confirmation or when the Plan goes effective, and what do you mean when you refer to “Confirmation” and “Effective Date”?**

“Confirmation” of the Plan refers to the Bankruptcy Court approving the Plan. Confirmation of the Plan by a final order of the Bankruptcy Court will bind the Debtor, any person acquiring property under the Plan, and any creditor, including Abuse Claimants, to the terms of the Plan, in full satisfaction and compromise of any obligations that arose before this Case. Confirmation of the Plan does not guarantee you will receive the Distribution contemplated under the Plan. After confirmation of the Plan by the Bankruptcy Court, there are conditions that need to be satisfied or waived so the Plan can be consummated and become effective on the “Effective Date.” The “Effective Date” will occur when the order confirming the Plan has entered and the other conditions set forth in Section 12.1 of the Plan have been met, including that the Effective Date has not been stayed, the Trustee and the Reorganized Debtor have signed the Trust Agreement, and all parties contributing to the Trust have actually transferred their funds or related assets to the Effective Date Escrow Agent or the Trust (as applicable). Distributions will be made by the Debtor after the Effective Date or as set forth in the Plan to Holders of Claims other than

Abuse Claimants in Class 4 and Unknown Abuse Claimants in Class 5. Abuse Claimants in Class 4 will receive Distributions under the terms of the Trust Agreement and the Trust Distribution Plan, and Unknown Abuse Claimants in Class 5 will receive Distributions under the terms of the Unknown Abuse Claims Trustee Agreement and Unknown Abuse Claims Trust Distribution Plan.

**Will there be any releases granted to parties other than the Debtor, or any injunctions entered as part of the Plan?**

### **Releases and Injunctions**

Catholic Mutual and the Participating Parties—including the Parishes, ACA, Xavier, Mercy, St. Bernard, Mount St. John and Oceania—have proposed to compromise and settle with the Debtor and the Committee any Claims against them related to Abuse and other Claims between them, and such agreement has been incorporated into the Plan including the other Plan Documents. If the Plan is confirmed, upon the Effective Date of the Plan, Catholic Mutual shall be entitled to the benefits of a “Settled Insurer” and the Catholic Entity Parties (including the Parishes, Mercy, St. Bernard and Mount St. John), Xavier and Oceania shall be entitled to the benefits of a “Participating Party” under the Plan including the releases, Supplemental Settled Insurer Injunction, and Channeling Injunction.

The Channeling Injunction and Supplemental Settled Insurer Injunction prohibit any Person from asserting against any Participating Party or Settled Insurer any claim related to any Abuse Claim, any insurance policies issued by the Settled Insurers, or any claim against any Participating Party for contribution, indemnity, defense, subrogation, or similar relief.

To effectuate such agreements with the Diocese and the Committee, all Abuse Claimants are required in order to receive any Distribution from the Trust to execute an Abuse Claim Release releasing the Settled Insurers (including Catholic Mutual) and the Participating Parties, and all known or unknown parties who may claim coverage under any insurance policy issued to the Debtor by a Settled Insurer of any Claims arising from or relating to Abuse Claims or Unknown Abuse Claims. The Abuse Claim Release shall be in the form appended as Exhibit L to the Plan. Notwithstanding the above, to preserve coverage under any Non-Settling Insurer’s Insurance Policies, Class 4 and Class 5 Claimants specifically reserve, and do not release, any claims they may have against the Diocese, the Reorganized Debtor, or any other Participating Party that implicate coverage under any Non-Settling Insurer’s Insurance Policies, but recourse is limited as described in greater detail below. (Collectively, all terms of release set forth in this paragraph, the “Release Terms.”)

After the Effective Date of the Plan, in the event any Person enters into a Settlement Agreement with the Trustee which is approved by the Bankruptcy Court, such Person will become entitled to the benefits of either a Participating Party or Settled Insurer under the Plan. To effectuate such Settlement Agreement, the Abuse Claim Release form that the Abuse Claimants are required to execute in order to receive any Distribution from the Trust shall release all Participating Parties and Settled Insurers including those Persons who settle with the Trustee after the Effective Date, subject to the Release Terms set forth above.

### **Debtor Discharge**

Except as otherwise provided in the Plan or in the Confirmation Order, on the Effective Date under § 1141(d) of the Bankruptcy Code, the Diocese will be discharged from all liability for any Claims that arose before confirmation of the Plan. Any claims that Abuse Claimants may have against Persons other than Participating Parties and Settled Insurers are unimpaired by the Plan. Notwithstanding the Debtor's discharge, only to preserve coverage under any Non-Settling Insurer's Insurance Policies and claims against the Non-Settling Insurers, the discharge does not apply to and Class 4 and Class 5 Claimants specifically reserve, and do not release, any claims they may have against the Diocese, the Reorganized Debtor, or any other Participating Party that implicate coverage under any Non-Settling Insurer's Insurance Policies, but Class 4 and Class 5 Claimants shall only have recourse and they may only recover from the proceeds of the Non-Settling Insurer's Insurance Policies and all other damages (including extra-contractual damages), awards, judgments over policy limits, penalties, punitive damages and attorney's fees and costs that may be recoverable against any Non-Settling Insurers because of their conduct about insurance coverage for, or defense or settlement of, any Abuse Claim. Any such judgments or awards will be handled under the Plan and the Trust Distribution Plan. The Class 4 and Class 5 Claims will not be released or enjoined as against the Diocese, the Reorganized Debtor, or any other Participating Party for any Abuse that may be covered under any Non-Settling Insurer's Insurance Policies until such claims are settled, as applicable, with the Trustee, the Reorganized Debtor, any other Participating Party and such Non-Settling Insurer or are adjudicated, resolved, and subject to a Non-Appealable Order, but recourse and any recovery on behalf of such Class 4 and Class 4 Claimants is limited to recoveries from the Non-Settling Insurers as described above.

### **Discharge Injunction**

If the Plan is confirmed the Debtor will receive the benefit of a discharge injunction in Section 5.4(g) and 13.1 of the Plan.

### **Exculpation and Limitation of Liability**

The Exculpated Parties will be protected from claims arising from or relating to any act or omission occurring between the Petition Date and the Effective Date in connection with or relating to this Bankruptcy Case, including the exercise of their respective business judgment and the performance of their respective fiduciary obligations, the pursuit of confirmation of the Plan, or the negotiation of the Disclosure Statement, the Plan and related settlement agreements. These Exculpated Parties are defined in Section 1.1 of the Plan to include the Debtor, the Catholic Mutual Parties, the Committee and the Committee's members, and each of their respective officers, directors, attorneys, financial advisors, accountants, and other duly authorized employed professionals in this Bankruptcy Case, including the Mediators and the Unknown Abuse Claims Representative.

This exculpation and limitation of liability will not extend to any person who committed an act or acts of Abuse resulting in a Claim against the Debtor. The exculpation and limitation of liability will also not apply to any Claims arising from actual fraud, willful misconduct, criminal conduct, gross negligence or professional malpractice.

### **Why is the Abuse Claim Release form included with the Ballot?**

Included with each Ballot for Class 4 Claims is the Abuse Claim Release form. Each Class 4 Claimant is required to enter into the Abuse Claim Release and thereby release their Abuse Claims and related Claims against Catholic Mutual (and any other subsequent Settled Insurer) and the Participating Parties on the terms and conditions set forth in the Abuse Claim Release and the Plan as a condition to receiving any Distributions from the Trust. Therefore, the Abuse Claim Release form is included with the Ballot in order to facilitate the efficient and timely completion of the Abuse Claim Release by the Class 4 Claimants. After signed by the Claimant, the Abuse Claim Release form should be returned to the Claims Agent along with and in the same manner as required for the Ballot by the Voting Deadline.

### **Why are the releases and injunctions essential components of the Plan?**

One of the most essential components of the global compromise reached as embodied in the Plan are the releases, Channeling Injunction and Supplemental Settled Insurer Injunction precluding (subject to certain limited exceptions) the Abuse Claimants from proceeding with litigation against the Participating Parties and the Settled Insurers.<sup>12</sup> In exchange for the benefit of these releases and injunctions as well as the other provisions in the Plan, the Participating Parties and the Settled Insurer have agreed to make substantial contributions to the Trust in the estimated aggregate amount of \$32 million for the benefit of Abuse Claimants.

To a very significant extent, the legal inter-relationship between the parties necessitated a global compromise to maximize value for the benefit of all Abuse Claimants and accomplish a comprehensive resolution of the Diocese's reorganization. All of the Catholic Entities constitute insureds under one or more of the coverage certificates issued by Catholic Mutual to the Diocese from 1977 through the commencement of this Bankruptcy Case. Catholic Mutual understandably declined to settle only the insurance coverage provided to the Diocese on account of the Abuse Claims. Most of these Abuse Claims implicated some other Catholic Entity—primarily Mount St. John—who are also insureds under the coverage certificates issued by Catholic Mutual. Catholic Mutual would not settle its coverage obligations to the Diocese on account of the Abuse Claims while leaving its coverage obligations in place for the implicated Catholic Entities.

On the other hand, the implicated Catholic Entities would not relinquish their valuable coverage rights pursuant to the coverage certificates issued by Catholic Mutual without obtaining releases and other forms of protection from future litigation on account of such Abuse Claims. Thus, the Participating Parties—which include the Parishes, schools (including Mount St. John), and certain other Catholic Entities that operate within the territory of the Diocese—and the Settled Insurer would not have agreed to pay their substantial contributions to the Trust, and finally resolve their respective rights and obligations under the coverage certificates, without the releases and injunctions provided for in the Plan.

### **How will the releases and injunctions in the Plan impact confirmation of the Plan?**

The Abuse Claimants may voluntarily consent to the third-party release by signing the Abuse Claim Release form included with their ballot. If all Abuse Claimants consent to and sign

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<sup>12</sup> The only Settled Insurer at this time is Catholic Mutual.

the Abuse Claim Release, then its inclusion in the Plan along with the injunctions will not be controversial. **Accordingly, the Plan Proponents urge that each and every Abuse Claimant sign and return the Abuse Claim Release included with their ballot.**

In the event that one or more Abuse Claimants do not consent by signing and returning the Abuse Claim Release, the Bankruptcy Court will consider the appropriateness of the third-party releases and injunctions with respect to such non-consenting Abuse Claimants at the hearing to consider confirmation of the Plan. If the Bankruptcy Court determines that the releases and injunctions are not appropriate, the Bankruptcy Court will not confirm the Plan, the Plan will not become effective, and none of the Abuse Claimants will receive the benefit of the global settlement set forth in the Plan.

The Second Circuit Court of Appeals in *Purdue Pharma, L.P. v. City of Grande Prairie (In re Purdue Pharma L.P.)*, 69 F.4<sup>th</sup> 45, 72-77 (2d Cir. 2023) (“*Purdue Pharma*”), recently held that bankruptcy courts possess the statutory authority to order third-party releases even in the absence of consent by a releasing party as part of a plan of reorganization and that such authority is further supported by prior decisions of the Second Circuit.

Pursuant to Second Circuit’s decision in *Purdue Pharma*, at the confirmation hearing, the Bankruptcy Court will consider the following factors in determining whether to authorize and order as to any non-consenting Abuse Claimant the releases and injunctions provided for in the Plan:

- (i) whether there is an identity of interests between the debtor and released third parties;
- (ii) whether claims against the debtor and non-debtor are factually and legally intertwined;
- (iii) whether the scope of the releases is appropriate;
- (iv) whether the releases are essential to the reorganization;
- (v) whether the non-debtors contributed substantial assets to the reorganization;
- (vi) whether the impacted class of creditors “overwhelmingly” voted in support of the plan with the releases; and
- (vii) whether the plan provides for the fair payment of enjoined claims.

The Plan Proponents reasonably anticipate that they will be able to establish each of these factors at the hearing to consider confirmation of the Plan.

First, there is an identity of interests between the Diocese, the Participating Parties and the Settled Insurer. The Participating Parties consist in the Catholic Entities (which includes Mount St. John, Mercy and St. Bernard), the ACA, Xavier and Oceania. The Catholic Entities are all insureds with the Diocese under various coverage certificates issued by Catholic Mutual. In furtherance of its Catholic mission within its geographical area, the Diocese provides supervisory authority (to varying degrees) and administrative support to all of the Catholic Entities, the ACA and Xavier. Finally, through its proof of claim filed in this Bankruptcy Case, Oceania has asserted causes of action for indemnity and contribution against the Diocese, and holds similar claims against Mount St. John.

Second, the Abuse Claims against the Diocese, those implicated Participating Parties and the Settled Insurers are factually and legally intertwined. With respect to the Diocese and the

implicated Participating Parties (including primarily Mount St. John and Oceania), the Abuse Claims assert joint and several liability. The Participating Parties share common defenses in response to these Abuse Claims. The Catholic Entities also share insurance coverage provided by the Settled Insurer.

Third, the scope of the releases is appropriate because it is appropriately tailored to each of the potentially implicated parties and their respective agents and representatives, and corresponds to the substantial contributions made by them.

Fourth, the releases are essential to the reorganization in that the Diocese needs the Abuse Claims to be settled in order for its contributions and the contributions made by the Participating Parties and Settled Insurer to be allocated among all of the Abuse Claimants. The Diocese and other Participating Parties as well as the Settled Insurer are not manipulating the process to their own advantage but facilitating through a global resolution meaningful Distributions to Abuse Claimants and the reorganization of the Diocese so it may continue with its Catholic mission.

Fifth, the Participating Parties and the Settled Insurer are contributing substantial assets to the Diocese's reorganization and, more specifically, to the settlement fund to be paid to the Trust for the benefit of all Abuse Claimants in Class 4 of the Plan entitled to a Distribution. In summary and without limiting their substantial contributions and the benefits received in exchange all as provided for in the Plan:

- (i) Each and every one of the Catholic Entities are relinquishing their rights and interests in the Insurance Policies provided by Catholic Mutual, and releasing Catholic Mutual as part of the global compromise reached and set forth in the Plan; which Insurance Policies, most significantly, provided the Catholic Entities with defense and indemnity coverage (to the extent provided in the applicable coverage certificates and pursuant to applicable law) for all Abuse Claims that arose at any time on or after July 1, 1977;
- (ii) The Parishes are also collectively contributing \$2.7 million plus a certain undivided portion of the piece and parcel of real property known as 50-54 North Main St., Jewett City (Griswold), Connecticut (appraised at \$400,000) or the Net Proceeds from its sale;
- (iii) In addition to its interests in the Insurance Policies provided by Catholic Mutual, St. Bernard is also relinquishing its claims and interests in the St. Bernard Property where it operates its school (thereby enabling the Debtor to contribute the full amount of the Net Proceeds realized from its sale, \$6,550,000);
- (iv) Xavier is contributing \$2.5 million pursuant to the Xavier Settlement Agreement and receiving in return, among other things, the Debtor's interest in the Xavier Property, where it to operates its school;
- (v) Mercy is contributing \$50,000 pursuant to the Mercy Settlement Agreement;
- (vi) The ACA is contributing \$500,000;
- (vii) Oceania is contributing the amount of \$7 million to the Trust and releasing its indemnification and contribution claims against the Diocese;
- (viii) Catholic Mutual is contributing the amount of \$5.3 million and also receiving in return, among other things, releases and the Sold Certificates; and
- (ix) Mount St. John is contributing the net proceeds realized from the sale or the transfer of its interest in that certain piece and parcel of real estate known as 135 Kirtland

St., Deep River, Connecticut (subject to certain claims and interests) pursuant to the Mount St. John Settlement Agreement.

The contributions to be made by Catholic Mutual, St. Bernard, Xavier, Mercy and Mount St. John, and the specific consideration received by them in return and the grounds in support of the approval of such compromises and settlements are detailed herein and in the Catholic Mutual Settlement Agreement, Mercy Settlement Agreement, St. Bernard Settlement Agreement, Mount St. John Settlement Agreement and Xavier Settlement Agreement, which are attached to the Plan and which the Debtor and the Committee seek to have approved pursuant to § 1123 of the Bankruptcy Code. Additionally, the contributions to be made, the specific consideration received by them in return and the grounds in support of the approval of such compromises and settlements shall be fully set forth in motions to approve such compromises and settlements and the corresponding settlement agreements shall be filed by the Debtor with the Bankruptcy Court and heard at or about the time of the Plan confirmation hearing.

Sixth, the Plan Proponents reasonably anticipate that the impacted class of creditors—the Abuse Claimants—will overwhelmingly vote in support of the Plan with the releases and the injunctions.

Seventh, the Plan Proponents submit that the Plan and, in particular, the Trust Distribution Plan and the Unknown Abuse Claims Trust Distribution Plan provide for the fair payment of the enjoined Abuse Claims.

The Plan Proponents believe that they will be able to satisfy the standards set forth in *Purdue Pharma* at the confirmation hearing of the Plan. Thus, they believe that the Bankruptcy Court will conclude that the releases and injunctions contained in the Plan are appropriate even in the absence of unanimous consent by the Abuse Claimants, consistent with the Second Circuit’s decision in *Purdue Pharma* and other prior authority of the Second Circuit. **To be clear, however, this issue will be avoided if all Abuse Claimants sign and return the Abuse Claim Release form included with their ballot.**

### **How do I vote for or against the Plan?**

This Disclosure Statement is being distributed to the holders of Claims entitled to vote on the Plan, along with Ballots to be used for voting on the Plan. If you are a Holder of a Claim in Class 2 (Secured Claim of Citizens Bank, N.A.), Class 4 (Abuse Claims), Class 5 (the Unknown Abuse Claims),<sup>13</sup> or Class 8 (the Catholic Entities, Xavier and Oceania), you may vote for or against the Plan by executing and completing your Ballot and delivering it to the Claims Agent: (a) by first-class mail (whether in the return envelope provided with each Ballot or otherwise); (b) by overnight courier; (c) by hand delivery; or (d) via the Voting Upload Portal on the Chapter 11 Case website maintained by the Claims Agent so that it is actually received by the Claims Agent no later than 5:00 p.m. (Eastern Time) on \_\_\_\_\_, 2024 (the “Voting Deadline”). Do not send your Ballot to the Debtor, the Committee or to the Bankruptcy Court – it will not be counted.

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<sup>13</sup> The Unknown Abuse Claims Representative will vote to accept or reject the Plan on behalf of Unknown Abuse Claims.

### **What is the deadline to vote on the Plan?**

All Ballots (including the signed Abuse Claim Release for Class 4 Claimants) must be **actually received** by the Claims Agent by the Voting Deadline of 5:00 p.m. (prevailing Eastern time) on [\_\_\_\_\_,] 2024, via mail or email. If your Ballot is not received by the Debtor's Claims Agent by the Voting Deadline, and such deadline is not extended, your vote on the Plan will not be counted. The same Voting Deadline applies to votes on the Diocese Plan.

### **What is the Confirmation Hearing and when is it scheduled to occur?**

Section 1128(a) of the Bankruptcy Code requires that the Bankruptcy Court hold a hearing on confirmation of the Plan. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan. The standards for confirmation are set forth above and in § 1129 of the Bankruptcy Code.

The Bankruptcy Court has scheduled the Confirmation Hearing to commence on [\_\_\_\_\_,] 2024 at 10:00 a.m. (prevailing Eastern time) before the Honorable James J. Tancredi, United States Bankruptcy Judge for the Bankruptcy Court of the District of Connecticut, at the Abraham Ribicoff Federal Building, 450 Main Street, 7<sup>th</sup> Floor, Hartford, CT 06103. The Confirmation Hearing may be adjourned occasionally, including without further notice except for an announcement of the adjourned date made at the Confirmation Hearing.

Objections to Confirmation of the Plan must be filed and served on the Notice Parties (defined below) **no later than** [\_\_\_\_\_,] 2024, **at 5:00 p.m.** (prevailing Eastern Time) under the notice of the Confirmation Hearing that accompanies this Disclosure Statement. Unless objections to the confirmation of the Plan are timely filed and served, those objections might not be considered by the Bankruptcy Court.

### **What role does the Bankruptcy Court play after the Confirmation Hearing?**

After the Plan is confirmed, the Bankruptcy Court will still have exclusive jurisdiction over all matters arising under, in furtherance of, or in connection with, the Plan. These matters include: (1) determining objections to disputed claims and requests for payment on administrative expense claims; (2) resolving controversies and disputes regarding interpretation and implementation of the Plan and related documents; (3) entering orders to protect parties from actions prohibited under the Plan; (4) approving amendments to and modifications of the Plan; (5) determining any applications, adversary proceedings, and contested or litigated matters pending on the Effective Date; and (6) the closure of this chapter 11 case.

### **If the Supreme Court reverses the Second Circuit's decision in *Purdue Pharma* after the Bankrupt Court confirms the Plan, will the implementation of the Plan be adversely affected?**

The Second Circuit's decision in *Purdue Pharma* decision is being reviewed by the Supreme Court in *Harrington v. Purdue Pharma, L.P.*, 2023 U.S. LEXIS 2872, at \*1 (Aug. 10, 2023) ("*Harrington v. Purdue Pharma*"), and is unlikely to be ruled upon until June, 2024, which is well after the Plan Proponents expect that the Plan will be substantially consummated and at

least substantial initial Distributions will have been made to Abuse Claimants from the cash contributed to the Trust as of the Effective Date. Once these events have taken place, any subsequent reversal of *Purdue Pharma*, if such occurs, should not result in the Confirmation Order being vacated.

Additionally, the post-Effective Date reversal of *Purdue Pharma* could only conceivably impact, if at all, only those few (if any) Abuse Claimants who declined to sign the Abuse Claim Release. While those non-consenting Abuse Claimants may attempt to assert Abuse Claims against the implicated Participating Parties—instead of participating in the Trust Distribution Plan and receiving their share of Distribution—those Participating Parties have the right to and presumably will vigorously defend against the Abuse Claims. Regardless, the Plan Proponents believe that the implementation of the Plan will not be adversely affected.

Of course, the Supreme Court may affirm the Second Circuit’s decision in *Purdue Pharma* or frame its decision in such a way as to avoid any conflict with the provisions of the Plan.

**Do the Debtor and the Committee recommend voting for the Plan?**

Yes. The Debtor and Committee recommend voting for the Plan because the Plan provides for a larger Distribution to the Abuse Claimants than would otherwise occur under the Diocese Plan or result from liquidation.

**THE DEBTOR AND THE COMMITTEE RECOMMEND THAT THE HOLDERS OF CLAIMS IN THE VOTING CLASSES VOTE TO ACCEPT THE PLAN.**

**III. OVERVIEW OF THE CHAPTER 11 PROCESS**

**A. A Chapter 11 Case**

Chapter 11 of the Bankruptcy Code allows a debtor to reorganize its operations in an orderly fashion to benefit its creditors and other parties in interest.

The commencement of a chapter 11 case creates an estate comprising all the legal and equitable interests of the Debtor as of the date the petition is filed. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor may continue to operate and remain in possession of its property as a debtor in possession unless the Bankruptcy Court orders the appointment of a trustee. In the Debtor’s case, there has been no request to appoint a trustee and the Debtor remains a debtor in possession.

Filing a petition under the Bankruptcy Code triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides for an automatic stay of all attempts by individuals and entities to collect on pre-petition claims against a debtor, continue lawsuits against a debtor, or otherwise exercise control over or interfere with a debtor’s property or operations. The automatic stay remains in full force and effect until the effective date of a confirmed chapter 11 plan, unless otherwise ordered by the Bankruptcy Court.

## **B. A Chapter 11 Plan**

The formulation of a chapter 11 plan is the principal purpose of a chapter 11 case. A chapter 11 plan sets forth the means for satisfying the claims against in a debtor's estate. Once a plan is confirmed by a bankruptcy court, it becomes binding on a debtor and all of its creditors, and the prior obligations owed by a debtor to such parties are compromised and exchanged for the obligations specified in the Plan.

## **C. Voting On a Chapter 11 Plan**

### **Court Approval Required**

Before a debtor solicits votes to accept a proposed plan, § 1125 of the Bankruptcy Code requires a debtor to prepare and file a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about whether to accept or reject the Plan. This Disclosure Statement is presented to Holders of Claims against the Debtor to satisfy the requirements of § 1125 of the Bankruptcy Code.

### **Impaired Classes with Recoveries Entitled to Vote**

After the disclosure statement to a chapter 11 plan has been approved by a bankruptcy court, creditors whose claims against a debtor are impaired under a plan, and who may receive some recovery under the plan, may vote to accept or reject the plan. Section 1124 of the Bankruptcy Code provides that a claim is impaired if the legal, equitable, or contractual rights of the claim are altered. As an example, a claim is impaired if the time for the debtor to pay the amount due is extended beyond the time originally contemplated by the parties. A claim is also impaired if the plan provides that a claimant may only pursue recovery on the claim against certain, rather than all, of the debtor's assets after the chapter 11 case.

Applying these rules, only certain classes of Claims against the Debtor are entitled to vote. Class 2 (Secured Claim of Citizens Bank, N.A.), Class 4 (Abuse Claims), Class 5 (Unknown Abuse Claims), and Class 8 (Claims Held by Catholic Entities, Xavier and Oceania) are each impaired under the Plan and are entitled to receive some property (Classes 4 and 5), or waived rights to Distributions based on a settlement with the Debtor as set forth in the Plan (Class 8). As a result, each of these Voting Classes may vote to accept or reject the Plan.

Class 1 (Other Priority Claims), Class 3 (Secured Revolving Loan and Secured Guaranty Claims of M&T), and Class 6 (General Unsecured Claims) are each unimpaired under the Plan and cannot vote because they are deemed to accept the Plan. Relatedly, Class 7 (Abuse Related Contribution Claims) is impaired under the Plan, may not receive any property pursuant to the Plan, and is, therefore, deemed to reject the Plan without voting. Any Ballots cast by Holders of Claims in these classes will not be counted.

### **Acceptance of a Chapter 11 Plan**

Section 1126 of the Bankruptcy Code defines acceptance of a plan as votes for the plan by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Holders of

allowed claims in each voting class who cast Ballots. Here, the Claims Agent will collect and tabulate all Ballots cast by the Voting Classes and report this information to the Bankruptcy Court.

In addition, under Bankruptcy Rule 3018(a), the Bankruptcy Court may temporarily allow any claim in an amount that the Court deems proper for the purpose of voting to accept or reject the Plan. In this case, the Abuse Claims in Class 4 are unliquidated. The amount of damages to which any Abuse Claimant is entitled, if any, has not yet been determined by any court or by any agreement between the Debtor, its insurers, and any Abuse Claimant.

Here, to determine if the required dollar amount of the Class 4 Abuse Claims voted for the Plan, each Claim in such Classes will be allocated \$1.00 for voting purposes only. If more than 2/3 of voting Class 4 Abuse Claimants vote for the Plan, Class 4 will have accepted the Plan.

### **Voting by Disputed Claims**

If any Claim in any class entitled to vote is disputed by the Debtor, the individual holding that Disputed Claim is not entitled to vote on the Plan in the allocated amount of \$1.00. A Claim is disputed if it is subject to an objection timely filed and has neither been overruled nor denied by a final order and has not been withdrawn. A Claim is also disputed if it is listed on the Debtor's Schedules as disputed, unliquidated, or contingent, and regarding which a superseding proof of claim has not been filed. Holders of Disputed Claims may seek the Bankruptcy Court's approval to vote notwithstanding the dispute.

### **D. Effect of Rejection Upon Confirmation of a Chapter 11 Plan**

The Bankruptcy Court may confirm the Plan even though a creditor class rejects the Plan (Class 7 is deemed to reject the Plan because Class 7 creditors are not receiving anything on account of Class 7 claims). In order for the Plan to be confirmed despite its rejection by a Class of impaired Claims, the Plan must be accepted by at least one class of impaired Claims (determined without counting the votes of "insiders") and the Debtor and the Committee must show that the Plan does not "discriminate unfairly" and that the Plan is "fair and equitable" regarding each Impaired Class of Claims that does not vote to accept the Plan.

Under § 1129(b) of the Bankruptcy Code, a plan is "fair and equitable" as to a rejecting class of claims or equity interests if the plan provides that: (a) each Holder of a secured claim will receive or retain because of its claim property with a value, as of the effective date of the plan, equal to the allowed amount of such claim or such other treatment as accepted by the Holder of such claim; and (b) each Holder of an unsecured claim junior to the claims of such class will not receive because of such junior claim any property unless the senior class is paid in full.

A plan does not "discriminate unfairly" against a rejecting class of claims if (a) the relative value of the recovery of such class under the plan does not differ materially from that of any class (or classes) of similarly situated claims, and (b) no senior class of claims is to receive over 100% of the claims in such class.

The Debtor and the Committee believe that the Plan will satisfy the foregoing requirements as to any rejecting class of Claims, and can, therefore, be confirmed.

#### **IV. THE DEBTOR, ITS OPERATIONS AND THE CHAPTER 11 CASE**

##### **A. Nature and History of the Diocese**

The Roman Catholic Church is comprised of territories, known as dioceses, each of which is subject to the authority and control of a bishop. The Diocese is a Roman Catholic diocese in the eastern half of Connecticut and a small part of New York founded in 1953 by Pope Pius XII, encompassing Middlesex, New London, Windham and Tolland counties in Connecticut, as well as Fisher Island, New York. Every Catholic entity, including the Diocese, is subject to church law also called Canon Law. The Diocese is structured and operates in accordance with Canon Law and is a juridic person under Canon Law.

The Most Reverend Michael R. Cote, D.D. (the “Bishop”) has been the Bishop of the Diocese since May 14, 2003. Monsignor Leszek T. Janik is the Diocese’s Vicar General. The Diocese serves various ministries, including Catholic Charities, Saint Vincent de Paul, Catholic Family Services, Campus Ministry, Ministry to the Sick, the Norwich Diocesan Council of Catholic Women.

The Diocese also owns multiple pieces of real estate. In particular, the Diocese owns or formerly owned the real estate, including the buildings and improvements situated thereon, used by three separately incorporated non-profit schools operated by Xavier and Mercy in Middletown, Connecticut and St. Bernard in Montville, Connecticut (collectively, the “High Schools”).

Each of the Parishes located within the Diocese’s geographic region is a non-profit organization separately incorporated under the laws of the State of Connecticut. None of the Parishes are debtors in this Chapter 11 Case. Each Parish corporation owns various real and personal property that it uses in its ministry.

##### **B. Hierarchy of the Roman Catholic Church**

The hierarchy of the Roman Catholic Church “above the Diocese” may be found at <https://www.catholic-hierarchy.org/diocese/dhart.html>. The governance and relationships by and amongst Catholic Entities are governed by *The Code of Canon Law* (Washington, DC: Canon Law Society of America, 1999). Each bishop is appointed to exercise authority over a particular territory called a *diocese*. Each bishop is truly to act as a shepherd for his diocese. With the assistance of priests and deacons, he exercises his pastoral office over the portion of the People of God assigned to him, regardless of age, condition, or nationality, or whether permanently or temporarily residing in the diocese. In overseeing his diocese, the bishop must insure the authentic teaching of the Catholic faith, the proper and regular celebration of the sacraments and other acts of devotion, the fostering of vocations to the priesthood and religious life, and the governing of the diocese.

An archdiocese also is called a *metropolitan see* or the “head” diocese of an *ecclesiastical province*. For example, the Archdiocese of Hartford is the metropolitan see for the ecclesiastical Province of Hartford, which includes the Archdiocese itself and the *suffragan* Dioceses of Norwich, and Bridgeport. (The term *suffragan* simply refers to those dioceses of a province under the leadership of the archdiocese.) The purpose of forming such a province is to foster cooperation

and common pastoral action within a region. *Code of Canon Law*, § 434. The archbishop, while clearly holding an office with great prestige, has immediate jurisdiction only over his own diocese.

The Diocese is unaware of any connection or relationship between entities above the Diocese hierarchically and the allegations or claims of Abuse that have been made in this case.

### **C. Operations of the Diocese**

The Diocese, through its central administrative offices: (a) provides operational support to certain of the Parishes within the Diocese, and certain other Catholic Entities that operate within the territory of the Diocese (collectively, the “Participating Employers”); (b) maintains the properties it owns including those used by the High Schools; (c) provides comprehensive risk management services to the Participating Employers; (d) administers employee benefits, including medical, insurance, and retirement benefits, for the clergy and lay employees of the Diocese (the “Diocesan Employees”) and for employees of the Participating Employers (the “Non-Diocesan Employees”); (e) administers payroll for the Diocese and for certain of the Participating Employers; and (f) coordinates other administrative services as needed. Each of the Parishes, High Schools, and other Catholic Entities are separately incorporated from the Diocese.

Further, the Diocese provides services for several charitable organizations, including the ACA; St. Vincent de Paul Place, Norwich, Inc.; St. Vincent DePaul, Middletown, Inc.; Diocese Of Norwich Outreach To Haiti, Inc.; Norwich Diocesan Cemetery Corporation; Catholic Charities, Diocese of Norwich, Incorporated; Holy Apostles College and Seminary, Inc.; Holy Family Home and Shelter, Inc.; St. Joseph’s Living Center, Inc.; St. James School Associations, Inc.; and Saint John Paul II School. These parties are not debtors in the Chapter 11 Case.

In particular, the ACA (The Annual Catholic Appeal of the Diocese of Norwich, Inc.) is a separately incorporated, non-profit fund-raising entity that subsidizes over twenty-five vital charitable ministries and programs in communities throughout the Diocese. The mission of these ministries and programs is to provide food, clothing, shelter, and behavioral health needs to those that cannot provide for themselves.

The ACA’s assets are comprised entirely of charitable donations given by parishioners to serve the ministries and programs the ACA supports. Connecticut state law provides for the preservation of charitable funds and restricts their use to the purpose for which they were given. *See Conn. Gen. Stat. § 47-2* (“All estates granted for the maintenance of the ministry of the gospel, or of schools of learning, or for the relief of the poor, or for the preservation, care and maintenance of any cemetery, cemetery lot or monuments thereon, or for any other public and charitable use, shall forever remain to the uses to which they were granted, according to the true intent and meaning of the grantor, and to no other use whatever.”). Accordingly, the Debtor submits that exposing the ACA’s assets to payment of the Claims of the Diocese’s creditors directly violates Conn. Gen. Stat. § 47-2.

### **D. Mount St. John’s School**

Mount St. John’s School was a Catholic residential school for disadvantaged and at-risk boys originally established in 1904. The Diocese operated the school by Diocesan authority until approximately 2013 when the residential program was closed.

While some boys residing at Mount St. John's School had allegedly been sexually abused by priests and other clergy in the years prior, a significant number of such incidents of Abuse at issue in this Bankruptcy Case arose after the Diocese in 1989 appointed Br. Paul McGlade to serve as assistant to the Executive Director of the school. A total of 97 Abuse Claims have been asserted in this Bankruptcy Case related to Abuse which allegedly occurred while the Abuse Claimant attended at Mount St. John. Of these claims, 15 related to Abuse that allegedly took place prior to the appointment of Br. Paul McGlade in 1989.

By letter dated March 9, 1989, the then Bishop of Norwich, the Most Reverend Bishop Daniel P. Reilly ("Bishop Reilly") wrote to the Very Reverend Brother Provincial of St. Patrick's Province of the Christian Brothers ("St. Patrick's Province," the predecessor to Oceania) to ask if he would consider lending Br. McGlade to the Diocese to prepare him and eventually to take over as Executive Director of Mount St. John's School. After further correspondence, arrangements were made and on October 11, 1989, Bishop Reilly entered into an agreement between the Diocese and St. Patrick's Province for Br. McGlade to serve first as assistant to the Executive Director for a period of twelve (12) months and then as Executive Director for a period of three to five years. Br. McGlade ultimately served as Executive Director until 2002.

On or about 1993, the St. Patrick's Province transferred Br. Donald Pascal Alford to the Diocese of Norwich and Mount St. John's School. Br. Alford served as a music teacher at the Mount St. John's School and the leader of its Boy Scout Troop.

In this bankruptcy case, approximately 68 Proofs of Claim have been filed against the Diocese by Abuse Claimants alleging that they had been sexually abused by Br. McGlade when they resided as children at Mount St. John's School. Similarly, approximately 16 Proofs of Claim have been filed against the Diocese involving acts of child sexual abuse committed by Br. Alford at Mount St. John's School. Abuse Claimants also filed approximately 22 Proofs of Claims against the Diocese for acts of child sexual abuse committed against them by distinct perpetrators at Mount St. John's School.

#### **E. Insurance Liability Coverage**

To insure the Diocese's many activities, the Diocese maintained extensive insurance coverage over the course of decades. Specifically, the Diocese purchased and continues to purchase a broad range of primary commercial liability insurance and, at various times, excess and/or umbrella liability insurance policies to protect itself from a myriad of risks. These Insurance Policies provided and continue to provide substantial insurance coverage, including under the older policies, for claims arising out of sexual abuse or sexual misconduct. The Insurance Policies provide coverage to the Diocese and the incorporated parishes, schools, and other Catholic Entities within the Diocese's territory.

From 1957 to the present, the Diocese was insured for sexual abuse and sexual misconduct under Insurance Policies purchased from different insurance companies. The Schedule of Insurance Policies is appended as Exhibit C to the Plan. These insurance policies can be broken down into three groups: the Aetna Casualty & Surety Co.<sup>14</sup> ("Aetna") years (from 1957 to 1974);

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<sup>14</sup> Upon information and belief, Travelers Casualty & Surety is the successor to Aetna and obligated under the Aetna Policies purchased by the Diocese.

the American Employers Insurance Company<sup>15</sup> (“American Employers”) years (from 1974 to 1977); and the Catholic Mutual years (from 1977 to the present). Except as settled by the Catholic Mutual Settlement Agreement and Plan with respect to the Settled Insurers and the Settled Insurer Policies, the rights of all parties under the Insurance Policies issued by these Insurance Companies are reserved and the Plan is “insurance neutral” with respect to all of the Non-Settling Insurance Companies.

### **The Aetna Policies (1957 to 1974)**

With one possible exception, effective from May 4, 1957, through June 1, 1974, the Diocese purchased primary insurance coverage (the “Aetna Policies”) from Aetna. The Aetna Policies cover both the Diocese and, at various times, certain other Catholic Entities.

The Aetna Policies from May 4, 1957, through June 1, 1971, did not have any aggregate limits of liability. In certain periods within this time frame, the Aetna Policies contained per-person and per-occurrence limits of liability. Specifically, the Aetna Policy for the period from January 12, 1957, through January 12, 1961, imposed limits of \$100,000 per-person and \$300,000 per-accident. Each of the Aetna Policies for the three periods from June 1, 1968, through June 1, 1969, June 1, 1969, through June 1, 1970, and June 1, 1970, through June 1, 1971, imposed \$500,000 per-person and \$1,000,000 per-occurrence limits on liability coverage. All other Aetna Policies during this time frame contained no fixed dollar limits upon liability coverage.

The Aetna Policies for the period from June 1, 1972, through June 1, 1973, and June 1, 1973, through June 1, 1974, imposed an aggregate limit on liability in the amount of \$1,000,000. They also each contained a per-person limit of \$500,000 and a per-occurrence limit of \$1,000,000.

Abuse Claimants have filed approximately 28 Abuse Claims in this Bankruptcy Case that may implicate these policy periods from 1957 to 1974. All of these claims may be subject to Connecticut’s statute of limitations and, in particular, for claims of child sexual abuse, Conn. Gen. Stat. 52-577(d) (2018), since they apparently were first commenced when the Abuse Claimant was over 48 years of age.

### **The American Employers Policy (1974 to 1977)**

For the period from July 1, 1974, through July 1, 1977, the Diocese purchased primary insurance coverage (the “American Employers Policy”) from American Employers. With respect to bodily injury liability, the American Employers Policy originally provided limits of liability of \$500,000 per-occurrence and an aggregate limit of \$500,000. However, by an endorsement effective April 3, 1975, the limits of liability were amended to increase the per-occurrence limit to \$5,000,000 and the aggregate limit to \$5,000,000.

Abuse Claimants have filed approximately 7 Abuse Claims in this Bankruptcy Case that may implicate this policy period from July 1, 1974 to July 1, 1977. All of these claims may be subject to Connecticut’s statute of limitations and, in particular, for claim of child sexual abuse,

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<sup>15</sup> Upon information and belief, SPARTA Insurance is the successor to American Employers and obligated under the American Employers Policy.

Conn. Gen. Stat. 52-577(d) (2018), since they apparently were first commenced after the Abuse Claimant had reached 48 years of age.

### **The Catholic Mutual Certificates (1977 to the Present)**

The Plan and Catholic Mutual Settlement Agreement resolve coverage issues on the liability coverage provided by Catholic Mutual between July 1, 1977 to the present under more than forty (40) separate coverage certificates issued to the Diocese. Those certificates provide varying levels of sexual abuse coverage to the Diocese on varying terms. In general, the certificates fall into one of three categories based upon the nature and scope of coverage provided: the occurrence-based certificates with no exclusion or limitation for sexual abuse claims (from 1977 to 1986); the occurrence-based certificates with specific limits for sexual abuse claims (from 1986 to 1990); and the claims-made certificates (from 1990 to the present).

As detailed in Catholic Mutual's letters dated January 22, 2020, and June 22, 2022, to the Diocese, Catholic Mutual's asserted the coverage position with respect to Abuse Claims where the first incident of Abuse took place July 1, 1990 or later on a claims-made basis was that they were subject to: (i) a retroactive date of July 1, 1990; and (ii) aggregate limits and sub-limits based on the dates of the underlying alleged incidents of Abuse.

As also explained in those letters, Catholic Mutual's claims made coverage includes a provision applicable when a member files for bankruptcy. This provision provides that any claims filed during the course of an entity's Bankruptcy Case (i.e., between the Petition Date and plan Effective Date) shall be deemed to have been made on the first day of the Bankruptcy Case such that such claims will be subject to the terms, conditions, and limits of the certificate that was in force on the Petition Date. This provision thus limits coverage for all Abuse Claims filed during the course of the Diocese's Bankruptcy Case, including Post-Petition Abuse Claims, to a single \$2,000,000 aggregate.

The Debtor and Committee acknowledge and caution that significant coverage issues exist and that Catholic Mutual has presented counter-arguments and repeatedly expressed its intent to defend against these Insurance Claims vigorously. Accordingly, the Debtor and the Committee have ultimately agreed to compromise and settle these Insurance Claims involving Catholic Mutual on the terms and conditions explained in this Disclosure Statement and set forth in the Plan. That settlement does not affect the Preserved Coverage that will remain in force after the Effective Date of the Plan occurs. The Debtor and the Committee respectfully submit that, given the circumstances presented and the many complex issues involved, such settlement is fair and reasonable and in the best interest of the Debtor, its estate and the Abuse Claimants. After the Effective Date, the coverage provided by Catholic Mutual to the Diocese with respect to Abuse Claims shall consist of claims-made coverage having the same terms, conditions, and limits as exist in the current certificate except that the applicable retroactive date will be amended to be the Effective Date. However, given the aggregate limit applicable to Abuse Claims filed during the bankruptcy proceedings, the amendment will not materially change the current coverage of the Diocese as to Abuse Claims.

Beyond coverage for Abuse Claims, Catholic Mutual also provided to the Diocese pre-Petition Date – and will continue to provide post-Effective Date – a number of other coverages, including property coverage, various general liability coverages, crime coverages, builders risk coverages, directors & officers coverage, priests/religious personal property and liability coverages,

excess liability coverage, and equipment breakdown coverage. These various coverages are subject to the terms, conditions, exclusions, and limits set forth Catholic Mutual's certificates.

### **Diocese Non-Abuse Related Liabilities**

#### **Secured Debt**

M&T Bank Corporation (Manufacturers and Traders Trust Company) ("M&T") alleges to hold a Claim against the Diocese secured by a possessory Lien against the Diocese's post-petition deposit accounts for the approximate amount of \$276,543.32.

Additionally, on February 26, 2016, the Diocese and M&T, as successor by merger of People's United Bank, National Association, executed that certain Limited Guaranty Agreement to secure the alleged indebtedness of Mercy High School to Farmington Bank, a Capital Stock Savings Bank, as M&T's predecessor in interest, as same may have been amended from time to time, secured by a certain mortgage granted on 1740 Randolph Rd., Middletown, Connecticut. M&T holds a secured guaranty claim in the approximate amount of \$1,752,820.46 as of the Petition Date, arising as a result of the M&T Secured Guaranty Agreement (the "M&T Secured Guaranty Claim").

Lastly, on April 30, 1998, the Diocese and RBS Citizens, N.A. ("Citizens") executed that certain Limited Guaranty Agreement to secure the alleged indebtedness of Xavier High School to Citizens, as same may have been amended from time to time, secured by certain mortgages granted on 181 Randolph Road, Middletown, Connecticut (the "Citizens Secured Guaranty Claim"). Citizens holds a secured guaranty claim in the approximate amount of \$5,046,752.32 as of the Petition Date as a result of the Citizens Secured Guaranty Claim.

#### **Unsecured Debt**

The Diocese owed its ordinary course vendors approximately \$27,318.92 as of the Petition Date, 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. These creditors are essential to the Diocese's operations, as they provide the items and services necessary to continue the Diocese's mission.

### **F. Events Leading to the Chapter 11 Case**

On or about July 11, 2014, the individual using the pseudonym, Hector Doe, commenced a civil action against MSJ, the Diocese and Bishop Reilly in the Superior Court, State of Connecticut, alleging their responsibility for the sexual abuse he suffered as a child committed by Br. McGlade when Hector Doe resided at Mount St. John's School.

In 2017, two additional survivors commenced their civil actions against the Diocese, MSJ and Bishop Reilly, alleging child sexual abuse committed by Br. McGlade at Mount St. John's School. In 2018, survivors commenced an additional twenty (20) civil actions alleging acts of sexual abuse that had occurred at Mount St. John's School. Most of these claims asserted sexual abuse committed by Br. McGlade. Some survivors asserted that they had suffered sexual abuse committed by Br. Alford. While some survivors asserted that Br. Alford had acted together with Br. McGlade, some survivors alleged claims of sexual abuse solely against Br. Alford.

In the years that followed, numerous additional complaints had been filed against the Diocese, MSJ and Bishop Reilly asserting that the plaintiffs had been sexually abused as children residing at Mount St. John's School during the years from approximately 1989 through 2002, by Br. McGlade, Br. Alford, and multiple other distinct perpetrators. In total, approximately fifty-four (54) civil lawsuits had been commenced. As these lawsuits progressed, Hector Doe and the other survivors amended their complaints to assert related claims against Oceania for its role in transferring Br. McGlade and Br. Alford to Mount St. John's School.

On January 28, 2019, Catholic Mutual provided the Norwich Diocese with its coverage position letter related to the coverage of claims of sexual abuse arising at Mt. St. John that were subject to the July 1, 2014, to July 1, 2015 certificate. Over these years since 2019 and before the Diocese filed bankruptcy, the attorneys for the survivors, the Diocese, The Oceania Province of the Congregation of Christian Brothers and Catholic Mutual negotiated in an effort to settle the abuse claims related to Mt. St. John. They were unsuccessful. After carefully considering its options, on July 15, 2021, the Diocese filed bankruptcy to ensure: (a) an orderly claims administration process resulting in a more equitable distribution of funds to Abuse Claimants and Unknown Abuse Claimants; and (b) that the mission of the Diocese may continue to be fulfilled in service of the Catholic faith.

The Diocese commenced the Chapter 11 Case (i) to maximize its assets (including any available insurance assets) in order to provide the greatest recovery for the greatest number of Abuse Claimants; (ii) to provide an orderly claims administration process that ensures fairness in distribution and avoids the inherent inequities in the proverbial "race to the courthouse" that would otherwise have occurred; and (iii) to enable the Diocese to continue to fulfil its charitable, humanitarian and religious mission in service of the Catholic faith.

The decision to file for relief under chapter 11 of the Bankruptcy Code was not an easy one. The Diocese is a not-for-profit religious corporation with limited resources, including limited coverage under Catholic Mutual Certificates and other insurance by Non-Settling Insurers which may be available to compensate Abuse Claimants. The Diocese acknowledges its moral obligation to compensate victims of abuse fairly and equitably from the limited funds available. Beyond its obligation to creditors, the Diocese has a fundamental and moral obligation to the Catholic faithful it serves to continue the ministries of the Church in fulfillment of the canonical and secular legal purposes of the Diocese.

The Diocese represents that it did not seek chapter 11 relief to evade responsibility for any asserted Abuse Claims or for any decisions made by Diocesan authorities when addressing that misconduct. In fact, the Diocese is committed to pursuing the truth, evidenced by its publication of a list of credibly accused clergy, and by retaining Retired Judge Michael E. Riley of Pullman & Comley to conduct a thorough diocesan accountability investigation. The Diocese's Bishop has acknowledged past shortcomings by the Diocese and has attempted to offer aid and comfort to survivors of Abuse. To remedy these past shortcomings, the Diocese has established standards for the training and background assessment of all employees, clerics and volunteers who will likely interact with children and young people. And, as part of the Plan, the Diocese, in concert with the Committee and the Parishes, have established and agreed to comprehensive non-monetary provisions. See Exhibit G of the Plan.

Additionally, the Diocese maintains a list of credibly accused clergy online at <https://www.norwichdiocese.org/Find/Accused-Clergy> (the “Credibly Accused List”). The Credibly Accused List contains the names of clergy who served in the Diocese with allegations of substance of sexual abuse of a minor. The Credibly Accused List also contains the year the clergy member was ordained and their current status. The Credibly Accused List is attached hereto as **Exhibit 5**.

## **G. Events During the Chapter 11 Case**

### **Bankruptcy Filing and First Day Orders**

The Diocese commenced the Chapter 11 Case on the Petition Date, by filing a voluntary petition under chapter 11 of the Bankruptcy Code [Dkt. No. 1]. The Diocese has continued in possession of its assets and the management of its business as debtor-in-possession, pursuant to §§ 1107(a) and 1108 of the Bankruptcy Code.

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:

- **Cash Management Motion.** On July 22, 2021, the Bankruptcy Court entered the *Interim Order (I) Authorizing the Continued Use of the Debtor’s Cash Management System, Bank Accounts and Business Forms and (II) Granting Related Relief* [Dkt. No. 59] authorizing the Diocese to continue use of its cash management system, bank accounts and business forms as they existed immediately prior to the Petition Date. On September 13, 2021, the Bankruptcy Court entered a final order granting such relief on a final basis. [Dkt No. 239]. On September 16, 2021, the Bankruptcy Court entered an amended final order granting such relief on a final basis. [Dkt. No. 266].
- **Wage and Benefits Motion.** On July 22, 2021, the Bankruptcy Court entered the *Interim Order (I) Authorizing the Debtor to (A) Pay Prepetition Wages, Salaries, Reimbursable Expenses, and Other Obligations on Account of Compensation and Benefits Programs and (B) Continue Compensation and Benefits Programs; and (II) Granting Related Relief* [Dkt. No. 61] authorizing the payment of certain pre- and post-petition wage, benefit, and expense obligations. On September 13, 2021, the Bankruptcy Court entered a second interim order granting such relief. [Dkt. No. 237]. On September 22, 2021, the Bankruptcy Court entered a final order granting such relief on a final basis. [Dkt. No. 286].
- **Motion to Seal.** On July 24, 2021, the Bankruptcy Court entered the *Interim Order on Debtor’s Motion for Entry of Interim and Final Orders (I) Authorizing and Approving Special Noticing and Confidentiality Procedures; (II) Authorizing and Approving Procedures for Providing Notice of Commencement and (III) Granting Related Relief* [Dkt. No. 74] approving the Diocese’s proposed procedures to protect the confidentiality of the identities and personal contact information of certain Holders of Claims against the Diocese arising from allegations of Abuse.

On September 16, 2021, the Bankruptcy Court entered a final order granting such relief on a final basis [Dkt. No. 265].

- **Utility Motion.** On August 10, 2021, the Bankruptcy Court entered the *Interim Order Granting Motion of Debtor for Entry of an Order (I) Approving Proposed Form of Adequate Assurance of Payment to Utility Providers; (II) Establishing Procedures for Determining Adequate Assurance of Payment for Future Utility Services; (III) Prohibiting Utility Providers from Altering, Refusing, or Discontinuing Utility Service; and (IV) Granting Related Relief* [Dkt. No. 128] approving the Diocese's proposed adequate assurance of future performance and related procedures, and barring utility providers from altering, refusing, or discontinuing service. On August 30, 2021, the Bankruptcy Court entered a second interim order granting such relief. [Dkt. No. 178]. On September 16, 2021, the Bankruptcy Court entered a final order granting such relief on a final basis. [Dkt. No. 264].
- **Insurance Motion.** On August 31, 2021, the Bankruptcy Court entered the *Interim Order Authorizing Debtor To (I) Continue Insurance Coverage and Insurance Programs Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto and (II) Renew, Amend, Supplement, Extend, or Purchase Insurance Policies; and (III) Granting Related Relief* [Dkt. No. 180] authorizing the Diocese to continue their insurance program in the ordinary course of business and renew or extend insurance coverage with the written consent of the Committee. On September 13, 2021, the Bankruptcy Court entered a final order granting such relief on a final basis [Dkt. No. 236].

### **Retention and Employment of the Diocese's Professionals**

During the Chapter 11 Case, the Bankruptcy Court approved the Diocese's retention and employment of the following professionals to assist in the administration of the Diocese's Chapter 11 Case: (1) Ice Miller LLP as bankruptcy co-counsel to the Diocese [Dkt. No. 272]; (2) Robinson & Cole LLP as bankruptcy co-counsel to the Diocese [Dkt. No. 321]; (3) Brown Jacobson PC as special counsel to the Diocese [Dkt. No. 234]; (4) Gellert Scali Busenkell & Brown, LLC as special counsel to the Diocese [Dkt. No. 482]; (5) GlassRatner Advisory & Capital Group, LLC d/b/a B. Riley Advisory Services as financial advisors to the Diocese [Dkt. No. 271]; (6) Epiq Corporate Restructuring, LLC as claims and noticing agent [Dkt. No. 168] (services terminated by order entered on March 17, 2023 [Dkt. No. 1213]); (7) Hilco Real Estate Appraisal, LLC as real estate appraiser to the Diocese [Dkt. No. 483]; (8) Omni Agent Solutions as replacement claims and noticing agent [Dkt. No. 1213]; and (9) U.S. Properties Real Estate Services, LLC as real estate broker [Dkt. No. 1381].

### **Appointment of the Official Committee of Unsecured Creditors**

On July 29, 2021, the Office of the United States Trustee appointed the Committee pursuant to § 1102(a)(1) of the Bankruptcy Code [Dkt. No. 90]. On September 10, 2021, the Bankruptcy Court approved the Committee's retention of Zeisler & Zeisler, P.C. as counsel to the Committee [Dkt No. 233]. During the Chapter 11 Case, the Bankruptcy Court also approved the

Committee's retention and employment of the following professionals to assist in the administration of the Chapter 11 Case: (1) Wellspeak Dugas & Kane, L.L.C. as real estate appraiser to the Committee [Dkt. No. 448]; (2) O'Sullivan McCormack Jensen & Bliss PC as special counsel to the Committee [Dkt. No. 551]; and (3) Karp & Langerman, P.C. as special counsel to the Committee on trust, corporate, and real estate matters [Dkt. No. 1453].

### **Bar Date and Claims Process**

By order dated November 19, 2021, the Bankruptcy Court set March 15, 2022 at 5:00 P.M. (prevailing Eastern time) (the "Claims Bar Date") as the last day for creditors, including Abuse Claimants, to file a proof of claim. Pursuant to both the Court's *Order Establishing March 15, 2022 Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* (the "Bar Date Order") [Dkt. No. 386] and the Court's *Final Order on Debtor's Motion for Entry of Interim and Final Orders (I) Authorizing and Approving Special Noticing and Confidentiality Procedures; (II) Authorizing and Approving Procedures for Providing Notice of Commencement; and (III) Granting Related Relief* [Dkt. No. 265] notice of the Bar Date was published in a variety of both local and national publications.

### **Committee's Objection to Proof of Claim Filed by Oceania**

On March 15, 2022, Oceania filed its proof of claim in this case against the Debtor in an unspecified amount. Oceania asserted a claim for "indemnification, reimbursement and contribution and similar liability" arising from the "alleged sexual abuse by clergy or any other persons, or for negligence, negligent supervision, or other tort or breach of duty claims, under applicable common law or any statute." It also asserted "a claim against the Debtor for insurance coverage under any policies of insurance issued to or on behalf of the Debtor or others under which the [Oceania] may be entitled to insurance coverage or some other payment or benefit . . . ."

On May 2, 2022, the Committee filed *The Official Committee of Unsecured Creditors' Objection to Claim No. 10014 Filed by the Oceania Province of the Christian Brothers f/k/a The St. Patrick Province of the Christian Brothers* [Dkt. No. 588]. The Committee asserted that based on Oceania's knowledge and/or reckless conduct at the time of the transfer of Br. McGlade and Br. Alford, the Court should disallow Oceania's claim in its entirety.

The Committee ultimately elected not to prosecute its objection based first upon Oceania's willingness to mediate and, then, based upon the significant progress made in its settlement discussions with Oceania.

### **Appointment of the Unknown Abuse Claims Representative**

On July 18, 2022, the Diocese moved for the appointment of an unknown abuse claims representative and applied to approve the employment of retired U.S. District Judge Michael R. Hogan as the "Unknown Abuse Claims Representative" (the "Application") [Dkt. No. 720] to represent the interests of persons who may have claims arising from sexual abuse experienced as minors, but who did not, as a result of a valid legal excuse, timely submit a Proof of Claim in this Chapter 11 Case against the Diocese (defined below as the Unknown Abuse Claimants). On August 4, 2022, an order was entered appointing an Unknown Abuse Claims Representative and

approving the employment of Judge Hogan to serve in this role [Dkt. No. 753]. Pursuant to §§ 327 and 328 of the Bankruptcy Code, the Unknown Abuse Claims Representative is authorized to perform the services as the legal representative for the Unknown Abuse Claimants that are necessary and appropriate in connection with this Chapter 11 Case, including those described in the Application.

The Unknown Abuse Claims Representative is the legal representative for any Person with an Abuse Claim that occurred against such Person when that Person was a minor for which a Proof of Claim was not filed before the Claims Bar Date and such Person (a) was under a disability (such as minority, mental disability, or alienage) on the Petition Date, (b) neither discovered, nor reasonably should have discovered before the Claims Bar Date that their childhood injury was caused by an act of Abuse, or (c) such Claim was barred by the applicable statute of limitations as of the Claims Bar Date, but is no longer barred by the applicable statute of limitations for any reason.

The Unknown Abuse Claims Representative's responsibilities and duties include:

- Undertaking an investigation and analysis to assist the Court in determining the estimated number of Unknown Abuse Claimants and the estimated amounts of the Sexual Abuse Claims (Unknown Abuse Claims) held by the Unknown Abuse Claimants;
- Filing one or more Proofs of Claim on behalf of all Unknown Abuse Claimants by any (i) extension by consent of the Diocese, the Committee and the United States Trustee, or (ii) Court-ordered extension of the Bar Date and voting such Proofs of Claim to accept or reject a plan of reorganization;
- Negotiating, with the Diocese and other appropriate parties, the treatment of Unknown Abuse Claims through the provisions of a plan of reorganization for the evaluation, determination, and number and amounts of Sexual Abuse Claims of Unknown Abuse Claimants;
- Advocating the legal positions of the Unknown Abuse Claimants before this Court, and if necessary, filing pleadings and presenting evidence on any issue affecting the claims of the Unknown Abuse Claimants;
- Taking all other legal actions reasonably necessary to represent the interests of the Unknown Abuse Claimants; and
- Serving as an independent fiduciary acting solely on behalf of all Unknown Abuse Claimants.

The Unknown Abuse Claims Representative has access to the confidential Abuse Claimants' Proofs of Claim, subject to the confidentiality protocol established in the Bar Date Order (the "Confidentiality Protocol") that applies to all Abuse Claimants' Proofs of Claim submitted to the Claims and Noticing Agent (but not those submitted to the Clerk of Court) and

the *Confidentiality Agreement and Protective Order Between the Debtor and Official Committee of Unsecured Creditors* [Dkt. No. 276], entered on September 20, 2021.

The Unknown Abuse Claims Representative also has standing, pursuant to § 1109(b) of the Bankruptcy Code, to raise and appear and be heard as a party in interest on any issue in this Chapter 11 Case. Additionally, the Unknown Abuse Claims Representative may employ attorneys and other professionals consistent with the applicable provisions of the Bankruptcy Code, §§ 105, 327, and 328, but only with prior approval of the Court.

### **Committee Investigation and Discovery**

Since its appointment, the Committee has conducted an extensive investigation into the insurance coverage, assets, liabilities and affairs of the Diocese. The Committee has focused, in particular, on attempting to recover the greatest value possible to enhance funds available to pay Creditors including Abuse Claimants. In furtherance of this investigation, the Committee has sought discovery over the course of this Bankruptcy Case.

The Committee's extensive review of thousands of pages of production and substantive conversations with various parties both in mediation and outside of mediation has allowed the Committee to conduct substantial investigation into the issues relevant to this case and determine the existence and scope of claims against various parties all in an effort to maximize Distributions to Creditors, including Abuse Claimants. It is with the benefit of all of this information that the Committee negotiated and ultimately agreed to with the Debtor and the other Participating Parties and Catholic Mutual the terms and conditions of reorganization as set forth in the Plan.

### **Accounts Receivable and Other Debts Due Diocese from Catholic Entities**

The Diocese's books and records reflect certain entries that are memorialized as amounts owed to the Diocese by certain Parishes and other Catholic Entities (the "Accounts Receivable"). The Accounts Receivable have been referred to as such for bookkeeping and convenience, but the Diocese submits that they do not have the conventional meaning ordinarily attributed to that term, and that the Accounts Receivable are truly Parish assessments that are a canonical, as opposed to a civil, obligation of the Parishes. *See* Can. 1263. The Accounts Receivable reflect annual assessments imposed on the Parishes (calculated based on Parish income), which the Parishes are directed by Canon Law<sup>16</sup> to remit to the Diocese, at the discretion of the bishop. The Accounts Receivable are not supported by loan agreements, promissory notes or other formal written agreements.

Under Canon Law, the bishop of a diocese is authorized to assess a tax on parishes. This tax is commonly known as the "Cathedraticum." The authority of the diocese to assess this tax and the parishes' obligation to pay is found in Canon 1263 of the Code of Canon Law. Canon 1263 states:

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<sup>16</sup> The codified laws of the Roman Catholic Church that govern, among other things, the relationship of the Diocese and the parishes under its care.

After the diocesan bishop has heard the finance council and the presbyteral council, he has the right to impose a moderate tax for the needs of the diocese upon public juridic persons subject to his governance; this tax is to be proportionate to their income. He is permitted only to impose an extraordinary and moderate exaction upon other physical and juridic persons in case of grave necessity and under the same conditions, without prejudice to particular laws and customs which attribute greater rights to him.

Can. 1263.

A parish is considered a juridic person for purposes of this Canon.<sup>17</sup> A diocesan bishop cannot freely impose assessments and nothing in the Canon states a bishop must impose assessments. A bishop only has the “right to impose a moderate tax” after hearing from both the finance and presbyteral council. Accordingly, imposing assessments is discretionary and such decision can only be made by high-ranking church leadership.

Bishop Cote has authorized Parish assessments, which the Parishes are directed by Canon Law to remit to the Diocese. Some Parishes timely pay the assessment, while some Parishes pay the assessment when they are financially able. Some Parishes in the latter group have accrued what would be considered an arrearage if the assessments were a debt or obligation imposed by civil law, which they are not.

The Diocese does not compel payment of these arrearages, but it does track them. There is currently approximately \$13.7 million due in Accounts Receivable arrearages, many of which have been on the Diocese’s books for many years and the Diocese submits that the liquidation value of this Accounts Receivable is below \$3.78 million as of August 31, 2023.

It is the Diocese’s position that the Accounts Receivable are not collectable, as they are subject to material challenges, including (a) the fact that the debts evidenced by the Accounts Receivable have no underlying basis in secular civil law; (b) the absence of any writing memorializing or acknowledging the alleged debt or the agreement of the non-debtor party to pay the alleged obligations; (c) the solvency and ability to pay by the Parish or other Catholic Entity; and (d) Connecticut’s three-year statute of limitations for the collection of oral contracts. Conn. Gen. Stat. § 52-581. It is the Diocese’s stance that any attempt to collect the amounts owed will run afoul of the First Amendment, Supreme Court precedent, the Connecticut Constitution, and Connecticut legal precedent.

In an effort to achieve the greatest possible recovery for its constituency, the Committee vehemently pursued the Accounts Receivable as a source of funding for the Plan. The Accounts Receivable, and their collectability, was discussed at length by the Diocese, Committee, Parishes, and other interested parties throughout the five in-person mediation sessions led by two different

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<sup>17</sup>Matthew J. Barrett, *The Theological Case for Progressive Taxation as Applied to Diocesan Taxes or Assessments Under Canon Law in the United States*, 63 THE JURIST 312, 323 (2003), [https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=1827&context=law\\_faculty\\_scholarship](https://scholarship.law.nd.edu/cgi/viewcontent.cgi?article=1827&context=law_faculty_scholarship) (“The diocesan bishop can impose an ordinary tax under canon 1263 only on *public juridic persons*, most notably parishes”).

mediators, and numerous informal negotiations. The Plan, and the contributions contained therein including, in particular, by the Parishes, appropriately reflect consideration from all parties regarding the collectability of the Accounts Receivable.

### **Avoidance Actions**

The Diocese and the Committee have identified certain potential claims and avoidance actions that may be brought by the Diocese, the Diocese's Estate, and if granted standing, the Committee, a plan settlement trust or the Catholic Entities. Such potential claims include, but are not limited to, claims pursuant to §§ 502(d), 542, 544, 545, 547, 548, 549, 550 and/or 553 of the Bankruptcy Code and applicable state and federal laws (the "Potential Claims"). Following mediation, the Diocese, Committee, Parishes, and various Catholic Entities, including Mercy, and Xavier high schools (the "Tolling Agreement Parties") agreed to resolve the Potential Claims through the terms and conditions set forth in the Plan, and executed a tolling agreement dated July 14, 2023, and then again by their First Amended Tolling Agreement dated as of October 11, 2023 ("First Amended Tolling Agreement"), to facilitate the final resolution of any actions or proceedings relating to the Potential Claims through confirmation of the Plan without the time and expense of litigation.

Specifically, effective currently, the Tolling Agreement Parties have agreed pursuant to the First Amended Tolling Agreement to toll and extend any limitations periods (including, without limitation, those arising by virtue of state law, federal law, 11 U.S.C. § 546(a), 11 U.S.C. § 108 or otherwise) that would bar any claim or remedy or the bringing of any action or proceeding related to the Potential Claims, through and including 11:59 p.m. (Eastern) February 1, 2024 (the "Tolling Period"). The Tolling Agreement Parties have expressly agreed not to assert any time-based defense of any kind, including but not limited to laches, waiver, or estoppel, to the Potential Claims due to the passage of time during the Tolling Period. The Tolling Period may be extended if further tolling agreements are executed.

### **Settlement Negotiations and Mediation**

To facilitate settlement negotiations, the Diocese and the Committee filed the *Joint Motion for Entry of an Order Referring Parties to Mediation and Appointing Mediator* [Dkt. No. 645] (the "Mediation Motion") seeking to submit several matters to negotiation and appointing Attorney Paul A. Finn as mediator. On August 4, 2022, the Court entered the *Order Referring Parties to Mediation and Appointing Mediator* [Dkt. No. 752] approving the relief sought in the Mediation Motion and appointing Attorney Paul A. Finn as mediator, with a term to serve for six months.

The Diocese, Committee, and other parties in interest including the certain School Parties, Oceania, and the Association of Parishes (collectively, the "Mediation Parties"), subsequently participated in four in-person and two remote mediation sessions with Attorney Paul A. Finn. Two mediation sessions were held on September 14, 2022, and September 15, 2022, in New York, New York. Early in these mediation sessions, the Debtor and Committee reached an agreement in principle with Oceania on its contribution to the contemplated settlement fund to be established for the benefit of Abuse Claimants, and the releases, channeling injunction and other terms to be provided in exchange. Two additional mediation sessions took place on October 24, 2022, and October 25, 2022, also in New York, where all five members of the Committee, Bishop Michael

R. Cote, D.D. and Monsignor Leszek T. Janik, JCL, were in attendance. Two additional remote mediation sessions were held on November 22, 2022 and January 20, 2023.

Near the end of Atty. Finn's sixth-month term to conduct the mediation, on January 20, 2023, the Diocese and Committee disagreed regarding whether Mr. Finn's term should be extended. See *Motion to Extend the Term of Appointment of Paul A. Finn as Mediator* [Dkt. No. 1051] and *Objection of the Official Committee of Unsecured Creditors to the Debtor's Motion to Extend the Term of Appointment of Paul A. Finn as Mediator* [Dkt. No. 1075].

On February 24, 2023, the Bankruptcy Court entered its order appointing former Second Circuit Judge Christopher Droney to serve as mediator for a period of sixty (60) days pursuant to the same terms and provisions of the Bankruptcy Court's initial mediation order, and that the service period of Atty. Finn having expired, it was suspended until further order of the Bankruptcy Court [Dkt. No. 1167].

### **Debtor's Plan Exclusivity and Committee's Competing Plan**

Pursuant to § 1121 of the Bankruptcy Code, a debtor in possession is granted a 120-day period from the chapter 11 filing date to file a plan of reorganization. During such time, only a debtor can file a plan of reorganization. However, the Bankruptcy Code provides that the court can increase a debtor's exclusive period to file a plan of reorganization for cause shown but such period cannot be extended beyond eighteen (18) months after the commencement of the case.

During the pendency of the Diocese's Chapter 11 Case, the Diocese had requested and the Court has granted, seven (7) extensions of exclusivity [Dkt. Nos. 362, 480, 543, 665, 847, 912, and 1037] based upon the perceived progress made in the Bankruptcy Case including in settlement negotiations through the mediation. The 18-month deadline expired on January 17, 2023, and so the Diocese filed its plan of reorganization (the "Diocese Plan") on that day. The Debtor is then provided an additional 60-day period to solicit and obtain the acceptances of each class of claims that is impaired under the Diocese Plan.

Considering, among other things, the impasse that had been reached and the Diocese Plan that had then been filed, the Committee sought to file its own plan of reorganization to be considered by the Bankruptcy Court, the Diocese and all other parties in interest in this Bankruptcy Case including the Abuse Claimants. Accordingly, on February 3, 2023, the Committee filed *The Official Committee of Unsecured Creditors' Motion to Terminate Debtor's Exclusive Period to Solicit Acceptances of Chapter 11 Plan* [Dkt. No. 1076]. After argument by counsel for the Diocese and counsel for the Committee, among others, and considering comments made by the Bankruptcy Court at the hearing held on February 21, 2023, the Diocese decided to consent to the termination of its exclusive period to solicit acceptance of the Diocese Plan. On February 24, 2023, the Bankruptcy Court entered its order [Dkt. 1164] granting the Committee's motion and terminating the Diocese's exclusive solicitation period. The Bankruptcy Court then entered a further order, consistent with the representation made by the Committee's counsel, that the Committee shall file its competing plan of reorganization by February 28, 2023 [Dkt. No. 1166]. Accordingly, on February 28, 2023, the Committee filed its own plan of reorganization [Dkt. No. 1169] (the "Committee's Competing Plan") and corresponding disclosure statement.

### **Further Mediation**

Following the mediation parties' submission of their respective mediation statements on March 16, 2023, Judge Droney on March 23, 2023, held an in-person mediation session with all mediation parties in order to break the impasse and resolve the remaining issues between them. Significant progress had been made and a global agreement nearly reached. Unfortunately, several items remained to be resolved but enough progress had been accomplished for the parties to agree to begin drafting a joint plan of reorganization between the Debtor and the Committee.

The parties then spent the next several months attempting resolve the remaining issues, and drafting the joint plan of reorganization, corresponding disclosure statement and related documents. During this process, additional issues surfaced. Further negotiations took plan which required the assistance of Judge Droney. Ultimately, the parties were successful in reaching an agreement as set forth in the Plan and this Disclosure Statement.

### **Sale of Real Estate Used by St. Bernard**

Founded in 1967, St. Bernard is a Roman Catholic co-educational college preparatory school for grades 6 through 12 located in Montville, Connecticut. It is co-sponsored by the Diocese and the Xaverian Brothers and welcomes students of all faith backgrounds who value academic excellence, personal and spiritual growth, and a commitment to community.

The Diocese owned the real estate and building and improvements (the "Montville Property") used by St. Bernard to operate its school. The Montville Property consists of a 113-acre site on Route 32 that is improved with the 155,865 square foot school, an 800 square foot detached garage and two 80 square foot sheds. Besides the buildings and improvements, the Montville Property includes extensive woodlands and clearings for fields, lawns and parking.

In September 2022, the Committee received an unsolicited letter of intent ("Thames River LOI") from an attorney acting on behalf of an unidentified private entity interested in purchasing the Montville Property. The Committee's counsel promptly forwarded the Thames River LOI to the Debtor's counsel. The Thames River LOI contemplated, and counsel for the unidentified potential purchaser insisted, that the sale of the Montville Property be effectuated through a private sale for \$6 million that was not subject to higher and better offers (the "Private Sale"). The unidentified potential purchaser, Thames River Acquisitions, LLC ("Thames River"), thereafter incorporated as a Connecticut limited liability company in December 2022, three months after the Thames River LOI.

The Thames River LOI and subsequent negotiations with Thames River reflected an interest in entering into a new written lease with St. Bernard (the "School Lease"). In or around December 2022 through early February 2023, attorneys for the Debtor, Thames River and the St. Bernard negotiated the terms of the Private Sale, including the terms of the School Lease; however, those discussions collapsed after an impasse arose related to certain deal terms, including the terms related to the School Lease.

Since February 23, 2023—and after the New London Day wrote an article about Saints Country's (discussed in Section IV.C, below) interest in purchasing the Property and entering into the School Lease—Thames River resurfaced with an increased bid, which included a willingness

to expose the increased bid to higher and better offers through formal sale procedures and a public auction.

On or about January 27, 2023, Saints Country submitted its unsolicited letter of intent (“Saints LOI”) which provided, among other things, that Saints Country would purchase the Property for \$6 million. Subsequent discussions with Saints Country that ensued revealed that Saints Country was a consortium of the school’s alumni and certain entities that were devoted to continuing the school’s Catholic education mission. In addition to disclosing the names and identities of all individuals, trusts and entities with an interest in Saints Country, its counsel shared proof of financial capacity to close.

Subsequent discussions with Saints Country also revealed its desire to enter into a School Lease and willingness to expose the Montville Property to higher and better offers through formal sale procedures and a public auction. Saints Country’s interest in the Montville Property and desire to continue the school has garnered extensive press coverage in the New London Day, as well as additional coverage in the Boston Globe.

After discussions with the various parties in interest during March 2023, and after consulting with the Committee, the Debtor determined in the exercise of its business judgment to file a motion seeking (i) an order approving sale procedures and scheduling an auction and sale hearing, and (ii) an order approving the ultimate sale of the Montville Property, among other related relief [Dkt. No. 1225].

Following due notice and a hearing, on May 8, 2023, the Bankruptcy Court entered its *Order (A) Approving Sale Procedures for the Sale of Certain Property, Including All Improvements Thereon in Montville, Connecticut; (B) Scheduling an Auction and a Sale Hearing Related Thereto; (C) Approving the Form of Purchase and Sale Agreement; and (D) Approving the Form of Notice of the Auction and Sale Hearing* [Dkt. No. 1307] (“Sale Procedures Order”). The Sale Procedures Order established May 26, 2023 as the deadline for all bids for the Montville Property, June 2, 2023 as the auction date (in the event competing qualified bids had been timely submitted), and June 7, 2023 as the hearing on the approval of the sale of the Montville Property.

Two competing bids were submitted by the May 26<sup>th</sup> bid deadline each for \$6,500,000, including one by Thames River. The Debtor thereafter determined that both bids constituted qualified bids pursuant to the Sale Procedures Order. At that auction on June 2<sup>nd</sup>, Thames River increased its bid to \$6,550,000. No competing bids were submitted and the Debtor determined, in consultation with the Committee, that Thames Rivers had submitted the highest and best bid at the auction for the purchase of the Montville Property.

At the Sale Hearing on June 7<sup>th</sup>, the Debtor presented the highest and best bid submitted by Thames River and requested, with the support of the Committee and St. Bernard, that the Bankruptcy Court approve the sale of the Montville Property to Thames River in exchange for the payment of \$6,550,000. Following the submission of evidence and argument by counsel, the Bankruptcy Court approved the sale subject to the submission of a revised proposed order consistent with statements made on the record. Counsel submitted such revised proposed order which the Bankruptcy Court entered on June 20, 2023 [Dkt. No. 1344]. The Debtor closed on its

sale of the Montville Property to Thames River on June 21, 2023, and received the net proceeds of the sale in the amount of \$6,550,000.

### **Sale of Transferred Real Estate by Diocese**

Following the entry of the order approving the employment of U.S. Properties Real Estate Services, LLC (“U.S. Properties”) as real estate broker for the Debtor, U.S. Properties immediately began marketing the Transferred Real Estate for sale, subject to the Debtor’s oversight and the Committee’s input. Ultimately, U.S. Properties was able to secure offers to purchase four of the properties on terms and conditions acceptable to the Debtor and the Committee.

Accordingly, on September 29, 2023, the Debtor filed its motion [Dkt. No. 1461] for approval of the sale of 17 Otis St., Norwich, Connecticut, in exchange for the payment of \$191,000. The Bankruptcy Court approved the sale on October 27, 2023. [Dkt. No. 1512]

On October 20, 2023, the Debtor filed separate motions [Dkt. Nos. 1489 & 1490] for the approval of the sale of 31 Perkins St. and 7-11 Bath St., both situated in Norwich, Connecticut, in exchange for \$145,000 and \$190,000, respectively. On November 8, 2023, the Debtor filed its motion [Dkt. No. 1520] for the approval of the sale of 25 Otis St., Norwich, Connecticut, in exchange for the payment of \$174,000.

After a hearing before the Bankruptcy Court, on November 22, 2023, the Bankruptcy Court entered its orders [Dkt. Nos. 1557, 1558 & 1559] approving the Debtor’s motions for entry of orders approving the sale of 31 Perkins St., 7-11 Bath St. and 25 Otis St. on the terms and conditions set forth in the motion.

Pursuant to the orders approving the sale of these properties, the Net Proceeds realized shall be held in an interest-bearing account designated for the purpose of maintaining proceeds from the sales of real estate used by the Debtor to fund its contributions to the Trust, or as otherwise ordered by the Bankruptcy Court.

U.S. Properties continues to market and attempt to sell the unsold properties identified as the Transferred Real Estate.

## **V. KEY TERMS OF THE PLAN**

The Debtor and the Committee propose the Plan in good faith and believe the Plan is feasible and in the best interest of the creditors of the Debtor. The Debtor and the Committee, therefore, recommend acceptance of the Plan by Holders of Claims in the Voting Classes, and recommend that the Abuse Claimants vote to accept the Plan. This Disclosure Statement summarizes key components of the Plan. To the extent of any inconsistencies between these summaries and the terms of the Plan, the Plan controls. To the extent the summaries omit any provisions of the Plan, such omission does not affect the enforceability of those provisions in the Plan. All Claimants are encouraged to carefully read the Plan before voting.

## **A. Treatment of Unclassified Claims**

The following summarizes the treatment of Administrative Claims, Professional Claims, Post-Petition Abuse Claims, Priority Tax Claims, and U.S. Trustee Fees under the Plan. In accordance with § 1123(a)(1) of the Bankruptcy Code, Administrative Claims, Professional Claims, Post-Petition Abuse Claims, Priority Tax Claims, and U.S. Trustee Fees have not been classified under the Plan. Section III of the Plan sets forth the treatment for each type of Claim. The Debtor anticipates that it will pay these unclassified claims, other than Post-Petition Abuse Claims, in full on the Effective Date.

### **Administrative Claims**

An Administrative Claim is a claim for payment of an administrative expense of a kind specified in Bankruptcy Code § 503(b) and referred to in Bankruptcy Code § 507(a)(2), including the actual and necessary costs and expenses of preserving the estate or operating the Debtor's businesses after the commencement of a chapter 11 case, and compensation for legal and other services and reimbursement of expenses awarded or allowed under Bankruptcy Code §§ 330(a), 331, or 503.

Generally, ordinary course post-petition administrative expenses have been paid by the Debtor in the ordinary course and as reflected in the monthly operating reports filed in this Bankruptcy Case by the Debtor. The amount outstanding as due in the ordinary course of the Debtor's operations is consistently under \$10,000 to \$15,000, which sum shall be paid when due in accordance with ordinary course business terms with each vendor.

The Plan provides that Holders of Administrative Claims (excluding Post-Petition Abuse Claims and Professional Claims) must file any requests for allowance and payment no later than the Administrative Claims Filing Deadline, which shall be determined upon separate motion filed by the Debtor and ordered by the Bankruptcy Court. Such payment shall be made either (a) on the Effective Date, or, if later, the Allowance Date; or (b) upon such terms as agreed to in writing by the Administrative Claimant.

### **Professional Claims**

The Plan sets forth the manner and timing in which Professionals must submit Professional Claims to be considered for payment. All Professionals or other Persons requesting compensation or reimbursement of expenses under any of §§ 327, 328, 330, 331, 503(b), and 1103 of the Bankruptcy Code for services rendered by the Effective Date (including any compensation requested by any Professional or any other Person for making a substantial contribution in the Chapter 11 Case) shall file and serve an application for final allowance of compensation and reimbursement of expenses accruing from the Petition Date to the Effective Date, no later than thirty (30) calendar days after a notice of the Effective Date is filed. If there is a dispute over what amount of a Professional Fee Claim shall be Allowed the dispute shall be resolved by the Bankruptcy Court.

A schedule of the fees and expenses incurred but not yet paid in this Bankruptcy Case through and including December 31, 2023 is as follows:

Debtor's Professionals:

Ice Miller LLP	\$191,521.80 <sup>18</sup>
Robinson & Cole, LLP	\$127,619.92
Brown Jacobson PC	\$5,000.00
B. Riley Advisory Services	\$64,194.00
Omni Agent Solutions	\$22,925.27

Committee's Professionals:

Zeisler & Zeisler, P.C.	\$171,410.30
Karp & Langerman, LLC	\$ 7,233.00

Additionally, the Committee and Diocese stipulate and agree that the representation by Goldberg Kohn Ltd. of Mount St. John in this Bankruptcy Case and in connection with the proposed sale of property to fund the Plan has made a substantial contribution up to a cap of \$100,000 which may only be satisfied from the proceeds of sale as provided in the Mount St. John Settlement Agreement; provided, however, that the allowance of such amount pursuant to § 503(b) is subject to the approval of the Bankruptcy Court upon motion and after due notice and a hearing.

**Post-Petition Abuse Claims**

Post-Petition Abuse Claims constitute Claims that resulted or arose from Abuse the first occurrence of which against such Abuse Claimant was committed by any Person after the Petition Date and before the Effective Date. **No Post-Petition Abuse Claims are known to the Diocese at this time.** Any insurance coverage for Post-Petition Abuse Claims has been exhausted due to the expressed limitation in the applicable insurance certificates issued by Catholic Mutual and all of the Abuse Claims that have already been filed in this Bankruptcy Case. Furthermore, Abuse Claims are expressly excluded from the coverage available for officers and directors / errors and omissions. Regardless, any Allowed Post-Petition Abuse Claims **shall be paid in full by the Diocese** as follows.

Any alleged Post-Petition Abuse Claim shall be Allowed or Disallowed as an Administrative Claim by the Bankruptcy Court following entry of a final, no longer appealable judgment or order of a Court of competent jurisdiction as to any Post-Petition Abuse Claim. The Diocese hereby preserves all rights to object to and defend against liability for or the Allowance of such alleged Post-Petition Abuse Claim . Even if Allowed, in order to receive a Distribution, the holder of an Allowed Post-Petition Abuse Claim must execute and return an Abuse Claim Release. Each Allowed Post-Petition Abuse Claim shall be paid in full either by the Unknown Abuse Claims Trust or the Reorganized Debtor in accordance with the terms and conditions of the Plan and the Unknown Abuse Claims Trust Documents.

**Priority Tax Claims**

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<sup>18</sup> Ice Miller also held back \$400,000 of services billed during the Fifth Interim Fee Period (November 1, 2022 through September 30, 2023) to the category of Plan and Disclosure Statement.

A Priority Tax Claim is an unsecured Claim of a governmental unit entitled to priority in payment under any provision of § 507(a)(8) of the Bankruptcy Code. As for any Allowed Priority Tax Claim not paid before the Effective Date, the Reorganized Debtor shall (a) pay such Claim on the Effective Date; or (b) provide such other treatment agreed to by the Holder of such Allowed Priority Tax Claim and the Debtor and the Estate (if before the Effective Date) or the Reorganized Debtor (on and after the Effective Date).

### **U.S. Trustee Fees**

All fees due and payable under 28 U.S.C. § 1930 and not paid before the Effective Date shall be paid on and after the Effective Date when due and payable. After the Effective Date, the Reorganized Debtor shall pay quarterly fees to the U.S. Trustee until the Bankruptcy Case is closed, and a Final Decree is entered. In addition, the Reorganized Debtor shall file post-Confirmation Date reports in conformance with the U.S. Trustee guidelines. The U.S. Trustee shall not be required to file a request for payment of its quarterly fees, which will be deemed Administrative Claims against the Diocese. The Trust and Unknown Abuse Claims Trust shall have no liability for U.S. Trustee fees.

### **B. Treatment of Classified Claims**

The Plan does not treat each Claim identically; rather, the Plan categorizes Claims into Classes, consistent with the requirements in §§1122 and 1123(a)(1) of the Bankruptcy Code. That means that, under the Plan, some Holders of Claims will receive full satisfaction of their Claims, some will receive partial satisfaction, and some will receive nothing. In each instance, the Debtor and the Committee believe that Holders of Claims will receive at least as much value as they would receive if the Debtor's Assets were to be liquidated under chapter 7 of the Bankruptcy Code and that impaired creditors will receive more than they would receive in a chapter 7 liquidation. Regardless, it is important for Holders of Claims to read the Plan and this Disclosure Statement carefully to understand how they will be treated under the Plan.

The categories of Claims in the Plan and summarized below classify Claims for all purposes, including voting, confirmation, and distribution under the Plan and §§ 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim shall be deemed classified in a particular Class only if the Claim qualifies within the description of that Class and shall be deemed classified in a different Class if any remainder of the Claim qualifies within the description of such different Class. A Claim is classified within a particular Class to receive Distributions only if such Claim is Allowed and has not already been satisfied before the Effective Date.

Except to the limited extent provided in the Plan with respect to Abuse Claims to preserve Claims and interests in connection with Non-Settling Insurer Policies and Non-Settling Insurers, the treatment in the Plan is in complete satisfaction of the legal, contractual, and equitable rights that each Holder of a Claim may have against the Debtor or its property. This treatment supersedes and replaces any agreements or rights those Holders have in or against the Debtor or its property. All Distributions under the Plan will be tendered to the entity holding the Claim. **Except as set forth in the Plan, no Distributions will be made from and no rights will be retained against the Debtor or its property on account of any Claim that is not an Allowed Claim.**

**Class 1: Other Priority Claims**

- (a) **Definition.** A “Class 1 Claim” means an Allowed Claim described in, and entitled to priority under, §§ 507(a) and 503(b)(9) of the Bankruptcy Code other than an Administrative Claim or a Priority Tax Claim.
- (b) **Unimpaired and Not Voting.** Class 1 is not impaired under the Plan. The Class 1 Claimants are conclusively presumed to have accepted and are not entitled to vote on the Plan.
- (c) **Treatment.** Unless the Holder of an Allowed Class 1 Claim and the Diocese or the Reorganized Debtor (as applicable) agree to a different treatment, the Reorganized Debtor shall pay each such Allowed Class 1 Claim in full, in cash, without interest, from ongoing operations on the later of the Effective Date and the date a Class 1 Claim becomes an Allowed Claim (or as soon thereafter as is practicable).

**Class 2 Citizens Bank, N.A.**

- (a) **Class 2 Definition.** Class 2 consists of the Citizens Secured Guaranty Claim.
- (b) **Impaired and Voting.** Class 2 is impaired under the Plan. The Class 2 Claimant is entitled to vote on the Plan.
- (c) **Class 2 Treatment.** Upon the closing of the Xavier Property Transfer within thirty (30) days after the Effective Date pursuant to the Xavier Settlement Agreement, Citizens shall fully, finally, and completely release and forever discharge the Diocese from any and all obligations arising under the Citizens Guaranty Agreement; provided, however, Citizens shall retain a lien against the Xavier Property representing those certain loan agreements by and between Xavier and Citizens.

**Class 3: M&T Bank Corporation**

- (a) **Class 3 Definition.** Class 3 consists of all claims held by M&T. Class 3 is comprised of the following Sub-Classes:
  - i. Sub-Class 3-A consists of the M&T Secured Revolving Loan Claim; and
  - ii. Sub-Class 3-B consists of the M&T Secured Guaranty Claim.
- (b) **Unimpaired and Not Voting.** Class 3-A and Class 3-B are Unimpaired under the Plan. The Class 3 Claimant is not entitled to vote on the Plan.

- (c) **Class 3 Treatment.** The Holder of Allowed M&T Secured Claim and Allowed M&T Secured Guaranty Claim against the Diocese shall receive the treatment set forth below:
- i. Class 3-A: The collateral securing the M&T Secured Revolving Loan Claim shall upon the Effective Date vest in the Reorganized Debtor and the collateral shall continue to secure the M&T Secured Revolving Loan Claim. The security interest held by M&T to secure M&T Secured Revolving Loan Claim shall remain in place and M&T may exercise any and all rights and remedies against the collateral referenced in such security agreement, available to M&T. The Reorganized Debtor shall be liable to M&T on the M&T Secured Revolving Loan Claim to the same extent and validity as the Diocese immediately prior to the Petition Date.
  - ii. Class 3-B: The collateral securing the M&T Secured Guaranty Claim shall upon the Effective Date vest in the Reorganized Debtor and the collateral shall continue to secure the M&T Secured Guaranty Claim. The security interest held by M&T to secure M&T Secured Guaranty Claim shall remain in place and M&T may exercise any and all rights and remedies against the collateral referenced in such security agreement, available to M&T. The Reorganized Debtor shall be liable to M&T on the M&T Secured Guaranty Claim to the same extent and validity as the Diocese immediately prior to the Petition Date.

**Class 4: Abuse Claims (Other Than Unknown Abuse Claims)**

- (a) **Definition.** A “Class 4 Claim” means an Abuse Claim other than an Unknown Abuse Claim. A “Class 4 Claimant” shall mean a Holder of a Class 4 Claim.
- (b) **Impaired and Voting.** Class 4 is impaired under the Plan. The Class 4 Claimants (including Late-Filed Abuse Claimants) are entitled to vote on the Plan. Only for purposes of voting, each Claim in Class 4 is deemed to be Allowed in the amount of \$1.00.
- (c) **Treatment of Class 4.** On and after the Effective Date, and subject to the Plan provisions, the Trust shall pay all Abuse Claims (except Unknown Abuse Claims) in accordance with and under the Plan and Trust Documents. Class 4 Claimants shall have their Abuse Claims treated and Allowed or Disallowed in accordance with the terms and conditions set forth in the Trust Distribution Plan.
- (d) **Diocese Cooperation with Trustee and Abuse Claims Reviewer.** The Diocese and its counsel shall reasonably cooperate with the Trustee and the Abuse Claims Reviewer with any inquiries by either in the administration of the Trust Distribution Plan.

- (e) **Class 4 Claim Objections.** No Class 4 Claimant may challenge the merit, validity, or amount of any other Class 4 Claim. Except for any objection to a Class 4 Claim filed by the Committee, any objection to a Class 4 Claim pending as of the Effective Date is deemed withdrawn with prejudice. The Trustee has the exclusive right to object to a Class 4 Claim and shall succeed to the rights of the Committee because of the Committee's objection to a Class 4 Claim. None of the Reorganized Debtor, the Participating Parities or the Settled Insurer Parties shall have the right to object to a Class 4 Claim. The Trustee shall succeed the Debtor for any pending objections to Class 4 Claims.
- (f) **Abuse Claim Release.** No Class 4 Claimant will receive any payment from the Trust in accordance with and under the Plan and Trust Documents unless and until such Class 4 Claimant has executed the Abuse Claim Release attached as Exhibit L to the Plan. The form of the Abuse Claim Release shall also be included for completion and execution in the Class 4 Ballot. A Class 4 Claimant who does not timely submit the Class 4 Ballot having fully completed and executed the Abuse Claim Release portion must separately execute the Abuse Claim Release as required by this Section 5.4(f) as a condition of receiving any payments from the Trust.
- (g) **Diocese Discharge of Class 4 Claim Liability.** The Debtor shall be discharged as set forth in Section 13.1 of the Plan of any liability because of all Class 4 Claims, even if the Claimant rejects the Plan.
- (h) **Late-Filed Abuse Claims.**
1. Unless and until Disallowed by a Non-Appealable Order entered by this Court, each Late-Filed Abuse Claim shall be classified as a Class 4 Claim and entitled to vote on the Plan. The determination of whether a Late-Filed Abuse Claimant is entitled to vote shall be made as of the Voting Record Date as ordered by the Bankruptcy Court.
  2. A Late-Filed Abuse Claim may be Allowed by the Bankruptcy Court as a Class 4 Claim upon motion by the Abuse Claimant and after due notice and a hearing where the Abuse Claimant establishes their excusable neglect excusing the late filing of their Proof of Claim and the Bankruptcy Court orders that the Late-Filed Abuse Claim shall be treated as timely filed on or before the Claims Bar Date. Unless and until such motion is granted and the Late-Filed Abuse Claim is Allowed as a Class 4 Claim by a Non-Appealable Order, no Distribution shall be paid on account of the Late-Filed Abuse Claim as a Class 4 Claim pursuant to the Trust Distribution Plan.

3. An Abuse Claimant holding a Late-Filed Abuse Claim may elect at their sole and absolute discretion to be treated exclusively as an Unknown Abuse Claimant by making such election upon their Ballot returned at any time on or before the deadline for the return of Ballots. In such event, such Late-Filed Abuse Claim shall be treated in accordance with such Class 5 and the Unknown Abuse Claims Trust Distribution Plan.
  4. After the deadline for the return of Ballots, any Holder of a Late-Filed Abuse Claim that had not on their Ballot elected to be treated as an Unknown Abuse Claimant shall be only entitled to pursue their Allowance as a Class 4 Claim based on their Late-Filed Abuse Claim in accordance with the terms of this Plan, and shall have waived and shall thereafter be barred from asserting an Unknown Abuse Claim.
  5. Any Abuse Claimant holding a Late-Filed Abuse Claim who elects on their Ballot to be treated as holding an Unknown Abuse Claim shall only be allowed and receive a Distribution as a Class 5 Claim if it meets the definition of Unknown Abuse Claim under the Plan and satisfies the requirements in the Unknown Abuse Claims Trust Distribution Plan to receive any Distributions on account of such Unknown Abuse Claim, including the execution of an Abuse Claim Release.
- (i) **Barred Child Sexual Abuse Claims.** All Barred Child Sexual Abuse Claims constitute Class 4 Claims classified and treated in accordance with this Class 4 and the other terms of the Plan, the Confirmation Order and the Trust Distribution Plan, specifically, without limitation, Section 7.2 of the Trust Distribution Plan. Each Barred Child Sexual Abuse Claim shall be entitled to vote for the Plan. A Class 4 Claim's qualification as a Barred Child Sexual Abuse Claim shall not constitute a basis for any party in interest, including the Trustee, to object to the Allowance of such Abuse Claim.
  - (j) **Litigation of Class 4 Claims against Non-Settling Insurers.** A Class 4 Claimant may commence an action against the Diocese and, if applicable, one or more Participating Parties, solely for liquidating a Class 4 Claim in order to pursue Insurance Recoveries regarding such Class 4 Claim from Non-Settling Insurers; provided, however, that prior to the Trust Termination Date (as defined in the Trust), a Class 4 Claimant may only commence such an action with the consent of the Trustee and pursuant to the terms and conditions of the Trust Distribution Plan. Notwithstanding any provision in this Plan to the contrary, the Diocese will not have to expend any funds to defend against any action commenced by a Class 4 Claimant except to the extent required by the terms of any Insurance Policy issued by a Non-Settling Insurer, and no Settled Insurer shall have any obligation to

defend or indemnify against any such action commenced by a Class 4 Claimant. Consistent with the discharge provided for in Plan Section 13.1 and the rights of a Participating Party, any judgment obtained in such action may not be enforced against the Diocese, a Participating Party and/or any of the assets of the Diocese or such Participating Party (other than the Non-Settling Insurers' Insurance Policies), including, but not limited to, the Revested Assets or any assets acquired by the Reorganized Debtor after the Effective Date, but any such judgment shall only be satisfied in accordance with the Plan and the Trust Distribution Plan and shall be fully enforceable against and paid by any Non-Settling Insurer under the terms of that Non-Settling Insurer's Insurance Policy. Prior to the Trust Termination Date, any recovery from the prosecution of such an action is deemed assigned to the Trust to the extent provided in the Plan, including as provided in the Trust Distribution Plan.

**Class 5: Unknown Abuse Claims (other than Post-Petition Abuse Claims)**

- (a) **Definition.** A "Class 5 Claim" means an Unknown Abuse Claim (other than a Post-Petition Abuse Claim). A "Class 5 Claimant" shall mean a Holder of a Class 5 Claim.
- (b) **Impaired and Voting.** Class 5 is impaired under the Plan. The Unknown Abuse Claims Representative is entitled to vote on the Plan on behalf of Class 5 Claimants. Only for purposes of voting, the Unknown Abuse Claims Representative is deemed to have a single Allowed Claim in the amount of \$1.00.
- (c) **Treatment of Class 5.** The Unknown Abuse Claims Trust will be funded by the Debtor on the Effective Date pursuant to the provisions of the Plan. On and after the Effective Date, the Unknown Abuse Claims Trust shall pay all Class 5 Claims in accordance with and the Plan and Unknown Abuse Claims Trust Documents. Class 5 Claimants shall have their Abuse Claims treated and Allowed or Disallowed in accordance with the terms and conditions set forth in the Unknown Abuse Claims Trust Distribution Plan. In particular, without limitation, each Unknown Abuse Claimant asserting an Unknown Abuse Claim (other than a Post-Petition Abuse Claim) must prove by credible evidence that its Claim constitutes an Unknown Abuse Claim (as defined in this Plan) and, in particular, that the Abuse was perpetrated by a Perpetrator of the Debtor.
- (d) **Diocese Cooperation with Unknown Abuse Claims Trustee and Abuse Claims Reviewer.** The Diocese and its counsel shall reasonably cooperate with the Unknown Abuse Claims Trustee and the Abuse Claims Reviewer with any inquiries by either in the administration of the Unknown Abuse Claims Trust Distribution Plan.
- (e) **Class 5 Claim Objections.** No Class 5 Claimant may challenge the merit, validity,

or amount of any other Class 5 Claim. Except for any objection to a Class 5 Claim filed by the Committee, any objection to a Class 5 Abuse Claim pending as of the Effective Date is deemed withdrawn with prejudice. The Unknown Abuse Claims Trustee has the exclusive right to object to a Class 5 Claim and shall succeed to the rights of the Committee because of the Committee's objection to a Class 5 Claim. None of the Reorganized Debtor, the Participating Parties or Settled Insurer Parties shall have the right to object to a Class 5 Claim.

- (f) **Abuse Claim Release.** No Class 5 Claimant will receive any payment from the Unknown Abuse Claims Trust in accordance with and under the Plan and Unknown Abuse Claims Trust Documents unless and until such Class 5 Claimant has executed the Abuse Claim Release attached as Exhibit L to the Plan.
- (g) **Diocese Discharge of Unknown Abuse Claim Liability.** The Debtor shall be discharged as set forth in Plan Section 13.1 of any liability because of all Class 5 Claims, even if the Claimant rejects the Plan.

#### **Class 6: General Unsecured Claims**

- (a) **Definition.** A "Class 6 Claim" or "General Unsecured Claim" means (i) any Claim arising out of the rejection of any Executory Contract, or (ii) any Unsecured Claim that is not included in another class under the Plan and is not listed as disputed, contingent or unliquidated on the Debtor's schedules filed in connection with this Chapter 11 Case ("Debtor's Schedules") or as to which the Holder of such Claim timely filed a Claim.
- (b) **Unimpaired and Voting.** Class 6 is Unimpaired under the Plan. The Class 6 Claimants are conclusively presumed to have accepted and entitled to vote on the Plan.
- (c) **Treatment.** Except to the extent that a Class 6 Claimant agrees to less favorable treatment of their Class 6 Claim, in exchange for full and final satisfaction of such Allowed General Unsecured Claim, at the sole option of the Reorganized Debtor:
  - (a) each Class 6 Claimant shall receive payment in Cash in an amount equal to such Allowed General Unsecured Claim, payable on the last to occur of (i) the Effective Date, (ii) the date on which such General Unsecured Claim becomes an Allowed General Unsecured Claim, and (iii) the date on which the Class 6 Claimant and the Diocese or Reorganized Debtor, as applicable, shall otherwise agree in writing; or
  - (b) satisfaction of such Allowed General Unsecured Claim in any other manner that renders the Allowed General Unsecured Claim Unimpaired, including Reinstatement.

#### **Class 7: Abuse Related Contribution Claims**

- (a) **Class 7 Definition.** A “Class 7 Claim” means all Abuse Related Contribution Claims (other than those classified in Class 8).
- (b) **Impaired and Voting.** Class 7 is impaired under the Plan. The Class 7 Claimants are conclusively presumed to have rejected and not entitled to vote on the Plan.
- (c) **Class 7 Treatment.** Class 7 Claims against the Debtor shall be Disallowed in accordance with § 502(e)(1) of the Bankruptcy Code, and Class 7 Claims will receive no Distribution under the Plan. Notwithstanding the disallowance of an Abuse Related Contribution Claim, an Abuse Claimant who liquidates their claim in an amount greater than \$0, consents to application of its portion of the reserve established by the Trustee under the Trust Agreement to pay any Co-Defendant for its contribution, reimbursement, and/or indemnity claim, if any, against the Debtor.

**Class 8: Claims Held by Catholic Entities, Xavier, Mercy, St. Bernard and Oceania**

- (a) **Class 8 Definition.** A “Class 8 Claim” means any Claim (including any Abuse Related Contribution Claim and any Administrative Claim) held by any of the Catholic Entities (which include Mercy, St. Bernard and Mount St. John), Xavier and Oceania.
- (b) **Impaired and Voting.** Class 8 is impaired under the Plan. The Class 8 Claimants are entitled to vote on the Plan. For the avoidance of doubt, only those Persons among the Catholic Entities (which include Mercy, St. Bernard and Mount St. John), Xavier and Oceania who actually hold Claims against the Debtor are entitled to vote.
- (c) **Class 8 Treatment.** The Diocese has reached settlements with the Catholic Entities, Xavier and Oceania, which are embodied in the Plan (including the Xavier Settlement Agreement, the Mercy Settlement Agreement, the St. Bernard Settlement Agreement and the Mount St. John Settlement Agreement that the Debtor and the Committee seek to approve as part of confirmation of the Plan in accordance with § 1123(b)(3) of the Bankruptcy Code) or that are (or will be) subject to certain settlement agreements that remain a matter of Bankruptcy Court approval pursuant to Bankruptcy Rule 9019. As one component of the settlement, and to maximize recovery for Abuse Claimants, the Catholic Entities, Xavier and Oceania have agreed to waive all rights to Distributions on account of their Class 8 Claims. Accordingly, there will be no Distribution to the Holders of any Class 8 Claims on account of such Class 8 Claims. On the Effective Date, any Claim against the Debtor held by the Catholic Entities, Xavier and Oceania shall be Disallowed.

## VI. MEANS FOR IMPLEMENTATION OF THE PLAN

### A. Establishment of Trust

On the Effective Date, the Trust shall be established under the Trust Documents and the Unknown Abuse Claims Trust shall be established under the Unknown Abuse Claims Trust Documents. The Trust Documents and Unknown Abuse Claims Trust Documents, including the Trust Agreement and Unknown Abuse Claims Trust Agreement, are incorporated herein by reference.

#### Funding of Trust

The Trust will be funded as follows:

- **Cash Contributions.** The Debtor, the Participating Parties and Settled Insurers shall make the following cash contributions to the Trustee for the benefit of the Trust, by delivering the following amounts to the Effective Date Escrow Agent (collectively, the “Cash Contributions”). The following Cash Contributions shall be delivered to the Effective Date Escrow Agent within thirty (30) calendar days of the entry of the Confirmation Order:
  - (i) The Debtor shall transfer or cause to be transferred on its behalf by wire to the Effective Date Escrow Agent One Million Two Hundred and Twenty Thousand (\$1,220,000) Dollars in good and immediately available funds, which sum includes \$500,000 that the ACA is paying to the Debtor on account of certain disputed sums due to the Debtor by the ACA in order to resolve such dispute.
  - (ii) Provided that the Court has entered the Order approving the *Proposed Order re: Supplemental Order to Show Cause Directed to Epiq Corporate Restructuring, LLC* [Dkt. No. 1394], the Debtor shall transfer or cause to be transferred to the Effective Date Escrow Agent: (a) \$409,000 reserved by the Debtor on account of unpaid fees and expenses accrued by Epiq during the Bankruptcy Case and waived by Epiq; and (b) the first \$91,000 disgorged by Epiq.
  - (iii) Pursuant to the St. Bernard Settlement Agreement that the Debtor and the Committee seek to have the Bankruptcy Court approve as part of confirmation of the Plan in accordance with § 1123(b)(3) of the Bankruptcy Code, the Debtor shall transfer or cause to be transferred on their behalf by wire transfer to the Effective Date Escrow Agent in good and immediately available funds the Net Proceeds (subject to the provisions of this paragraph) in the amount of Six Million Five Hundred and Fifty Thousand Dollars

(\$6,550,000) realized from the sale of the St. Bernard Property, plus all accrued interest thereon, representing the consideration exchanged for the compromise and settlement provided for in the Plan.

- (iv) Oceania shall transfer or cause to be transferred on its behalf by wire transfer to the Effective Date Escrow Agent Seven Million Dollars (\$7,000,000) in good and immediately available funds.
- (v) The Parishes shall transfer or cause to be transferred on their collective behalf by wire transfer to the Effective Date Escrow Agent Two Million Seven Hundred Thousand (\$2,700,000) Dollars in good and immediately available funds.
- (vi) Subject to the satisfaction of the conditions set forth in Article III of the Catholic Mutual Settlement Agreement, Catholic Mutual shall pay to the Effective Date Escrow Agent the Catholic Mutual Contribution in the amount of Five Million, Three Hundred Thousand (\$5,300,000) Dollars. Specifically, as provided in Article III of the Catholic Mutual Settlement Agreement, Catholic Mutual's obligation to pay this amount to the Effective Date Escrow Agent is conditioned upon the occurrence of the following unless waived by Catholic Mutual: (1) the due execution of the Catholic Mutual Settlement Agreement by all parties thereto; (2) the entry of the Approval Order authorizing and approving the Catholic Mutual Settlement Agreement and such Approval Order becoming a Non-Appealable Order; (3) the entry of an order approving the Disclosure Statement and such order becoming a Non-Appealable Order; and (4) the entry of the Confirmation Order approving the Plan consistent with the terms and conditions of the Catholic Mutual Settlement Agreement. Payment by Catholic Mutual is further conditioned upon Catholic Mutual having received written notice that the foregoing conditions ((1) through (4)) have been satisfied and appropriate instructions for the transmission of payment. Furthermore, the Effective Date cannot occur until Catholic Mutual, among others, has paid its contribution in the amount of Five Million Three Hundred Thousand (\$5,300,000) Dollars to the Effective Date Escrow Agent.
- (vii) Pursuant to the Mercy Settlement Agreement that the Debtor and the Committee seek to approve as part of confirmation of the Plan in accordance with § 1123(b)(3) of the Bankruptcy Code), Mercy shall transfer or cause to be transferred on its behalf by wire transfer to

the Effective Date Escrow Agent Fifty Thousand (\$50,000) Dollars in good and immediately available funds.

- **Promissory Note.** Immediately after the Effective Date, the Reorganized Debtor shall execute and deliver to the Trustee a negotiable promissory note in the original principal amount of Eight Hundred Thousand (\$800,000) due and payable to the Trustee one year after the Effective Date. Said promissory note shall contain ordinary and customary terms and conditions mutually acceptable to the Debtor and the Trustee including, but not limited to, interest at the rate of five percent (5%) per year accruing only on and after the due date, and costs of collection including reasonable attorneys' fees.
- **Transferred Real Estate.** Subject to the terms and conditions set forth in Section 7.3 of the Plan (including the timing of such transfers), the Diocese and St. Mary's Roman Catholic Church (as applicable, "RE Owner") shall transfer by quitclaim deed to the Trust's designee each piece and parcel of Transferred Real Estate owned by them, respectively, or the Net Proceeds realized from the sale of such Transferred Real Estate if such sale closes on or before the Effective Date. The "Transferred Real Estate" consists in the following:
  - (i) Bath Street Office, 11 Bath St. Norwich, CT 06360;
  - (ii) Moss Property, 7 Otis St. Norwich, CT 06360;
  - (iii) Tribunal, 17 Otis St., Norwich, CT 06360;
  - (iv) Diocesan School Office, 25 Otis St Norwich, CT 06360;
  - (v) Vacant Office, 31 Perkins Ave., Norwich, CT 06704; and
  - (vi) St. Mary's School, 50-54 North Main Street, Jewett City (Griswold), CT 06351.
- **Transferred Insurance Interests.** As set forth and to the extent provided in Section IX of the Plan and the Confirmation Order, on the Effective Date, with no further act by any party, the Diocese and the Participating Parties shall be deemed to have assigned the Transferred Insurance Interests to the Trustee for the benefit of the Trust, and such assignment shall immediately be deemed effective. On the Effective Date, the Trustee will be empowered to receive assignment of Litigation Awards (as that term is defined in the Trust Distribution Plan) and to take all steps necessary to pursue recovery from Non-Settling Insurers.
- **Transfer of Mount St. John Settlement and Interests Thereunder.** The Trustee shall on the Effective Date succeed to all of the rights, interests and obligations set forth in the Mount St. John Settlement Agreement for the benefit of the Trust, including the right to receive the "Net Proceeds" (as defined therein) realized from the sale of or the transfer by quitclaim deed to the Trust's designee all of Mount St.

John's right, title and interest in the Real Estate<sup>19</sup> known as 135 Kirtland Street, Deep River, Connecticut, more particularly described in Exhibit A appended to the Mount St. John Settlement Agreement, on the terms and conditions set forth in the Mount St. John Settlement Agreement and this Plan. The Debtor and the Committee seek to have the Bankruptcy Court approve the Mount St. John Settlement Agreement as part of confirmation of the Plan in accordance with § 1123(b)(3) of the Bankruptcy Code. Also pursuant to the Mount St. John Settlement Agreement, within ten (10) days of the Effective Date the Reorganized Debtor shall transfer to the Trust all of its right, title and interest in the MSJ Debt and the MSJ Mortgage Documents.

- **Transfer of Xavier Settlement Agreement and Interests Thereunder, and Related Interests.** The Trustee shall on the Effective Date succeed to all of the rights, interests and obligations set forth in the Xavier Settlement Agreement for the benefit of the Trust, including the right to receive within thirty (30) days of the Effective Date, Two Million, Five Hundred Thousand Dollars (\$2,500,000) realized from the sale of all of the Debtor's right, title and interest in the Xavier Property known as 181 Randolph Rd., Middletown, Connecticut, to Xavier on the terms and conditions set forth in the Xavier Settlement Agreement and the Plan.
- **Vesting.** All Trust Assets required by the Plan and the Confirmation Order to be transferred to the Trustee for the benefit of the Trust on or before the Effective Date shall vest in the Trustee on the Effective Date, and the Diocese, Participating Parties and Settled Insurers shall be deemed for all purposes to have transferred all of their respective rights, title and interests in the Trust Assets to the Trustee.
- **Documentation.** The Diocese, the Participating Parties and the Settled Insurers, as applicable, shall take all actions reasonably necessary to transfer the Trust Assets to the Trustee including those reasonably requested by the Trustee including, but not limited to, execute documents separately documenting such transfers including deeds and assignments.
- **Extinguishment of Interests.** Upon the transfer of Trust Assets in accordance with Section 7.1(a) of the Plan, the Diocese, the Participating Parties and the Settled Insurers shall have no further right, title or interest in or with respect to the Trust Assets except as otherwise explicitly provided in the Plan and the Effective Date Escrow Agent Agreement in the event of a Termination of the Plan.

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<sup>19</sup> Each of the capitalized terms "Real Estate," "MSJ Mortgage Documents," and "MSJ Debt" used in this paragraph and in the Plan (see Plan Section 13.12) shall have the meaning ascribed to them in the Mount St. John Settlement Agreement appended to the Plan as Exhibit K, which definitions are incorporated by reference.

**Contribution of Funds to Unknown Abuse Claims Trust on the Effective Date.**

The Unknown Abuse Claims Trust shall be funded exclusively by the Debtor and the Reorganized Debtor by transferring to the Unknown Abuse Claims Trust up to five hundred thousand Dollars (\$500,000), with the first installment of such funding in the amount of two hundred and eighty thousand (\$280,000) Dollars paid by the Debtor to the Unknown Abuse Claims Trust on the Effective Date, and the balance of such funding to be paid by the Reorganized Debtor in accordance with the terms and conditions of Section 4.1(b) of the Unknown Abuse Claims Trust Agreement, or such other amounts and at such intervals as ordered by the Bankruptcy Court in the Confirmation Order, for the benefit of Unknown Abuse Claims other than Post-Petition Abuse Claims, which transfer shall not be deemed to include any funding from the Catholic Mutual Contribution.

**Contribution of Funds to Unknown Abuse Claims Trust for Allowed Post-Petition Abuse Claims.**

Within thirty (30) calendar days of any Post-Petition Abuse Claim being Allowed by a Non-Appellable Order as provided in Section 3.1(c) of the Plan, the Reorganized Debtor shall either: (i) if the Unknown Abuse Claim Trust has not terminated, contribute the full Allowed amount of such Post-Petition Abuse Claim to the Unknown Abuse Claims Trust in good and immediately available funds; or (ii) if the Unknown Abuse Claims Trust has terminated, pay the full Allowed amount of such Post-Petition Abuse Claim directly to the Claimant in good and immediately available funds.

**Reserve Accounts.**

As set forth in the Trust Agreement and Unknown Abuse Claims Trust Agreements, the Trustee and Unknown Abuse Claims Trustee shall establish reserves for various purposes.

**No Execution.**

All funds held by the Trustee will remain property of such Trust until the funds have been actually paid to and received by a Person entitled to receive payment under the Plan, Confirmation Order and Trust Documents. Except as provided in the Plan, Confirmation Order and the Trust Documents, the Trustee and Trust shall not be responsible for any Claims against the Debtor. All funds held by the Unknown Abuse Claims Trustee will remain property of the Unknown Abuse Claims Trust until the funds have been actually paid to and received by a Person entitled to receive payment under the Plan, Confirmation Order and Unknown Abuse Claims Trust Documents. Except as provided in the Plan, Confirmation Order and the Unknown Abuse Claims Trust Documents, the Unknown Abuse Claims Trustee and the Unknown Abuse Claims Trust shall not be responsible for any Claims against the Debtor.

**Payments Effective Upon Tender**

Whenever the Plan requires payment to be made to a creditor, such payment will be deemed made and effective upon tender thereof by the Trustee, the Debtor, or the Reorganized Debtor to the creditor to whom payment is due. If any creditor refuses a tender, the amount tendered and

refused will be held by the Trust, the Debtor, or the Reorganized Debtor for the benefit of that creditor pending final adjudication of the dispute. However, when and if the dispute is finally adjudicated and the creditor receives the funds previously tendered and refused, the creditor will be obliged to apply the funds in accordance with the Plan as of the date of the tender; and while the dispute is pending and after adjudication thereof, the creditor will not have the right to claim interest or other charges or to exercise any other rights which would be enforceable by the creditor, if the Trust, the Debtor, or the Reorganized Debtor failed to pay the tendered payment.

### **Sale or Transfer of Transferred Real Estate**

For a period of time not to exceed sixty (60) days following the Effective Date (the “Real Estate Sale Period”), the RE Owner shall retain title to and exclusive possession of the Real Estate and shall reasonably cooperate, in good faith, in the Trustee’s efforts to sell the Real Estate. The Trustee shall determine all manner and methods of the sale process for the Real Estate, and all terms and conditions of the sale for the Real Estate, at his sole and absolute discretion; provided, however, that such shall not materially prejudice the RE Owner without its written consent, which shall not be unreasonably withheld. During the Real Estate Sale Period, the RE Owner’s reasonable cooperation as provided herein shall include, but shall not be limited to, the following: (i) providing a copy of all documents requested by the Trustee concerning the Real Estate (including all Permits and Plans); (ii) permitting reasonable access to the Real Estate including for inspections by the Trustee’s professionals; (iii) providing its written agreement, authorization or affirmation in furtherance of such sale process; and (iv) executing all customary closing documents including the deed, title affidavit, conveyance tax forms, closing statement, and such other documents reasonably necessary or required by a purchaser’s title insurance company to effectuate the transfer of the subject Real Estate.

During the Real Estate Sale Period, the RE Owner shall continue to maintain and keep the Real Estate in substantially the same condition as in existence as of the date of the Plan, including the mowing of lawns, the raking of fallen leaves, the removal of fallen trees and large branches (except in uncultivated areas), and the removal of snow and ice from walks and driveways, and the RE Owner agrees not to commit or permit waste upon the Real Estate, or to remove or permit the removal of anything from the Real Estate without the written consent of the Committee (before the Effective Date) or the Trustee (on or after the Effective Date).

During the Real Estate Sale Period, the RE Owner shall obtain and maintain insurance on the Real Estate (including the Improvements) in amounts and coverages substantially identical to what had been obtained and maintained on or about the date of the Plan, and will pay promptly, when due, any premiums on such insurance; provided, however, that the RE Owner shall obtain and maintain for the duration of the Real Estate Sale Period a loss payee endorsement for the Trustee for all insurance coverage provided on account of the Real Estate (including all Improvements). In the event of loss to the Real Estate, the RE Owner will give immediate written notice to the Trustee. In case of loss and payment by any insurance company on account of a loss to the Real Estate, the insurance proceeds received, after deducting all costs of collection, including reasonable attorney’s fees, shall be paid to the Trustee. The RE Owner hereby agrees and consents to permit the Trustee to negotiate with any insurance company following a loss to the Real Estate

to ensure an equitable settlement. The RE Owner agrees that any sums which may become payable under such insurance shall name on the payment the RE Owner and the Trustee. The RE Owner will require all insurance policies on the Real Estate to provide the Trustee with at least ten (10) calendar days prior written notice to Trustee of cancellation or modification. At the Trustee's request, the RE Owner will deliver to him certified copies of all of these insurance policies, binders or certificates applicable to the Real Estate during the Real Estate Sale Period.

At the closing of any sale of Real Estate during the Real Estate Sale Period (the "Closing"), the RE Owner shall deliver to the Trustee the Net Proceeds of the sale of Real Estate.

Immediately after the end of the Real Estate Transfer Period, the RE Owner shall promptly transfer by quitclaim deed to the Trustee's designee in accordance with Section 7.1(a)5 of the Plan any and all pieces and parcels of Real Estate that it had not sold in accordance with Section VII of the Plan, unless Trustee provides advance written notice waiving the Trust's right to acquire title to such Real Estate.

The RE Owner, to induce the Committee to propose jointly with the RE Owner the Plan which provides for, inter alia, the sale or transfer of the Real Estate as provided hereunder, make the representations, warranties and covenants to the Committee (and to the Trustee upon the Effective Date and at all time through the Real Estate Sale Period, such representations, warranties and covenants shall survive the termination of the Real Estate Sale Period) as set forth in Exhibit M to the Plan. In particular, without limitation, as set forth in Exhibit M, the RE Owner made the representation and the Committee has agreed that the Real Estate shall be sold or transferred to the Trust subject to specific restrictions, which shall run with the land, precluding certain uses of the Real Estate which would violate Canon Law or otherwise be morally objectionable to the Catholic Church.

### **Bond Requirement**

As provided in each of the Trust Agreement and the Unknown Abuse Claims Trust Agreement, each of the Trustee and Unknown Abuse Claims Trustee shall post a bond or other form of surety or security on such terms and conditions as ordered by the Bankruptcy Court in the Confirmation Order.

### **Identity of Proposed Trustee and Maintenance of Trust Assets**

The Committee proposes Craig R. Jalbert to serve as the Trustee of the Trust. Mr. Jalbert is presently and has been since 1987 a principal of Verdolino & Lowey, P.C., Foxboro, Massachusetts. The Committee submits that Mr. Jalbert is the most qualified and most cost-effective alternative to serve as Trustee based on his extensive experience in serving as a fiduciary and representing fiduciaries in similar situations.

The Debtor and Committee shall jointly seek through a separate motion the Bankruptcy Court's approval of Mr. Jalbert's appointment as the Trustee of the Trust. This separate motion shall fully set forth his qualifications to serve as Trustee for the Trust, for the benefit of the Abuse Claimants in Class 4. The replacement of the Trustee, if and when necessary, shall be

subject to Bankruptcy Court approval and otherwise shall be effectuated as provided in the Trust Documents.

The Trustee shall be compensated by the Trust for their reasonable and necessary fees and expenses incurred in connection with the fulfillment of their services performed pursuant to the Trust. The Trustee may employ other professionals and paraprofessionals to assist in the fulfillment of their duties under the Trust, and the Trust shall also compensate for such reasonable and necessary services in accordance with the Trust Agreement. If Mr. Jalbert's appointment is approved by the Bankruptcy Court, Mr. Jalbert shall be compensated at his ordinary and customary hourly rate of \$540, less a ten percent (10%) public interest discount agreed to by Mr. Jalbert. Any professionals and paraprofessionals that the Trustee engages shall also be compensated at their ordinary and customary hourly rate less the 10% public interest discount.

The Trustee shall post and at all times while so serving maintain a bond or other form of surety or security as ordered by the Bankruptcy Court in the Confirmation Order or otherwise. Typically, the bond ordered and issued is in an amount equal to One Hundred Fifty Percent (150%) of the value of the trust assets. In addition, the Trustee and his firm maintain their own errors and omissions insurance coverage up to One Million Dollars (\$1,000,000).

Until distributed to Abuse Claimants, the Trustee shall maintain the liquid Trust Assets as cash and cash equivalents; cash equivalents shall include time deposits, certificates of deposit, money market funds, U.S. Treasury bills having a maturity date of three months or less and similar temporary investments that are (i) readily convertible to known amounts of cash and (ii) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. The Trustee is not authorized to make and is expressly precluded from making any other type of investment with the liquid Trust Assets. The Trustee intends to maintain the Trust's financial accounts with Citizens Bank with whom the Trustee has a preexisting relationship for when he has served as a fiduciary in other matters.

## **B. Liquidation And Payment of Abuse Claims**

The Trustee and Trust and Unknown Abuse Claims Trustee and Unknown Abuse Claims Trust, respectively, shall pay Abuse Claims under the terms of the Plan, Confirmation Order, the Trust Agreement, the Trust Distribution Plan, the Unknown Abuse Claims Trust Agreement, and the Unknown Abuse Claims Trust Distribution Plan, as applicable.

The Abuse Claims Reviewer's determinations shall not be a finding or fixing of the fact or liability or the amount payable for any Abuse Claim with any binding legal effect, other than for distribution purposes by the Trust under the Trust Distribution Plan or the Unknown Abuse Claims Trust under the Unknown Abuse Claims Trust Distribution Plan. The Trustee's, Unknown Abuse Claims Trustee's or Abuse Claims Reviewer's determination of qualification of an Abuse Claim, payment on account of an Abuse Claim or reserve for payment on account of an Abuse Claim is not an admission of liability by the Debtor, a Participating Party, the Trust, or the Unknown Abuse

Claims Trust regarding any Abuse Claims, to establish the Diocese's and/or a Participating Party's liability on the Abuse Claim, but any such judgment awarded to an Abuse Claimant will be reduced by the Trust Distributions or Unknown Abuse Claims Trust Distributions already paid by the Trust or Unknown Abuse Claims Trust to such Abuse Claimant on their Abuse Claim(s).

### **Identity of Proposed Abuse Claims Reviewer**

The Committee proposes for the Honorable Salvatore C. Agati (Ret.) to serve as the Abuse Claims Reviewer for both the Trust Distribution Plan and Unknown Abuse Claims Trust Distribution Plan, based on his honorable character and sympathetic and patient demeanor, as well as his extensive experience litigating, adjudicating and mediating civil matters including matters involving the sexual abuse of minors.

Judge Agati attended college and obtained his Bachelor of Arts degree in 1979 from Fairfield University, and his Juris Doctor degree from Temple University in 1982. Judge Agati began his legal career as a Superior Court Law Clerk in 1982 and served in private practice in Waterbury for seventeen years from 1983 to 2000. At the time of his appointment, Judge Agati was a partner at the law firm of Rinaldi, Zipoli, Bruno & Agati, P.C.

The Debtor and the Committee shall jointly seek through a separate motion the Bankruptcy Court's approval of Judge Agati's appointment as the Abuse Claims Reviewer for the Plan and, more specifically, for the implementation of the Trust Distribution Plan and the Unknown Abuse Claims Trust Distribution Plan. This separate motion shall fully set forth his qualifications to serve as the Abuse Claims Reviewer for the Trust and the Unknown Abuse Claims Trust, for the benefit of all Abuse Claimants in Class 4 and Class 5. The replacement of the Abuse Claims Reviewer if and when necessary, shall be subject to Bankruptcy Court's approval and otherwise shall be effectuated as provided in the Trust Documents.

The Abuse Claims Reviewer shall be compensated by the Trust for his reasonable and necessary fees and expenses incurred in connection with the fulfillment of his services performed pursuant to the Trust Distribution Plan. The Abuse Claims Reviewer shall be compensated by the Reorganized Debtor for his reasonable and necessary fees and expenses incurred in connection with the fulfillment of his services performed pursuant to the Unknown Abuse Claims Trust Distribution Plan. The Abuse Claims Reviewer's compensation may include the reasonable and necessary services provided by other professionals and paraprofessionals to assist in the fulfillment of their duties under the distribution plans. If his appointment is approved by the Bankruptcy Court, Judge Agati shall be compensated at his ordinary and customary hourly rate of \$600, less a ten percent (10%) public interest discount agreed to by Judge Agati, and any professionals and paraprofessionals that he engages shall be compensated at their ordinary and customary hourly rate (less the 10% public interest discount).

### **Settled Insurer Defense and Indemnification Limitation.**

After the Effective Date and notwithstanding any provision of the Confirmation Order, the Plan, the Trust Documents or the Unknown Abuse Claims Trust Documents to the contrary, none of the Settled Insurer Parties shall (i) have any duty or obligation to participate in, defend,

indemnify, provide coverage, make any payment or incur any liability or cost in connection with any suit against any Participating Party for the purpose of liquidating of any Channeled Claim, the recovery on Transferred Insurance Interests from any Non-Settling Insurer or the payment of any Distribution with respect to an Abuse Claim.

### **Scope of Damages and Effect of No Award on Abuse Claims**

As provided in Section 3.3 of the Trust Distribution Plan, in determining the distribution to any Abuse Claimant, punitive damages and damages that can be classified as economic damages that do not compensate the Abuse Claimant for bodily injury and/or emotional distress or mental anguish attributable to their bodily injury shall not be considered or allowed, even if these damages could have been considered or allowed under applicable non-bankruptcy law. Any distribution to an Abuse Claimant shall be solely because of bodily injury and/or emotional distress or mental anguish attributable to the bodily injury to such Abuse Claimant.

If an Abuse Claim is denied payment under the Trust Distribution Plan or Unknown Abuse Claims Trust Distribution Plan, the Holder of such Abuse Claim will have no further rights against the Diocese, Participating Parties, the Trust, Trustee, Unknown Abuse Claims Trust, or Unknown Abuse Claims Trustee relating to such Abuse Claim.

### **Treatment of Punitive Damages**

Claims for punitive or exemplary damages in connection with any of the Claims will receive no Distribution under the Plan.

### **Withdrawal of Abuse Claims**

An Abuse Claimant may withdraw an Abuse Claim at any time on written notice to the Trustee or Unknown Abuse Claims Trustee, as applicable. If withdrawn, the Claim will be withdrawn with prejudice as to and may not be reasserted against the Diocese Parties, the Reorganized Debtor, the Trust or Unknown Abuse Claims Trust, as applicable.

### **Medicare Reimbursement and Reporting Obligations**

The Trust and Unknown Abuse Claims Trust shall register as a Responsible Reporting Entities (“RRE”) under the reporting provisions of Section 111 of MMSEA.

The Trust and Unknown Abuse Claims Trust shall timely submit all reports required under MMSEA because of any claims settled, resolved, paid, or otherwise liquidated by the Trust or Unknown Abuse Claims Trust. The Trust or the Unknown Abuse Claims Trust, as an RRE, shall follow all applicable guidance published by the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services and/or any other agency or successor entity charged with responsibility for tracking, assessing, or receiving reports made under

MMSEA (collectively, “CMS”) to determine whether, and, if so, how, to report to CMS under MMSEA.

For Abuse Claims that occurred after December 5, 1980, before remitting funds to Claimants’ counsel, or to the Claimant if such Claimant is acting pro se, regarding any Abuse Claim, the Trustee or Unknown Abuse Claims Trustee shall obtain (i) a certification that said Claimant (or such Claimant’s authorized representative) has provided or will provide for the payment and/or resolution of any obligations owing or potentially owing under 42 U.S.C. § 1395y(b), or any related rules, regulations, or guidance, in connection with, or relating to, such Abuse Claim and (ii) that the Claimants’ counsel or Claimant (if Claimant is acting pro se) indemnifies the Trust for any such obligations.

### **No Admission**

Section 8.5 of the Plan does not imply, and shall not be an admission that the Debtor, any Participating Party or any Settled Insurer are “applicable plans” within the meaning of Medicare, Medicaid and SCHIP Extension Act of 2007, or that they have any legal obligation to report any actions undertaken by the Trust or Unknown Abuse Claims Trust or contributions to the Trust or Unknown Abuse Claims Trust under Medicare, Medicaid and SCHIP Extension Act of 2007 or any other statute or regulation.

### **Delay Regarding Failure to Comply**

The failure by one or more Medicare Beneficiaries or other Abuse Claimants to follow these provisions shall not delay or impair the payment by the Trustee or Unknown Abuse Claims Trustee to any other Medicare Beneficiary or other Abuse Claimant following these provisions.

### **Documentation by Estate of Abuse Claimant**

If the Abuse Claimant is the estate of an Abuse Claimant, then the letters or documentation required under Section 8.5 of the Plan need not be dated within 120 calendar days of payment by the Trustee or the Unknown Abuse Claims Trustee to such Claimant.

## **C. Insurance Matters Regarding Non-Settling Insurers**

### **Transfer of Insurance Interests**

On the Effective Date, and with no further action by any party, but subject to the Plan, the Diocese and each of the Participating Parties will be deemed to have assigned to the Trust the Diocese’s and the Participating Parties’ Transferred Insurance Interests. The Transferred Insurance Interests shall be effective to the maximum extent permissible under applicable law and shall not be construed: (i) as an assignment of the Non-Settling Insurer Policies issued by the Non-Settling Insurers or (ii) to entitle any Person to Insurance Coverage other than those Persons or entities entitled to such coverage under the terms of the Non-Settling Insurer

Policies. The determination of whether the assignment of Transferred Interests provided for in this Section is valid, and does not defeat, diminish or impair the Transferred Insurance Interests shall be made by the Bankruptcy Court at the Confirmation Hearing.

If a party in interest fails to timely file an objection to the proposed assignment by the deadline for filing objections to confirmation of the Plan, that party in interest shall be deemed to have irrevocably consented to the assignment and will be forever barred from asserting that the assignment affects the ability of the Trust to pursue Transferred Insurance Interests against the Non-Settling Insurers.

If the Bankruptcy Court determines that the assignment of the Transferred Insurance Interests is valid and does not defeat, diminish or impair the Insurance Coverage, following the Effective Date, the Trust shall assume responsibility for, and be bound by, only such obligations of the Diocese or the Participating Parties under the Non-Settling Insurer Policies as are necessary to enforce the Transferred Insurance Interests; provided, however, that the Trust's assumption of such responsibility shall not relieve the Diocese or the Participating Parties from any duty that such entities may have under the Non-Settling Insurer Policies.

#### **Appointment of Trustee as the Estate Representative to Enforce Insurance Interests and Obtain Insurance Recoveries**

Under § 1123(b)(3)(B) of the Bankruptcy Code, the Trustee is appointed as the representative of the Diocese and Participating Parties to retain and enforce the Diocese's and Participating Parties' Insurance Coverage and for Insurance Claims regarding the Abuse Claims against the Diocese and Participating Parties for any Insurance Claims transferred to the Trust.

Neither the Trust nor the Diocese shall have any obligation to take any action to enforce an Insurance Policy of a Non-Settling Insurer, including any obligation to commence and prosecute any action against any Non-Settling Insurer or to defend an action commenced by a Non-Settling Insurer, though the Trust (or the Diocese, as applicable), may choose to do so.

The determination of whether the appointment of the Trust as the Debtor's and the Debtor's Estate's representative provided for in Plan Section 9.2(a) is valid and does not defeat, diminish or impair the Insurance Coverage, shall be made by the Bankruptcy Court at the Confirmation Hearing. If a party in interest fails to timely file an objection to the proposed appointment by the deadline for filing objections to confirmation of the Plan, that party in interest shall be deemed to have irrevocably consented to the appointment and will be forever barred from asserting that the appointment in any way affects the ability of the Trust to pursue the Insurance Coverage, Insurance Claims and/or Insurance Recoveries from the Non-Settling Insurers.

If the Bankruptcy Court determines that the appointment is valid and does not defeat, diminish or impair the Insurance Coverage, following the Effective Date, the Trust shall assume responsibility for, and be bound by, only such obligations of the Diocese or the Participating

Parties under the Non-Settling Insurer Policies as are necessary to enforce the Insurance Coverage, Insurance Claims and/or Insurance Recoveries; provided, however, that the Trust's appointment shall not relieve the Diocese or the Participating Parties from any duty that such entities may have under the Non-Settling Insurer Policies.

### **Consequences of Determination that Assignment or Appointment is Invalid**

If a Non-Appealable Order is entered holding that the assignment of Transferred Insurance Interests provided for in Section 9.1 of the Plan, or that the appointment of the Trust as the Diocese's and Participating Parties' representative provided for in Plan Section 9.2, is invalid or would defeat, diminish or impair the Transferred Insurance Interests regarding a Non-Settling Insurer Policy, as to such Non-Settling Insurer Policy, the assignment and/or appointment, as the case may be, will be deemed not to have been made. If the assignment and appointment are not deemed to have been made, the Diocese and each of the Participating Parties will retain the Insurance Claims under such Non-Settling Insurer Policy, and the following shall apply to such retained Insurance Claims:

- The Trust, the Reorganized Debtor, and any Participating Parties shall enter into a common interest agreement related to pursuing the Insurance Claims.
- The Reorganized Debtor and the Participating Parties will assert their Insurance Claims to the extent requested by the Trust against any Non-Settling Insurer. All Insurance Recoveries identified as transferred to the Trust under Plan Section 9.1 above received by the Reorganized Debtor and the Participating Parties will be immediately paid to the Trust. The Reorganized Debtor and Participating Parties will select and retain counsel to pursue their Insurance Claims under Plan Section IX, subject to the Trustee's approval, which approval shall not be unreasonably withheld.
- The Reorganized Debtor and Participating Parties shall cooperate with the Trust regarding the Insurance Claims, including that the Reorganized Debtor and Participating Parties will provide the Trustee and its counsel with all discovery requests, pleadings, moving documents and other papers that the Reorganized Debtor or Participating Parties intend to make or file regarding the Insurance Claims and any related counterclaims against the Non-Settling Insurers before making such requests or filing. The Reorganized Debtor and Participating Parties shall keep the Trustee advised of any settlement discussions regarding any litigation against a Non-Settling Insurer and will involve the Trust's counsel in all settlement discussions with any Non-Settling Insurer.
- The Trust shall pay the reasonable attorneys' fees, costs and expenses allowed by the Bankruptcy Court incurred by the Reorganized Debtor and Participating Parties in pursuing the Insurance Claims under Section 9.3 of the Plan, subject to a monthly

cap to be established by the Trustee, in consultation with the Reorganized Debtor and Participating Parties.

- The Trust shall, in addition to reasonable attorneys' fees, costs and expenses provided for in Plan Section 9.3(a)4, reimburse the Reorganized Debtor and Participating Parties for any reasonable out of pocket costs and expenses it incurs as a direct consequence of pursuing such Insurance Claims, but will not compensate the Reorganized Debtor and Participating Parties for any time any of its employees spends. All Insurance Recoveries received by the Reorganized Debtor or Participating Parties on account of such Insurance Claims shall be held in trust to benefit the Trust and shall be immediately remitted by the Reorganized Debtor or Participating Parties to the Trust.

### **Preservation of Insurance Rights**

Nothing in the Plan or any of the other Plan Documents, including, without limitation, any discharge, release, covenant not to sue or injunction protecting the Debtor, any Settled Insurer Party or any Participating Party, or any release provided by a Class 4 Claimant or Class 5 Claimant, or any determination with respect to a Class 4 Claim under the Trust Documents or any determination with respect to Class 5 Claim under the Unknown Abuse Claim Trust Document, shall impair or diminish any Non-Settling Insurer's obligations under or related to the Non-Settling Insurer Policies including, but not limited to, pursuant to the doctrines of *res judicata*, collateral estoppel, admission, accord and satisfaction, novation or waiver. No provision of the Plan or any of the other Plan Documents shall impair or diminish any Insurance Claims or Insurance Recoveries, including any Non-Settling Insurer's legal, equitable, or contractual obligations arising out of or relating to the Non-Settling Insurer Policies or the Insurance Claims, against the Non-Settling Insurers. Under no circumstance shall the review or determination of an Abuse Claim by the Abuse Claims Reviewer, Trustee or Unknown Abuse Claims Trustee affect the rights or obligations of a Non-Settling Insurer. If any court determines that any provision of the Plan impairs or diminishes any Non-Settling Insurer's obligation regarding any Insurance Claims or Insurance Recoveries, including any Non-Settling Insurer's obligations arising out of or relating to the Transferred Insurance Interests, such provision shall be given effect only if it shall not cause such impairment or diminishment.

### **Effect of Discharge, Injunctions and Releases.**

Notwithstanding any provision of the Plan or any other Plan Document, including the discharge provided by Section 13.1 of the Plan, the injunctions provided by Sections 13.6 and 13.9 of the Plan, and the releases provided in and pursuant to the Plan and the other Plan Documents, to preserve coverage under any Non-Settling Insurer Policy and to preserve all Insurance Claims and all Insurance Recoveries, including the Transferred Insurance Interests, the Abuse Claimants specifically reserve, and do not release, and are not enjoined or otherwise precluded from asserting and litigating through any form of legal proceeding any Claims they may have against the Diocese,

the Reorganized Debtor, or any Participating Party solely for the purpose of asserting those Claims to recover on Insurance Coverage under any Non-Settling Insurer Policy, or any Insurance Claims or Insurance Recoveries, and recourse is limited to the proceeds of such Non-Settling Insurer Policy and all Insurance Claims and Insurance Recoveries that may be recoverable against any Non-Settling Insurer, and any such judgments or awards shall be handled pursuant to the Plan and the trust Distribution Plan.

### **Post-Judgment Actions against Non-Settling Insurers**

If the Trust or any Abuse Claimant obtains a judgment against the Reorganized Debtor or Participating Parties, the Reorganized Debtor or Participating Parties will cooperate with the Trust or Abuse Claimant in the pursuit of any action brought by the Trust or Abuse Claimant against a Non-Settling Insurer that may, based on allegations made in good faith, provides Insurance Coverage applicable to such judgment. The Reorganized Debtor and/or Participating Parties will provide the Trust or Abuse Claimant with any non-privileged and relevant documents and information reasonably requested by the Trust or Abuse Claimant in pursuit of such an action.

### **Settlement with Non-Settling Insurers**

Following the Effective Date and prior to the termination of the Trust, the Reorganized Debtor and the Participating Parties shall not enter into an agreement affecting any Insurance Policy with any Non-Settling Insurer without the express written consent of the Trustee, which consent may be granted or withheld at the Trustee's sole and absolute discretion. Following the Effective Date and prior to the Trust Termination Date (as defined in the Trust), the Trust shall exclusively act on the Reorganized Debtor's and Participating Parties' behalf to negotiate a settlement with any Non-Settling Insurer because of such Transferred Insurance Interests, unless Section 9.3 of the Plan applies. Such settlements may provide for the Non-Settling Insurer to become a Settled Insurer.

### **Cooperation with Non-Settling Insurer in Defense of Claims**

Without limiting the Diocese's and/or Participating Party's obligations under this Section IX of the Plan, if any Abuse Claimant prosecutes an action against the Diocese and/or Participating Party, the Diocese and/or Participating Party will cooperate, under the terms of any applicable Non-Settling Insurer Policy, with a Non-Settling Insurer providing a defense to such a Claim.

### **Insurance Neutrality**

Other than as expressly provided in Section IX of the Plan, no provision of the Plan shall diminish or impair the right of any Insurer to assert any defense to any Insurance Claim. That the Trust is liquidating and paying/reserving monies because of the Abuse Claims shall not be construed to diminish any duty of any Insurer under any Insurance Policy to provide Insurance Coverage to the Diocese for Abuse Claims. The duties and obligations, if any, of the Non-Settling

Insurers under each Non-Settling Insurer's Insurance Policy shall not be impaired, altered, reduced or diminished by: (a) the discharge granted to the Debtor under the Plan under § 1141(d) of the Bankruptcy Code, (b) the exonerations, exculpations and releases in the Plan or the other Plan Documents or (c) the Channeling Injunction and the Supplemental Settled Insurer Injunction.

### **Judgment Reduction**

In connection to any action by the Trust to enforce Insurance Claims regarding a Non-Settling Insurer Policy, if any Non-Settling Insurer obtains a judicial determination or binding arbitration award that, it would be entitled to obtain a sum certain from a Settled Insurer because of a claim for contribution, subrogation, indemnification, or other similar claim against a Settled Insurer for such Settled Insurer's alleged share or equitable share, or to enforce subrogation rights, if any, of the defense and/or indemnity obligation of such Settled Insurer for any Claims released or resolved under any Settlement Agreement with a Settled Insurer, the Diocese, the Trustee or Participating Party, as applicable, shall be deemed to have reduced its judgment or Claim against, or settlement with, such other Insurer to the extent necessary to satisfy such contribution, subrogation, indemnification, or other claims against such Settled Insurer. To make sure such a reduction is accomplished, such Settled Insurer shall be entitled to assert Plan Section IX as a defense to any action against it brought by any other Insurer for any such portion of the judgment or Claim and shall be entitled to request that the court or appropriate tribunal issue such orders as are necessary to effectuate the reduction to protect such Settled Insurer or any released parties under a Settlement Agreement with a Settled Insurer from any liability for the judgment or Claim. If a Non-Settling Insurer asserts that it has a Claim for contribution, indemnity, subrogation, or similar relief against a Settled Insurer, such Claim may be asserted as a defense against the Trust, the Diocese or any Participating Party in any litigation of Insurance Claims (and the Trust, the Diocese and the Participating Party may assert the legal and equitable rights of such Settled Insurer in response thereto); and to the extent such a Claim is found to be valid by the court presiding over such action, the liability of such Non-Settling Insurer to the Trust, the Diocese or Participating Party shall be reduced dollar for dollar by the amount so determined. The Bankruptcy Court shall retain nonexclusive jurisdiction to determine the amount, if any, of any judgment reduction under Plan Section IX. In addition, any court of competent jurisdiction may determine the amount, if any, of any judgment reduction under Plan Section IX.

### **No Duty of Diocese or Trust to Prosecute Insurance Claims**

Neither the Trust nor the Diocese have any obligation to take any action to enforce any Non-Settling Insurer Policy or any Insurance Claims against any Non-Settling Insurer (for the Trust, pursuant to the rights and interests conferred pursuant to Sections 9.1 through 9.3 of the Plan), including any obligation to commence and prosecute any action against any Non-Settling Insurer or to defend an action commenced by a Non-Settling Insurer, though the Trust (or the Diocese, as applicable), may choose to do so. **Notwithstanding and for the avoidance of doubt, pursuant to the Plan and specifically Section 9.4 and 9.5, and subject to the provisions of Section 10 of the Trust Distribution Plan, each Class 4 Claimant retains the right to assert**

**and litigate through any form of legal proceeding any Claims they may have against the Diocese, the Reorganized Debtor, or any Participating Party solely for the purpose of asserting those Claims to recover on Insurance Coverage under any Non-Settling Insurer Policy, or any Insurance Claims or Insurance Recoveries.**

### **Effect Under Non-Settling Insurer Policies**

The Debtor's and Participating Party's contributions are being made in respect of the uninsured or underinsured exposure of the Debtor and the Participating Parties for Abuse Claims and, to the extent required under applicable law, to satisfy self-insured retentions or deductibles under Non-Settling Insurer Policies.

### **D&O Coverage**

The Catholic Mutual Certificates include coverage for the defense and indemnification of the Diocese's officers, employees and directors subject to the terms, conditions, exclusions and limits contained therein ("D&O Coverage") during the Bankruptcy Case and, except for the Sold Certificates, will continue provide D&O Coverage as part of the Preserved Coverage of the Reorganized Debtor after the Effective Date notwithstanding the provisions of the Plan.

## **D. Settled Insurers and Participating Parties**

### **Settlement Agreements**

Each Settlement Agreement shall comply and be consistent with the provisions of the Plan and, in particular, without limitation, the provisions of Section X of the Plan. Upon satisfaction of the conditions precedent to any Settlement Agreement becoming effective, including the Confirmation Order or, where applicable, the order approving the Settlement Agreement, any Settlement Agreement will be fully binding on the Settled Insurer Parties, the Trust, the Unknown Abuse Claims Trust, the Participating Parties, the Reorganized Debtor, the Committee, the Abuse Claimants, and parties in interest, and any of the foregoing Persons' successors.

### **Settlement Payments; Escrow**

Each Participating Party and Settled Insurer will pay to the Trust the sums set forth in each applicable Settlement Agreement on the terms and subject to the conditions set forth in such Settlement Agreement including within the time set forth in such Settlement Agreement. In the event that a payment by a Participating Party or a Settled Insurer is made prior to the Effective Date, it shall be paid to the Effective Date Escrow Agent and held in escrow and delivered to the Trust or returned promptly in accordance with the Confirmation Order and the Effective Date Escrow Agreement.

### **Post-Effective Date Approval**

After the Effective Date, upon consent of the Trustee, a Person may become a Settled Insurer or a Participating Party if the Bankruptcy Court, after notice and hearing, approves the Settlement Agreement between, *inter alia*, the Person and the Trustee. After the Effective Date, the Trustee shall have the exclusive authority to seek approval of such a Settlement Agreement. Such approval shall be subject to the same standards of law applicable to the approval of a compromise or settlement pursuant to Fed. R. Bankr. P. 9019(a). Upon the Bankruptcy Court's entry of a Non-Appealable Order approving such Settlement Agreement, the definition of Participating Parties and/or Settled Insurers in the Plan, and the list of Participating Parties and/or Settled Insurers set forth in Exhibit E and/or Exhibit F to the Plan, as appropriate, shall be amended by the Trustee to include such Person. The Bankruptcy Court's retained jurisdiction to approve an agreement under Plan Section X shall include jurisdiction to determine the adequacy of notice of a motion to approve such an agreement.

### **Effect of Post-Effective Date Settlement Agreements**

Any Person that enters into a Settlement Agreement with the Trustee after the Effective Date which has been approved by a Non-Appealable Order shall have all of the rights, remedies and duties of a Participating Party or a Settled Insurer under the Plan notwithstanding that such Person originally may have been a Non-Settling Insurer or may not have been a Participating Party under any provision of the Plan on the Effective Date. Such rights, remedies and duties shall include the terms and conditions of the Plan including the Channeling Injunction and the Supplemental Settled Insurer Injunction provided for in Section XIII of the Plan.

### **Debtor and Trustee Waiver and Release of Estate's Claims and Causes of Action against Participating Parties and Settled Insurers**

In consideration of the contributions and other consideration to be provided by each Participating Party and Settled Insurer Party, and conditioned upon the occurrence of and effective upon the Effective Date, the Debtor and Trust, as applicable, irrevocably and unconditionally, without limitation, hereby waive, release, acquit, and forever discharge such Participating Party and Settled Insurer Party of and from any and all Claims and Causes of Action of the Estate against any Participating Party or Settled Insurer, or the property thereof; provided, however, that notwithstanding the foregoing, the foregoing release is subject to all exclusions and limitations set forth in the Plan applicable to releases provided in or pursuant to the Plan, and does not waive, release, acquit or forever discharge the Participating Parties' and Settled Insurer Parties' rights and obligations provided in or pursuant to the Plan.

### **Additional Documentation; Non-Material Modifications**

From and after the Effective Date, the Trustee, the Unknown Abuse Claims Trustee, the Reorganized Debtor, and the Participating Parties are authorized to enter into, execute, adopt,

deliver and/or implement all contracts, leases, instruments, releases, and other agreements or documents necessary to effectuate or memorialize the settlements in the Plan without further Order of the Bankruptcy Court. Also, the Trustee, the Reorganized Debtor, and the Participating Parties may make technical and/or immaterial alterations, amendments, modifications or supplements to the terms of any settlement in the Plan, without Bankruptcy Court approval, provided that the amendment or modification does not materially and adversely change the treatment of any Holder of a Class 4 Claim without the prior written agreement of such Holder. A Class of Claims that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified or supplemented under Plan Section X, if the proposed alteration, amendment, modification or supplement does not materially and adversely change the treatment of the Claims within such class. An Order of the Bankruptcy Court approving any amendment or modification made under Plan Section X shall constitute an Order in aid of consummation of the Plan and shall not require the re-solicitation of votes on the Plan.

### **Mercy Settlement Agreement**

The Mercy Settlement Agreement shall be effective and binding on all parties in interest in this Bankruptcy Case and any of their respective successors and assigns, upon entry of the Confirmation Order and the satisfaction of all conditions set forth in the Mercy Settlement Agreement. The rights of the parties under the Mercy Settlement Agreement shall be determined exclusively under the Mercy Settlement Agreement, those provisions of the Confirmation Order approving such Mercy Settlement Agreement and the Plan. The Mercy Settlement Agreement is incorporated into the Plan by reference and shall survive the confirmation, effectiveness, and consummation of the Plan.

### **St. Bernard Settlement Agreement**

The St. Bernard Settlement Agreement shall be effective and binding on all parties in interest in this Bankruptcy Case and any of their respective successors and assigns, upon entry of the Confirmation Order and the satisfaction of all conditions set forth in the St. Bernard Settlement Agreement. The rights of the parties under the St. Bernard Settlement Agreement shall be determined exclusively under the St. Bernard Settlement Agreement, those provisions of the Confirmation Order approving such St. Bernard Settlement Agreement and the Plan. The St. Bernard Settlement Agreement is incorporated into the Plan by reference and shall survive the confirmation, effectiveness, and consummation of the Plan.

### **Xavier Settlement Agreement**

The Xavier Settlement Agreement shall be effective and binding on all parties in interest in this Bankruptcy Case and any of their respective successors and assigns, upon entry of the Confirmation Order and the satisfaction of all conditions set forth in the Xavier Settlement Agreement. The rights of the parties under the Xavier Settlement Agreement shall be determined exclusively under the Xavier Settlement Agreement, those provisions of the Confirmation Order

approving such Xavier Settlement Agreement and the Plan. The Xavier Settlement Agreement is incorporated into the Plan by reference and shall survive the confirmation, effectiveness, and consummation of the Plan.

### **Mount St. John Settlement Agreement**

The Mount St. John Settlement Agreement shall be effective and binding on all parties in interest in this Bankruptcy Case and any of their respective successors and assigns, upon entry of the Confirmation Order and the satisfaction of all conditions set forth in the Mount St. John Settlement Agreement. The rights of the parties under the Mount St. John Settlement Agreement shall be determined exclusively under the Mount St. John Settlement Agreement, those provisions of the Confirmation Order approving such Mount St. John Settlement Agreement and the Plan. The Mount St. John Settlement Agreement is incorporated into the Plan by reference and shall survive the confirmation, effectiveness, and consummation of the Plan.

### **Catholic Mutual Settlement**

The Catholic Mutual Settlement Agreement, and all releases, amendments, and indemnifications contained therein shall be effective and binding on all parties in interest in this Bankruptcy Case including the Trust, the Diocese Parties, the Catholic Entity Parties, Xavier, Oceania, the Claimants and Catholic Mutual, and any of their respective successors and assigns, upon entry of an Approval Order with respect to the Catholic Mutual Settlement Agreement, and the satisfaction of all conditions set forth in the Catholic Mutual Settlement Agreement. The rights of the parties under the Catholic Mutual Settlement Agreement shall be determined exclusively under the Catholic Mutual Settlement Agreement, those provisions of the Approval Order approving such Catholic Mutual Settlement Agreement, the Plan and the Confirmation Order. The Catholic Mutual Settlement Agreement is incorporated into the Plan by reference and shall survive the confirmation, effectiveness, and consummation of the Plan.

### **Sale of Sold Certificates, Free and Clear of Liens, Claims and Interests**

Pursuant to and solely to the extent provided in the Approval Order authorizing and approving the Catholic Mutual Settlement Agreement and the Confirmation Order, effective on the date set forth in the Catholic Mutual Settlement Agreement, each and every Sold Certificate shall be sold to Catholic Mutual, pursuant to §§ 105, 363, and 1123 of the Bankruptcy Code, free and clear of all Liens, Claims and interests of all Persons, including, without limitation, the Diocese Parties, the Catholic Entity Parties, Xavier and Oceania, and Catholic Mutual shall be a good faith purchaser thereof entitled to all of the benefits of § 363(m) of the Bankruptcy Code.

### **Full Payment by Catholic Mutual for Settlement**

Catholic Mutual shall pay the Catholic Mutual Contribution to the Effective Date Escrow Agent subject to the terms and conditions of the Catholic Mutual Settlement Agreement, the Plan

and the Confirmation Order. The Effective Date Escrow Agent shall hold the Catholic Mutual Contribution as escrowee and return such contribution to Catholic Mutual in the event of termination as provided in Section 5.1 of the Catholic Mutual Settlement Agreement. In the absence of such termination, the Catholic Mutual Contribution is the total amount the Catholic Mutual Parties are and shall ever be obligated to pay on account of any and all Channeled Claims or on account of any Claims or Interests relating to the Sold Certificates. The consideration to be provided by the Catholic Mutual Parties pursuant to the Plan (including the Catholic Mutual Contribution) constitutes a fair and reasonable exchange for (i) the consideration granted by the Estate to the Catholic Mutual Parties in the Plan, the Sold Certificates and the Catholic Mutual Settlement Agreement (including the releases, Channeling Injunction and the Supplemental Settled Insurer Injunction), and (ii) the consideration to be provided by the Diocese Parties and the Catholic Entity Parties to the Catholic Mutual Parties pursuant to the Plan (including the releases and injunctions therein). The Catholic Mutual Parties are not acting as volunteers in paying the Catholic Mutual Contribution, which is in settlement of liability under the Catholic Mutual Certificates and the Catholic Mutual Parties' liability thereunder (other than the Preserved Coverage).

#### **Continuation of Preserved Coverage, as Amended**

The Preserved Coverage under the Catholic Mutual Certificates and any other Insurance Policies issued by any other Person ("Other Insurance Policy"), shall either be deemed assumed by the Reorganized Debtor pursuant to §§ 365, 1123(a)(5)(A), and 1123(b)(2) of the Bankruptcy Code, to the extent such Other Insurance Policy or certificate is or was an Executory Contract of the Diocese, or continued in accordance with its terms pursuant to § 1123(a)(5)(A) of the Bankruptcy Code, to the extent such Other Insurance Policy or certificate is not an Executory Contract of the Diocese, such that each of the parties' contractual, legal, and equitable rights under each such Other Insurance Policy shall continue. To the extent that any or all such Other Insurance Policies and certificates are considered to be Executory Contracts, then the Plan shall constitute a motion to assume such Other Insurance Policies in connection with the Plan. Subject to the occurrence of the Effective Date, the Confirmation Order shall approve such assumption pursuant to §§ 365(a), 1123(a)(5)(A), and 1123(b)(2) of the Bankruptcy Code and include a finding by the Bankruptcy Court that each such assumption is in the best interest of the Diocese, the Estate, and all parties in interest in this Chapter 11 Case. For the avoidance of doubt, the Plan and Catholic Mutual Settlement Agreement do not affect the Preserved Coverage under the Catholic Mutual Certificates under which Catholic Mutual has provided coverage to the Diocese and the Catholic Entities during the Bankruptcy Case, as amended by the Plan and Catholic Mutual Settlement Agreement. Unless otherwise determined by the Bankruptcy Court pursuant to an order which becomes a Non-Appealable Order or agreed to by the parties thereto prior to the Effective Date, no payments are required to cure any defaults of the Diocese existing as of the Effective Date with respect to any Other Insurance Policy or certificate.

### **Catholic Mutual Consent to Amendments**

The Confirmation Order and any subsequent modifications or amendments to the Plan shall be in all respects acceptable to Catholic Mutual and shall not deprive the Catholic Mutual Parties of any right or benefit under the Plan or Catholic Mutual Settlement Agreement or otherwise adversely affect the rights and interests of the Catholic Mutual Parties pursuant to the Plan; provided, however, that nothing herein shall preclude the filing of a competing or alternative plan by the Debtor or other parties in interest which might be adverse to Catholic Mutual.

### **Further Assurances; Non-Material Modifications**

From and after the Effective Date, the Reorganized Debtor, Catholic Mutual, the Participating Parties and the Trustee shall be authorized to enter into, execute, adopt, deliver, or implement all notes, contracts, security agreements, instruments, releases, and other agreements or documents necessary to effectuate or memorialize the settlements contained in Section X of the Plan without further order of the Bankruptcy Court. The Reorganized Debtor, Catholic Mutual and the Trustee may make technical or immaterial alterations, amendments, modifications, waivers, or supplements to the terms of the Catholic Mutual Settlement Agreement and/or the Plan, subject to the requirements of such agreement. A class of Claims that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified, or supplemented under Section 10.12 of the Plan, if the proposed alteration, amendment, modification, or supplement does not materially and adversely change the treatment of the Claims within such class. An order of the Bankruptcy Court approving any amendment or modification made pursuant to Section 10.12 of the Plan shall constitute an order in aid of consummation of the Plan and shall not require the re-solicitation of votes on the Plan.

### **Indemnification Obligations of Trust and Reorganized Debtor**

From and after the Effective Date, the Trust shall defend, indemnify, and hold harmless the Catholic Mutual Parties with respect to any and all Abuse Claims, Medicare Claims, and Related Insurance Claims (other than any of such Claims arising from Unknown Abuse Claims), including: all Abuse Claims (other than Unknown Abuse Claims) and Related Insurance Claims made by (i) any Person claiming to be insured (as a named insured, additional insured, or otherwise) under any Catholic Mutual Certificates; (ii) any Person who has made, will make, or can make an Abuse Claim (other than an Unknown Abuse Claim) or Related Insurance Claim; and (iii) any Person who has actually or allegedly acquired or been assigned the right to make a Claim (other than an Unknown Abuse Claim) under any Catholic Mutual Certificates; *provided, however,* that the Catholic Mutual Parties shall not seek to recover from an Abuse Claimant or any transferee of an Abuse Claimant any property distributed or to be distributed after the Effective Date by the Trust in accordance with the confirmed Plan and neither the Trust nor the Reorganized Debtor shall have any liability from a breach of this proviso.

The Reorganized Debtor shall defend, indemnify, and hold harmless the Catholic Mutual

Parties with respect to any and all Abuse Claims and Related Insurance Claims made by (i) any Person claiming to be insured (as a named insured, additional insured, or otherwise) under any Catholic Mutual Certificates; (ii) any Person who has made, will make, or can make an Abuse Claim or Related Insurance Claim; and (iii) any Person who has actually or allegedly acquired or been assigned the right to make a Claim under any Catholic Mutual Certificates subject to the limitations set forth in any other settlement agreement with an Insurer that has been approved by the Bankruptcy Court. The Catholic Mutual Parties shall have the right to defend any Claims identified in this section and shall do so in good faith.

The indemnification obligations of the Trust and the Reorganized Debtor include Abuse Claims made by Persons over whom the Diocese or Parishes do not have control, including any other Person who asserts Abuse Claims (for the Trust, other than Unknown Abuse Claims) against or right to coverage under the Catholic Mutual Certificates. The Catholic Mutual Parties may undertake the defense of any Claim on receipt of such Claim. The Catholic Mutual Parties shall notify the Trust or the Reorganized Debtor, as applicable, as soon as practicable (but, in no case, later than 30 calendar days after receipt) of any Claims identified in Section X of the Plan and of their choice of counsel. The Trust or Reorganized Debtor, as applicable, is not obligated to indemnify the Catholic Mutual Parties for Claims that are or may be made against the Catholic Mutual Parties by other insurers. The obligation of the Trust or Reorganized Debtor, as applicable, to indemnify the Catholic Mutual Parties under Section 10.13 of the Plan shall not exceed in the aggregate dollar amount the amount of the Catholic Mutual Contribution set forth herein, which shall be deemed to be distributed to Abuse Claimants pro rata with other contributions to the Trust. Subject to the limitations above concerning the maximum amounts the indemnifying party must pay, the Trust shall reimburse all reasonable and necessary attorneys' fees, expenses, costs, and amounts incurred by the Catholic Mutual Parties in defending such Claims (other than Unknown Abuse Claims), and the Reorganized Debtor shall reimburse all reasonable and necessary attorney's fees, expenses, costs and amounts incurred by the Catholic Mutual Parties in defending Unknown Abuse Claims. In defense of any such Claims, the Catholic Mutual Parties may settle or otherwise resolve a Claim consistent with the terms of the Plan and with the prior consent of the indemnifying party, which consent shall not be unreasonably withheld.

The indemnification obligations of the Trust set forth in this Section 10.17 may give rise to a liability on the part of the Trust but shall not create any right on the part of Catholic Mutual to "claw back" or otherwise recover any specifically identifiable proceeds of the contribution paid to the Trust by Catholic Mutual, or any interest therein.

Any dispute with respect to the indemnification obligations set forth in this Section 10.17, including any attorneys' fees, expenses, costs, or other amounts allegedly incurred by the Catholic Mutual Parties and subject to reimbursement by the Trust or the Reorganized Debtor, shall be adjudicated and finally determined by the Bankruptcy Court.

### **Waivers and Releases by Diocese Parties and Catholic Entity Parties**

- Subject to the occurrence of the Effective Date, in consideration of the releases and Channeling Injunction and other covenants set forth herein, each of the Diocese Parties and the Catholic Entity Parties irrevocably and unconditionally, without limitation, releases, acquit, forever discharge, and waive any Claims and/or Interests they have or might have now or in the future have against the Participating Parties and the Reorganized Debtor with respect to any and all Related Insurance Claims, any contribution, subrogation, indemnification, or other similar Claim arising from or relating to Abuse Claims, and any Catholic Mutual Certificates.
- Subject to the occurrence of the Effective Date, in consideration of the releases and Channeling Injunction and other covenants set forth herein, each of the Catholic Entities irrevocably and unconditionally, without limitation, releases, acquits, forever discharges, and waives any Claims and/or interests they have or might have now or in the future against the other Participating Parties and the Reorganized Debtor with respect to any and all Related Insurance Claims, any contribution and indemnity Claims arising from or relating to Abuse Claims, and any Catholic Mutual Certificates; and
- Nothing in the Plan shall be construed to bar either (a) a Claim based on Abuse against a Person who is not a Participating Party or (b) a Claim by such Person for insurance coverage in connection with a Claim described in the foregoing subsection (a) under an insurance policy other than the Settled Insurer Policies including the Catholic Mutual Certificates.

### **Rights under Catholic Mutual Settlement Agreement**

The rights of the parties under the Catholic Mutual Settlement Agreement shall be determined exclusively under the Catholic Mutual Settlement Agreement and those provisions of the Approval Order approving such Catholic Mutual Settlement Agreement, the Plan and the Confirmation Order.

#### **E. Means of Implementation of the Plan**

##### **Funding of Plan**

On the Effective Date, the Debtor shall make all payments and effectuate all transfers required to be performed on the Effective Date pursuant to the Plan, including by transferring any Trust Assets due on the Effective Date to the Trust on the Effective Date. On or immediately after the Effective Date, the Effective Date Escrow Agent shall transfer to the Trustee, for the benefit of the Trust, in accordance with the Plan and the Effective Date Escrow Agreement, all Cash Contributions received by the Effective Date Escrow Agent in accordance with Section 7.1(a)3 of the Plan.

### **Transfer of Real Estate and Reversionary Interests**

On and after the Effective Date, the Debtor shall take all steps necessary to effectuate transfer of ownership to the Trust of all Transferred Real Estate. On and after the Effective Date, the Diocese shall also take all steps necessary to effectuate transfer of all reversionary interests in the Transferred Real Estate if any portion of the properties are leased, sold, or subject to an option for lease or sale on or before the Trust Termination Date (as that term is defined in the Trust Documents).

### **Preservation of Causes of Action**

The Trustee, on behalf of the Trust, shall retain the Trust's Causes of Action, whether arising before or after the Petition Date, in any court or other tribunal, including, without limitation, the Bankruptcy Court. The Trustee, on behalf of the Trust, shall have the exclusive right, authority, and discretion to institute, prosecute, abandon, settle, or compromise any such Causes of Action, subject to the requirements of the Bankruptcy Code. To the extent the Committee is the named plaintiff in any Cause of Action vested in the Trust, the Trustee may be substituted as the named plaintiff without additional notice to the parties in such Cause of Action.

### **Reorganized Debtor's Officers, Directors and Senior Management**

In accordance with § 1129(a)(5) of the Bankruptcy Code, the identities and affiliations of the persons proposed to serve as the officers, directors and senior management of the Reorganized Debtor on and after the Effective Date are set forth on Exhibit H to the Plan. Pursuant to § 1129(a)(5)(B) of the Bankruptcy Code, Exhibit H further discloses the nature of compensation to be paid by the Reorganized Debtor to each of the Reorganized Debtor's insiders (the Bishop and the named officers).

### **Closing**

Closing will be conducted at the offices of Zeisler & Zeisler, P.C., or at such other location designated by the Committee, including remotely, as soon as reasonably practicable following the Effective Date for the Diocese and the Participating Parties to execute and deliver the Plan Documents and completing those actions necessary for the Reorganized Debtor and the Participating Parties to establish and fund the Trust and make other Distributions required to be made upon, or promptly following, the Effective Date. As soon as practicable after conditions in Section 12.1 have been satisfied or waived under Section 12.2, the Diocese shall file notice of the Closing and the occurrence of the Effective Date.

### **Obligations of the Reorganized Debtor and Implicated Participating Parties**

The Reorganized Debtor and the Participating Parties will:

- (a) In the exercise of their respective business judgment, review all Claims filed against the Estate (except for Abuse Claims) and, if advisable, object to such Claims;
- (b) Not object to any Abuse Claims (other than Post-Petition Abuse Claims which the Reorganized Debtor may object to in its sole and absolute discretion). Despite the foregoing, the Reorganized Debtor and any implicated Participating Parties shall timely provide the Abuse Claims Reviewer or Trustee, as applicable, with information regarding Abuse Claims as may be requested by the Trustee, Unknown Abuse Claims Trustee or Abuse Claims Reviewer;
- (c) Fulfill the Diocese's obligations under the Insurance Policies issued by the Non-Settling Insurers and under applicable non-bankruptcy law;
- (d) Honor the Diocese's obligations arising under any Settlement Agreement approved by the Bankruptcy Court; and,
- (e) Perform all of their obligations under the Plan and Plan Documents, in each case, as and when the same become due.

### **Objections to Claims**

Objections to a Claim (except for Abuse Claims other Post-Petition Abuse Claims, as appropriate) as to which no objection is pending as of the Effective Date, must be filed by the Claims Objection Deadline, provided that the Reorganized Debtor may request extensions of the Claims Objection Deadline, or of any Bankruptcy Court approved extensions thereof, by filing a motion with the Bankruptcy Court. A motion seeking to extend the deadline to object to any Claim is not an amendment to the Plan. No party in interest other than the Trustee may object to a Class 4 Claim (including a Late-Filed Abuse Claim). No party in interest other than the Unknown Abuse Claims Trustee may object to a Class 5 Claim. The process and deadlines for any objections to Abuse Claims (other than Post-Petition Abuse Claims) are as set forth in the Trust Distribution Plan or the Unknown Abuse Claims Trust Distribution Plan.

### **Reservation of Rights to Object to Claims Other Than Abuse Claims**

Unless a Claim is expressly described as an Allowed Claim under the Plan, or otherwise becomes an Allowed Claim before the Effective Date, upon the Effective Date, the Reorganized Debtor shall be deemed to have a reservation of any rights, interests and objections of the Debtor to any Claims and motions or requests for the payment of or because of Claims, whether administrative expense, priority, secured or unsecured (but not Abuse Claims), whether under the Bankruptcy Code, other applicable law or contract. Subject to the Claims Objection Deadline, the Debtor's failure to object to any Claim in the Case shall be without prejudice to the Reorganized

Debtor's rights to contest or otherwise defend against such Claim in the Bankruptcy Court in Plan Section XI when and if such Claim is sought to be enforced by the Holder of such Claim.

### **Service of Objections**

An objection to a Claim shall be deemed properly served on the Holder of such Claim if the objector effects service by any of the following methods: (i) under Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Bankruptcy Rule 7004; (ii) to the extent counsel for such Holder is unknown, by first class mail, postage prepaid, on the signatory on the Proof of Claim or other representative identified on the Proof of Claim or any attachment thereto; or (iii) by first class mail, postage prepaid, on any counsel that has appeared on the behalf of such Holder in the Case.

### **Determination of Claims**

From and after the Effective Date, any Claim (except for Abuse Claims) as to which a Proof of Claim or motion or request for payment was timely filed in the Case or deemed timely filed by Order of the Bankruptcy Court, may be determined and (so long as such determination has not been stayed, reversed or amended and as to which determination (or any revision, modification or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending) liquidated under (i) an Order of the Bankruptcy Court, (ii) applicable bankruptcy law, (iii) agreement of the parties with no Bankruptcy Court approval, (iv) applicable non-bankruptcy law or (v) the lack of (a) an objection to such Claim, (b) an application to equitably subordinate such Claim and (c) an application to otherwise limit recovery regarding such Claim, filed by the Diocese or any other party in interest on or before any applicable deadline for Filing such objection or application regarding such Claim. Any such Claim so determined and liquidated shall be deemed to be an Allowed Claim for such liquidated amount and shall be satisfied under the Plan. Nothing in Plan Section XI shall be or be deemed a waiver of any Claims, rights, interests or Causes of Action that the Diocese may have against any Person in connection with or arising out of any Claim or Claims, including any rights under 28 U.S.C. § 157. Notwithstanding the foregoing, no party in interest other than the Trustee or Unknown Abuse Claim Trustee, as applicable, may object to an Abuse Claim.

### **No Distributions Pending Allowance**

No payments or Distributions will be made regarding all or any part of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Non-Appealable Order, and the Disputed Claim has become an Allowed Claim; provided, however, that if only a portion of such Claim is an Allowed Claim, the Reorganized Debtor may, in their discretion, make a Distribution because of the part of such Claim that is an Allowed Claim.

### **Claim Estimation**

To effectuate Distributions under the Plan and avoid undue delay in the administration of the Case, the Diocese, after notice and a hearing (which notice may be limited to the Holder of such Disputed Claim), shall have the right to seek an Order of the Bankruptcy Court or the District Court under § 502(c) of the Bankruptcy Code, estimating or limiting, because of a Disputed Claim, the amount of (i) property that must be withheld from or reserved for distribution purposes because of such Disputed Claim(s), (ii) such Claim for allowance or disallowance purposes, or (iii) such Claim for any other purpose allowed under the Bankruptcy Code; provided, however, that the Bankruptcy Court or the District Court, as applicable, shall determine (i) whether such Claims are subject to estimation under § 502(c) of the Bankruptcy Code and (ii) the timing and procedures for such estimation proceedings, if any, such matters being beyond the scope of the Plan. Notwithstanding the foregoing, no party in interest except the Trustee may seek to estimate a Class 4 or Class 5 Claim and no party in interest except the Unknown Abuse Claim Trustee may seek to estimate an Unknown Abuse Claim.

### **Post-Confirmation Reports**

After the Effective Date and until the Bankruptcy Case is closed, the Reorganized Debtor, Trustee and Unknown Abuse Claims Trustee shall timely file the Post-Confirmation Reports as required by United States Trustee Program's rule entitled Uniform Periodic Reports in Cases Filed Under Chapter 11 of Title 11, published at 28 C.F.R. § 58.8.

### **Closing of the Case**

As soon as practicable after the Effective Date, when the Diocese deems appropriate, the Diocese will seek authority from the Bankruptcy Court to close the Case under the Bankruptcy Code and the Bankruptcy Rules; provided, however, that entry of a final decree closing the Case shall, whether or not specified therein, be without prejudice to the right of the Diocese, the Trustee, Unknown Abuse Claim Trustee, or any other party in interest to reopen the Case for any matter over which the Bankruptcy Court or the U.S. District Court for the District of Connecticut has retained jurisdiction under the Plan. Any order closing this Case will provide that the Bankruptcy Court or the U.S. District Court for the District of Connecticut, as appropriate, will retain (a) jurisdiction to enforce, by injunctive relief or otherwise, the Confirmation Order, any other orders entered in this Case, and the obligations created by the Plan and the Plan Documents; and (b) all other jurisdiction and authority granted to it under the Plan and the Plan Documents.

## **VII. CONDITIONS PRECEDENT**

### **A. Conditions to Effectiveness**

The Effective Date shall occur when each of the following conditions have been satisfied or, as to those certain specific conditions only, waived under Section 12.2 of the Plan:

- All Approval Orders authorizing and approving all settlement agreements involving the Participating Parties and Settled Insurers (for agreements executed before the Confirmation Date) and any appropriate judgments consistent therewith, shall have been entered by a court of competent jurisdiction in form and substance reasonably acceptable to each party and such orders shall have become Non-Appealable Orders, and no stay of such Orders shall be in effect;
- The Confirmation Order shall have been entered by a court of competent jurisdiction in form and substance reasonably acceptable to the Debtor and the Committee and such order shall have become a Non-Appealable Order, and no stay of such Confirmation Order shall be in effect;
- The Trustee and Debtor shall have signed the Trust Agreement;
- The Bankruptcy Court shall have approved the Effective Date Escrow Agreement;
- The Unknown Abuse Claims Trustee and Debtor have signed the Unknown Abuse Claims Trust Agreement; and
- The Debtor, the Participating Parties, and the Settled Insurers have each delivered to the Effective Date Escrow Agent under and in accordance with the terms of the Effective Date Escrow Agreement, all of the Cash Contribution described in Section 7.1(a)3 of the Plan, in good and immediately available funds.

### **Waiver of Conditions**

The condition in Plan Section 12.1(a) and (b) requiring Non-Appealable Orders may be waived by the mutual written consent of the Committee, the Debtor, Catholic Mutual, the Association of Parishes, Xavier, Mercy St. Bernard, Oceania and the ACA.

### **Notice of Occurrence of Effective Date.**

Within three (3) Business Days after the occurrence of the Effective Date, the Diocese shall file with the Bankruptcy Court a notice thereof.

### **Non-Occurrence of Effective Date**

In the absence of an order of the Bankruptcy Court providing otherwise, if the Effective Date does not occur within ninety (90) calendar days of entry of a Confirmation Order, within three (3) Business Days after the expiration of said ninety (90) calendar day period, either the Debtor or the Committee shall file a notice of termination with the Court.

### **Termination Following Non-Occurrence of Effective Date.**

In the absence of an order of the Bankruptcy Court providing otherwise, upon the filing of a notice of termination with the Bankruptcy Court by either the Diocese or the Committee as required by Section 12.4 of the Plan, the Plan shall become null and void and all contributions theretofore received by the Effective Date Escrow Agent shall be returned to their contributor, with accrued interest.

## **VIII. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

### **Assumed Employee and Retiree Benefit Plans**

To the extent not previously assumed, all employee and retiree benefit plans to which the Debtor are a party will be deemed assumed by the Reorganized Debtor on the Effective Date.

### **General; Assumed if Not Rejected**

Subject to the requirements of § 365 of the Bankruptcy Code, all Executory Contracts of the Debtor not rejected by order of the Bankruptcy Court or are not the subject of a motion to reject pending on the Confirmation Date will be deemed assumed by the Reorganized Debtor on the Effective Date. If any party to Executory Contract that is being assumed objects to such assumption, the Bankruptcy Court may conduct a hearing on such objection on any date that is either mutually agreeable to the parties or fixed by the Bankruptcy Court. All payments to cure defaults that may be required under § 365(b)(1) of the Bankruptcy Code will be made by the Reorganized Debtor. In the event of a dispute regarding the amount of any such payments, or the ability of the Debtor to provide adequate assurance of future performance, the Reorganized Debtor will make any payments required by § 365(b)(1) of the Bankruptcy Code after the entry of the Non-Appealable Order resolving such dispute.

### **Claims for Contract Rejection**

All proofs of claim regarding Claims arising from the rejection of Executory Contracts must be filed with the Bankruptcy Court within thirty (30) calendar days after the Effective Date or such Claims will be forever barred as against the Reorganized Debtor. If any order providing for the rejection of an Executory Contract did not provide a deadline for filing Claims arising from such rejection, proofs of Claim with respect thereto must be filed within thirty (30) calendar days after the later to occur of (a) the Effective Date or, (b) if the order is entered after the Effective Date, the date such order becomes a Non-Appealable Order, or such Claims will be forever barred as against the Reorganized Debtor.

## IX. MISCELLANEOUS PROVISIONS

### A. Retention of Jurisdiction

Except as otherwise stated in the Plan or in the Confirmation Order, the Bankruptcy Court will retain jurisdiction over all matters arising under, to further, or in connection with the Plan, including the following:

- (i) The determination of objections to Disputed Claims; the determination of requests for payment of Claims entitled to priority under § 507 of the Bankruptcy Code, including compensation of and reimbursement of expenses of parties entitled thereto;
- (ii) The resolution of controversies and disputes regarding interpretation and implementation of the Plan and the Plan Documents;
- (iii) The compelling of the Diocese and/or a Participating Party to cooperate with the Trust as required under the Plan;
- (iv) The granting of relief in aid of the Plan and the Plan Documents including the entry of appropriate orders (which may include removal of actions in non-Bankruptcy Court forums to the Bankruptcy Court, contempt or other sanctions) to protect the Reorganized Debtor, the Participating Parties, and the Settled Insurer Parties from actions prohibited under the Plan or the Plan Documents;
- (v) Amendments to and modifications of the Plan;
- (vi) Subject to the limitations and exclusions described above, the determination of any and all applications, adversary proceedings, and contested or litigated matters pending on the Effective Date;
- (vii) Allowance or Disallowance of Administrative Claims including Professional Claims and Post-Petition Abuse Claims (following entry of a final, no longer appealable judgment or order of a court of competent jurisdiction as to such Post-Petition Abuse Claim), and post-confirmation fees provided for in the Plan;
- (viii) The approval of a Settlement Agreement whereby a Person, including a Non-Settling Insurer, may become a Participating Party or Settled Insurer and whereby the Bankruptcy Court may appoint a future claims representative and provide for treatment of unknown claims;
- (ix) The enforcement of all injections provided for in the Plan; and
- (x) The closing of this Case.

## **B. Miscellaneous Provisions**

### **Modification of Plan**

The Debtor and the Committee jointly reserve the right, under the Bankruptcy Code, to amend, modify or withdraw the Plan prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Debtor and the Committee may, jointly, upon order, amend or modify the Plan under § 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan.

### **Severability**

If, before confirmation, the Bankruptcy Court holds that any Plan term or provision is invalid, void, or unenforceable, the Bankruptcy Court may alter or interpret that term or provision so it is valid and enforceable to the maximum extent possible consistent with the original purpose of that term or provision. That term or provision will then be applicable as altered or interpreted, unless such term or provision is inconsistent with the intent of the Committee, in which case the Plan may be unilaterally withdrawn by the Committee. Notwithstanding any such holding, alteration, or interpretation, the Plan's remaining terms and provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated. The Confirmation Order will constitute a judicial determination providing that each Plan term and provision, as it may have been altered or interpreted under Plan Section XVI, is valid and enforceable under its terms. In the event of a successful collateral attack on any provision of the Plan (*i.e.*, an attack other than through a direct appeal of the Confirmation Order), the remaining provisions of the Plan will remain binding on the Diocese, the Participating Parties, the Settled Insurer Parties, the Non-Settling Insurers, the Trustee, the Unknown Abuse Claims Trustee, the Committee, all Claimants, all Creditors, and all other parties in interest.

### **Notices**

All notices or requests in connection with the Plan shall be in writing and served either by (i) United States mail, postage prepaid, (ii) hand delivery, or (iii) reputable overnight delivery service, all charges prepaid, and shall be deemed given when received by the following parties:

[ *Continued on next page* ]

If to the Debtor or Reorganized Debtor:

Rev. Peter J. Langevin, S.T.B., Ph.L.  
Chancellor  
Diocese of Norwich  
The Chancery  
201 Broadway  
Norwich, CT 06360  
(860) 887-9294 x235

With a copy to:

Ice Miller LLP  
1500 Broadway, Suite 2900  
Attn: Louis T. DeLucia  
Alyson M. Fiedler  
Telephone: (212) 835-6312  
Email: Louis.DeLucia@icemiller.com  
Alyson.Fiedler@icemiller.com

*-and-*

Robinson & Cole LLP  
280 Trumbull Street  
Hartford, CT 06103  
Attn: Patrick M. Birney  
Annecca H. Smith  
Telephone: (860) 275-8275  
Email: pbirney@rc.com  
asmith@rc.com

If to the Trustee:

Craig R. Jalbert, CIRA  
Verdolino & Lowey, P.C.  
124 Washington Street, Suite 101  
Foxboro, MA 02035  
Telephone: (508)-543-1720  
Email: cjalbert@vlpc.com

With a copy to:

Zeisler & Zeisler, P.C.  
10 Middle St., 15<sup>th</sup> Fl.  
Bridgeport, CT 06525  
Attn: Stephen M. Kindseth, Esq.  
Telephone: (203) 368-5487  
Email: skindseth@zeislaw.com

If to the Unknown Abuse Claims Trustee:

Kara S. Rescia  
Rescia Law, P.C.  
5104 Bigelow Cmns.  
Enfield, CT 06082  
Telephone: (860) 452-0052  
Email: kara@ctmalaw.com

With a copy to:

Rescia Law, P.C.  
5104 Bigelow Cmns.  
Enfield, CT 06082  
Attn.: Paige M. Vaillancourt, Esq.  
Telephone: (860) 452-0052  
Email: paige@ctmalaw.com

If to the Office of the United States Trustee:

Holley L. Claiborn  
Trial Attorney  
Office of the United States Trustee  
Giaino Federal Building  
150 Court Street, Room 302  
New Haven, CT 06510  
Telephone: (203) 773.5504  
Email: Holley.L.Claiborn@usdoj.gov

### **Notices to Claimants**

All notices and requests to a Person holding any Claim will be sent to them at the last known address listed for such Person with the Bankruptcy Court or with the Debtor's Claims Agent, or to the last known address of their attorney of record. The Holder of a Claim may designate in writing any other address, which designation will be effective upon actual receipt by the Reorganized Debtor, the Trustee, and the Unknown Abuse Claims Trustee. Any Person entitled to receive notice under the Plan will have the obligation to provide the Reorganized Debtor, the

Trustee, and the Unknown Abuse Claims Trustee with such Person's current address for notice purposes. The Reorganized Debtor, the Trustee, and the Unknown Abuse Claims Trustee will have no obligation to attempt to locate a more current address if any notice proves to be undeliverable to the most recent address provided to the Reorganized Debtor, the Trustee, and the Unknown Abuse Claims Trustee.

### **Post-Confirmation Court Approval**

Any action requiring Bankruptcy Court, U.S. District Court or state court approval after the Effective Date will require the Person seeking such approval to file an application, motion, or other request with the Bankruptcy Court, U.S. District Court, or state court, as applicable, and obtain a Non-Appealable Order approving such action before the requested action may be taken. The Person filing such application, motion, or other request shall serve such application, motion, or other request, together with a notice setting forth the time in which objections must be filed with the court, on the Reorganized Debtor, the Committee, the Trustee, and the Unknown Abuse Claims Trustee by first-class mail, electronic mail, ECF, overnight courier, facsimile, or hand delivery. Unless the court orders otherwise, all notices shall provide the recipients at least twenty-one (21) calendar days in which to file an objection to the application, motion, or other request. If no objection is timely filed, the court may authorize the proposed action without further notice or a hearing. If an objection is timely filed, the court will determine whether to conduct a hearing, or to require the submission of further documentation, prior to ruling on the application, motion, or other request.

### **Election under § 1129(b) of the Bankruptcy Code**

The Committee requests confirmation of the Plan under § 1129(b) of the Bankruptcy Code if the requirements of all provisions of § 1129(a) of the Bankruptcy Code, except subsection (a)(8) thereof, are met regarding the Plan. In determining whether the requirements of § 1129(a)(8) of the Bankruptcy Code have been met, any Class that does not have as an element of it an Allowed Claim or a Claim temporarily allowed under Bankruptcy Rule 3018 as of the date fixed by the Bankruptcy Court for filing acceptances or rejections of the Plan shall be deemed deleted from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class.

### **Consummation of the Plan**

The Diocese and the Committee reserve the right to request that the Confirmation Order include a finding by the Bankruptcy Court that Bankruptcy Rule 3020(e) shall not apply to the Confirmation Order.

### **Exemption from Transfer Taxes**

Under § 1146(a) of the Bankruptcy Code, after due notice to the relevant taxing authorities (state and local), Trustee's, Debtor's or Reorganized Debtor's delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, whether occurring before or after the Confirmation Date, including any deeds, bills of sale or assignments executed with any sale or disposition of assets contemplated by the Plan (*i.e.*, the Properties), shall not be subject to any stamp tax, real estate transfer tax, excise tax, sales tax, use tax or other similar tax.

### **Setoffs, Recoupments, and Defenses**

Except for the Sections of the Plan about the Abuse Claims, nothing in the Plan shall constitute a waiver or release by the Debtor, Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee of any rights of setoff or recoupment, or of any defense, they may have regarding any Claim (including rights under § 502(d) of the Bankruptcy Code), or a waiver or release by any Claimant of any rights of setoff or recoupment, or any defense, they may have regarding any Cause of Action against such Claimant provided such Claimant timely filed a Proof of Claim asserting such right of setoff or recoupment. Except as otherwise provided in the Plan or in the Confirmation Order or in agreements previously approved by a Non-Appealable Order, the Debtor, Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee may, but will not be required to, set off against any Claim or any Distributions regarding such Claim, any of the Claims, rights and Causes of Action of any nature that the Debtor, the Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee, as applicable, may hold against the Holder of such Claim; provided, however, that neither the failure to effect such a setoff, the allowance of any Claim hereunder, the payment of any Distribution hereunder or any other action or omission of the Debtor, Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee, nor any provision of the Plan, shall constitute a waiver or release by the Debtor, the Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee, as applicable, of any such Claims, rights and Causes of Action that the Debtor, the Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee, as applicable, may possess against such Holder.

### **Compromise of Controversies**

- (a) **Bankruptcy Court Approval of Settlements.** In consideration for the classification, Distributions and other benefits provided under the Plan, the Plan shall constitute a good faith compromise and settlement of all Claims or controversies resolved under the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each compromise and settlement provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination under the standards of Bankruptcy Rule 9019 that such compromises and settlements are in the best interests of the Debtor and the Estates.

- (b) **Settlement with Participating Parties and Settled Insurer Parties.** Specifically included within the Bankruptcy Court's approval of compromises and settlements of Claims and controversies is the Bankruptcy Court's approval of the agreements with Participating Parties and Settled Insurers. Such agreements also bind the Trust.

#### **Withdrawal or Revocation of the Plan.**

The Diocese and the Committee jointly reserve the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Plan is revoked or withdrawn, or if the Confirmation Date does not occur, the Plan shall have no force and effect and in such event nothing herein shall be deemed to constitute a waiver or release of any Claims by or against the Estate or any other Person, or to prejudice in any other manner the rights of the Committee, whether one or more, or any other Person in further proceedings involving the Committee and specifically shall not modify or affect the rights of any party under any prior orders of the Bankruptcy Court.

#### **Default**

Except as otherwise provided in the Plan or in the Confirmation Order, if the Reorganized Debtor, a Participating Party, a Settled Insurer, the Trustee or the Unknown Abuse Claims Trustee shall default in the performance of any of their respective obligations under the Plan or under the Plan Documents and shall not have cured such a default within any applicable cure period (or, if no cure period is specified in the Plan or Plan Documents or in any instrument issued to or retained by a Claimant under the Plan, then within thirty (30) calendar days after receipt of written notice of default), then the Person to whom the performance is due may pursue such remedies as are available at law or in equity. An event of default occurring with respect to one Claim shall not be an event of default regarding any other Claim.

#### **Governing Law**

Except when federal law (including the Bankruptcy Code or Bankruptcy Rules) is applicable, the rights and obligations arising under the Plan or under the Plan Documents shall be governed by and construed and enforced under the laws of the State of Connecticut without giving effect to the principles of conflicts of laws.

#### **Reservation of Rights**

If the Plan is not confirmed by a Non-Appealable Order, or if the Plan is confirmed and the Effective Date does not occur, the rights of all parties in interest in the Case are and will be reserved in full. Any concessions or settlement reflected, if any, are made for purposes of the Plan only, and if the Plan does not become effective, no party in interest in the Case shall be bound or deemed prejudiced by any such concession or settlement.

### **Controlling Documents**

To the extent any provision of a Settlement Agreement with a Participating Party or Settled Insurer is inconsistent with the Plan or the Confirmation Order, the terms of the Plan and the Confirmation Order shall control, and to the extent any provision of the Confirmation Order is inconsistent with this Plan, the Confirmation Order shall control.

### **Successors and Assigns**

The Plan shall be binding upon and inure to the benefit of the Debtor, the Reorganized Debtor, all Claimants and all other parties in interest affected thereby and their respective successors, heirs, legal representatives and assigns.

### **Direction to a Party**

On and after the Effective Date, the Trust, the Unknown Abuse Claims Trust or the Reorganized Debtor, as applicable, may apply to the Bankruptcy Court for entry of an Order directing any Person to execute or deliver or to join in the execution or delivery of any instrument or document reasonably necessary or reasonably appropriate to effect a transfer of properties dealt with by the Plan, and to perform any other act (including satisfaction of any Lien or security interest) that is reasonably necessary or reasonably appropriate for the consummation of the Plan.

### **Certain Actions**

By reason of entry of the Confirmation Order, prior to, on or after the Effective Date (as appropriate), all matters provided for under the Plan that would otherwise require approval of the officers of the Debtor under the Plan, including (a) the adoption, execution, delivery, and implementation of all contracts, leases, instruments, releases, and other agreements or documents related to the Plan, and (b) the adoption, execution, and implementation of other matters provided for under the Plan involving the Debtor or organizational structure of the Debtor, shall be deemed to have occurred and shall be in effect prior to, on or after the Effective Date (as appropriate), under applicable non-bankruptcy law, with no requirement of further action by the officers of the Debtor.

### **Dissolution of the Committee**

On the Effective Date, the Committee shall dissolve automatically, whereupon its members, Professionals and agents shall be released from any further duties and responsibilities in the Case and under the Bankruptcy Code, except that such parties shall continue to be bound by any obligations arising under confidentiality agreements, joint defense/common interest agreements (whether formal or informal), and protective Orders entered during the Case, which shall remain in full force and effect according to their terms, provided that such parties shall have a right to be heard regarding any (i) applications for Professional Claims and (ii) requests for

compensation and reimbursement of expenses under § 503(b) of the Bankruptcy Code for making a substantial contribution in the Case.

## **X. EFFECTS OF PLAN CONFIRMATION AND DISCHARGE**

### **A. Discharge**

Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, under § 1141(d) of the Bankruptcy Code, the Diocese will be discharged from all liability for any and all Claims and debts, known or unknown, whether or not giving rise to a right to payment or an equitable remedy, that arose, directly or indirectly, from any action, inaction, event, conduct, circumstance, happening, occurrence, agreement, or obligation of the Debtor before the Confirmation Date, or that otherwise arose before the Confirmation Date, including all interest, if any, on any such Claims and debts, whether such interest accrued before or after the date of commencement of this Case, and including all Claims and debts based upon or arising out of an Abuse Claim and from any liability of the kind specified in §§ 502(g), 502(h), and 502(i) of the Bankruptcy Code, whether or not (a) a proof of claim is filed or is deemed filed under § 501 of the Bankruptcy Code; (b) such Claim is Allowed under the Plan; or (c) the holder of such Claim has accepted the Plan.

The discharge provided for in Bankruptcy Code § 1141(d), Section 13.1 of the Plan and otherwise in the Plan and the Confirmation Order shall not in any way affect any Abuse Claims against the Debtor solely to the extent necessary for the Trust or an Abuse Claimant to enforce against Non-Settling Insurers or under any Non-Settling Insurer's Insurance Policies and thereby recover upon Insurance Coverage, Insurance Claims, and/or Insurance Recoveries, *provided, however*, that any such non-discharged Abuse Claim shall be nonrecourse to the Reorganized Debtor and its assets, including the Revested Assets and recourse is limited to the recoveries from the Trust, the proceeds of the Non-Settling Insurer's Insurance Policies and all other damages (including extra-contractual damages), awards, judgments in excess of policy limits, penalties, punitive damages and attorney's fees and costs that may be recoverable against any Non-Settling Insurers, and any such judgments or awards will be handled under the Plan and the Trust Distribution Plan, if applicable.

As provided in Bankruptcy Code § 524(e), unless otherwise provided in the Plan, the discharge as provided in Section 13.1 of the Plan shall not apply to and shall not affect the liability of any other Person on, or the property of any other Person for, Abuse Claims including the liability of against a Person having personally committed an act or acts of Abuse resulting in an Abuse Claim against the Debtor or a Participating Party, any other Co-Defendant or Non-Settling Insurer, which liability shall continue unaffected by the terms of the Plan or the discharge granted to the Debtor or the Reorganized Debtor under the Plan and Bankruptcy Code § 1141(d).

Abuse Claimants and the Trust shall be permitted to name the Diocese or any Participating Party in any proceeding to resolve whether the Diocese or any Participating Party has liability for Abuse Claims and the amount of any such liability, solely for the purposes permitted by Section

13.1(b) of the Plan. The discharge hereunder does not apply to, and shall not limit in any way the obligations of Non-Settling Insurers to defend and pay, the Diocese's or any Participating Party's liability for Abuse Claims under Non-Settling Insurer Insurance Policies.

This discharge provided for in Bankruptcy Code § 1141(d), Section 13.1 of the Plan and otherwise in the Plan and the Confirmation Order shall not apply to and shall not affect the obligations arising under any (i) Settlement Agreement that is approved by the Bankruptcy Court, or (ii) Non-Settling Insurer's Insurance Policies, which are not and will not be discharged.

### **Revested Assets**

Pursuant to § 1141 of the Bankruptcy Code, and except as otherwise provided in the Plan, the Confirmation Order or in subsections 1141(d)(2) and (d)(3) of the Bankruptcy Code, on the Effective Date, all of the Revested Assets shall vest in the Reorganized Debtor free and clear of all Claims, and interests of Claimants. 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 imposed by the Plan or the Confirmation Order.

### **Continued Existence of Reorganized Debtor**

The Debtor will, as the Reorganized Debtor, continue to exist after the Effective Date as separate entities under the applicable laws of the State of Connecticut, 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.

### **Exculpation and Limitation of Liability**

**Except as expressly provided in the Plan, on and after the Effective Date, none of the Exculpated Parties will have or incur any liability to, or be subject to any right of action by, any holder of a Claim, any other party in interest, or any of their related parties, for any act or omission occurring between the Petition Date and the Effective Date in connection with or relating to this Bankruptcy Case, including the exercise of their respective business judgment and the performance of their respective fiduciary obligations, the negotiation of any settlement, the pursuit of confirmation of the Plan, or the negotiation of the Disclosure Statement, the Plan and related settlement agreements. For the avoidance of doubt, (a) this section shall not exculpate any Claim for any act or omission that is determined by a Non-Appealable Order to have constituted actual fraud, willful misconduct, criminal conduct, gross negligence, or professional malpractice of an Exculpated Party or any Causes of Action arising from or related to denials of coverage or coverage defenses raised by Non-Settling Insurers, and (b) the definition of "Exculpated Parties" shall not, directly or indirectly, inure**

to or for the benefit of (i) a person or persons having personally committed an act or acts of Abuse resulting in a Claim against the Debtor, a Participating Party or a Settled Insurer Party, or (ii) the Holy See.

#### **Effective Date Injunctions**

On the Effective Date, the injunctions provided for in this Plan shall be deemed issued, entered, valid and enforceable according to their terms. The injunctions shall be permanent and irrevocable and may only be modified by the Bankruptcy Court.

#### **Channeling Injunction Preventing Prosecution of Abuse Claims Against Participating Parties and Settled Insurers**

**Applicability.** Section 13.10 of the Plan is only applicable to participating parties and settled insurers and is effective on and after the Effective Date.

In consideration of the undertakings of the Participating Parties and Settled Insurer Parties, pursuant the Plan and their respective settlements with the Debtor or the Trustee, the funding of the Trust, other consideration, and to further preserve and promote the agreements between and among the Participating Parties, Settled Insurer Parties and the Debtor or the Trustee, and the protections afforded the Participating Parties and Settled Insurer Parties, and pursuant, *inter alia*, to §§ 105, 363, 1123, and 1141 of the Bankruptcy Code and subject to the provisions of the Plan and except as otherwise provided in the Plan:

- Any and all Channeled Claims (other than Unknown Abuse Claims and their associated Related Insurance Claims) are channeled into the Trust and Unknown Abuse Claims and their associated Related Insurance Claims are channeled to the Unknown Abuse Claims Trust;
- Persons that have held or asserted, hold or assert, or may hold or assert, any Channeled Claim (including all debt holders, governmental, tax and regulatory authorities, lenders, trade and other creditors, Abuse Claimants, other Insurers, and all others holding Claims of any kind or nature whatsoever) 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, including:
  - (i) Commencing or continuing in any manner any action or other proceeding of any kind with respect to any Channeled Claim against any Participating Party, Settled Insurer Parties, and any such person's respective predecessors, successors, and assigns, or their respective employees, officers, and directors, or against the property of any Participating Party or Settled Insurer Party;

- (ii) **Enforcing, attaching, collecting or recovering, by any manner or means, from any Participating Party or Settled Insurer Party or from the property of any Participating Party or Settled Insurer Party, with respect to any such Channeled Claim, any judgment, award, decree, or order against any Participating Party or Settled Insurer Party;**
- (iii) **Creating, perfecting or enforcing any lien of any kind against any Participating Party, or Settled Insurer Party or the property of any Participating Party or Settled Insurer Party with respect to any such Channeled Claim (except as provided in the Plan); and**
- (iv) **Asserting, implementing or effectuating any Channeled Claim of any kind against: (1) any obligation due any Participating Party or Settled Insurer Party; (2) any Participating Party or Settled Insurer Party; or (3) the property of any Participating Party or Settled Insurer Party with respect to any such Channeled Claim.**

#### **Settlement Agreements**

**On and after the Effective Date, any injunction contained in a Bankruptcy Court order approving a settlement agreement with a Participating Party or Settled Insurer Party is incorporated into the Plan by reference, is deemed fully set forth in the Plan and is in addition to the Channeling Injunction. Any differences between the Channeling Injunction in Section 13.10 of the Plan and the injunction(s) deemed set forth in the Plan by this paragraph are not intended to affect, diminish or impair the injunction(s) incorporated by Section 13.7 of the Plan and contained in such agreement.**

#### **Specific Channeling Injunction Exclusions**

**Notwithstanding any provision of the Plan, the foregoing Channeling Injunction provides absolutely no protection to: (i) a person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor, a Participating Party or a Settled Insurer Party, (ii) the Holy See; (iii) a Non-Settling Insurer; or (iv) any person or Claims expressly excepted from the exculpation as set forth in Section 13.4 (and identified in subclauses (a) and (b)) of the Plan.**

#### **Supplemental Settled Insurer Injunction**

**On and after the Effective Date, in consideration of the undertakings of the Settled Insurer Parties (including, but not limited to, the undertakings of Catholic Mutual pursuant to the Catholic Mutual Settlement Agreement and specifically including, without limitation, Catholic Mutual's purchase of the Sold Certificates free and clear of all Liens, Claims and interests pursuant to §§ 363(f) and 1123 of the Bankruptcy Code), pursuant to their**

respective settlements with the Debtor or the Trustee, the funding of the Trust, other consideration, and to further preserve and promote the agreements between and among the Settled Insurer Parties and the Debtor or the Trustee, and the protections afforded the Settled Insurer Parties, and pursuant to §§ 105, 363 and 1123 of the Bankruptcy Code, and except as otherwise provided in the Plan, including, but not limited to Sections 9.4 and 9.5 of the Plan, any and all Persons (including, without limitation, all debt holders, all equity holders, governmental, tax, and regulatory authorities, lenders, trade and other creditors, abuse claim Holders, other insurers, and all others holding Claims or interests) are permanently enjoined and barred from asserting against a Settled Insurer Party any Claim (including, without limitation, any Channeled Claim) or interest of any kind or nature whatsoever arising from or relating in any way to (i) any Channeled Claim or (ii) any of the Settled Insurer Policies (including, but not limited to, the Catholic Mutual Certificates) or (iii) any and all other Claims relating to the payment of any of the claims identified in clauses (i) and (ii) which, directly or indirectly, relate to any and all Settled Insurer Policies (including, but not limited to, any and all Catholic Mutual Certificates) or any Abuse Claims that are covered or may be covered under the Settled Insurer Policies (including, but not limited to, the Catholic Mutual Certificates), or (iv) any released Catholic Mutual Claims, including from:

- Commencing or continuing in any manner any action or other proceeding, whether legal, equitable or otherwise, against the Settled Insurer Party or the property of the Settled Insurer Party;
- Enforcing attaching, collecting, or recovering, or seeking to do any of the proceeding, by any manner or means, any judgment, award, decree or order against the Settled Insurer Party or the property of the Settled Insurer Party;
- Creating, perfecting, or enforcing, or seeking to do any of the preceding, any lien of any kind against the Settled Insurer Party or the property of the Settled Insurer Party;
- Asserting or accomplishing any setoff, right of indemnity, subrogation, contribution, or recoupment of any kind against any obligation due to the Settled Insurer Party or the property of the Settled Insurer Party; and
- Taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan.

This Supplemental Settled Insurer Injunction is an integral party of the Plan is essential to the Plan's consummation and implementation. It is intended that the Supplemental Settled Insurer Injunction shall be in addition to the channeling of the Channeled Claims as provided in Section 13.6 of the Plan and shall inure to the benefit of the Settled Insurer Parties (including the Catholic Mutual Parties). In a successful action to enforce the injunctive provisions of Section 13.9 of the Plan 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 a proper, after notice and a hearing.

**This Supplemental Settled Insurer Injunction will be effective with respect to any Settled Insurer Party only as of the date that the Effective Date Escrow Agent or Trust, as applicable, receives the settlement amount required by such Settled Insurer Party's Settlement Agreement and the Plan. Nothing in this Supplemental Settled Insurer Injunction shall limit, or be deemed or otherwise interpreted to limit, the scope of the Discharge or Channeling Injunction in favor of the Participating Parties or limit the Preserved Coverage. The foregoing injunctive provisions are an integral party of the Plan and are essential to its implementation.**

#### **Term of Injunctions or Stays and Confirmation of Settlements with Participating Parties and Settled Insurer Parties**

**All injunctions and/or stays provided for in the Plan, the injunctive provisions of §§ 524 and 1141 of the Bankruptcy Code, and all injunctions or stays protecting the Participating Parties and the Settled Insurer Parties that has purchased its insurance policy or policies in a §§ 363(f) and 1123 sale, entered pursuant to a Non-Appealable Order, are permanent and will remain in full force and effect on and after the Effective Date and are not subject to being vacated or modified. Debtor's Settlement Agreements, if any, with the Settled Insurer Parties, and the Participating Parties previously authorized by the Bankruptcy Court prior to the Confirmation Date, if any, are hereby affirmed and any obligations of Debtor with respect to such Settlement Agreements are excepted from the Debtor's discharge and shall be assumed by the Reorganized Debtor and Trustee, as applicable, on the Effective Date.**

#### **Release of Avoidance Rights against Participating Parties and Settled Insurer Parties**

**On and after the Effective Date, all avoidance rights, including those arising under §§ 544, 547, 548, 549, 550, and 553 of the Bankruptcy Code, against each of the Participating Parties and Settled Insurer Parties and the Debtor and Reorganized Debtor shall be deemed settled, compromised, and released by the Plan.**

#### **Release by Debtor, Reorganized Debtor and Estate Of Claims against Each and Every Participating Party or Settled Insurer Party**

**Effective on and after the Effective Date, except for obligations arising under any executory contract assumed by the Reorganized Debtor pursuant to Section XIV of the Plan, the obligations under any Settlement Agreement, Claims excepted from exculpation and discharge under Section 13.1 and 13.4 of the Plan and except as otherwise provided in the Plan, as of the Effective Date, the Debtor, Reorganized Debtor and the Estate waive, release and discharge any and all Claims or Causes of Action of every kind and nature that Debtor, Reorganized Debtor, or the Estate have or may have against a Participating Party or Settled Insurer Party, including avoidance rights, and any Claim that such Participating Party or**

**Settled Insurer Party or its assets are a part of or owned by the Debtor or the Estate. No Claim subject to this Release will survive the Effective Date or be deemed to be assigned to the Trust.**

**Release of Claims between Each and Every Participating Party and Settled Insurer Party**

**On and after the Effective Date, each of the Participating Parties and each of the Settled Insurer Parties waive, release and discharge any and all Claims or Causes of Action of every kind and nature arising on account of, in connection with or related to an Abuse Claim, that (i) the Participating Parties have or may have against any other Participating Parties or the Settled Insurer Parties and (ii) that the Settled Insurer Parties have against any other Settled Insurer Parties or the Participating Parties, in each case that arise from, relate to or arise in connection with Abuse Claims or the Settled Insurer Policies; provided that such release shall not release the obligations of the Participating Parties and Settled Insurer Parties under the Preserved Coverage, the Plan or any Settlement Agreement. No Claim subject to this release will survive the Effective Date or be deemed to be assigned to the Trust. This release is in addition to any releases in a Bankruptcy Court-approved Settlement Agreement with a Participating Party or Settled Insurer Party.**

**Pension Plan**

No provision in the Plan, Confirmation Order, the Bankruptcy Code (including § 1141 of the Bankruptcy Code), or any other document filed or order entered in the Chapter 11 Case shall be construed to exculpate, discharge, release or relieve the Debtor, the Catholic Entities, or any other party, in any capacity, from any liability or responsibility to any Person regarding the Pension Plans under any law, governmental policy, or regulatory provision. The Pension Plans shall not be enjoined or precluded from enforcing any such liability or responsibility because of the provisions of the Plan (including those provisions providing for exculpation, satisfaction, release and discharge of Claims against the Debtor), the Confirmation Order, the Bankruptcy Code (including § 1141 of the Bankruptcy Code), or any other document filed or order entered in the Chapter 11 Case. The Trust shall not have any liability to any Person on account of the Pension Plans, including liability as a member of a “Controlled Group” as defined in 29 U.S.C. § 1301(a)(14)(A) or on any other basis.

As of the Effective Date, the Reorganized Debtor shall assume and continue the Pension Plans to the extent of its obligations under the Pension Plans and applicable law. Notwithstanding the foregoing, the Reorganized Debtor reserves all of its rights under the Pension Plan. For the avoidance of doubt, any claims asserted by any beneficiary of the Pension Plan shall be reinstated and shall remain with the same priority and validity as before the Petition Date.

**Police Power**

No provision in the Plan, the Confirmation Order, the Bankruptcy Code (including § 1141 of the Bankruptcy Code), or any other document filed or order entered in the Chapter 11

Bankruptcy Case (including the discharge, releases and injunctions set forth in this Section XIII), shall be construed to exculpate, discharge, release or relieve the Debtor, the other Participating Parties, or any other Person, in any capacity, for their liability or responsibility with respect to any criminal action or proceeding or any action or proceeding by a governmental unit to enforce such governmental unit's police and regulatory power.

## **XI. BEST INTERESTS TEST**

Under § 1129(a)(7) of the Bankruptcy Code, often called the "best interests test," Holders of impaired allowed claims must either (i) accept the plan of reorganization, or (ii) receive or retain under the plan property of a value, as of the plan's assumed effective date, that is not less than the value such rejecting claimants would receive or retain if the Debtor was liquidated under chapter 7 of the Bankruptcy Code on such date.

The Debtor and the Committee believe that the Plan provides the same or a greater recovery for claimants holding Allowed Claims as would be achieved in a liquidation under chapter 7 of the Bankruptcy Code. This belief is based on several considerations, including: (i) the additional administrative claims generated by conversion to a chapter 7 case; (ii) the administrative costs of liquidation and associated delays with a chapter 7 liquidation; (iii) the enhanced challenges in recovering upon the Debtor's Insurance Policies in connection with the Abuse Claims; (iv) the inability to force a non-profit religious debtor to liquidate in a chapter 7; and (v) the alleged inability to sell or lease assets of a non-profit religious corporation contrary to either Connecticut law or the laws and discipline of the Roman Catholic Church.

Moreover, any limitations inherent on what can be done with the Diocese's property under the Bankruptcy Code, applicable state law, and the laws and discipline of the Roman Catholic Church may affect the market value of those properties and therefore result in a lower liquidation value for the purposes of the best interests of creditors test under § 1129(a)(7)(A)(ii) of the Bankruptcy Code, such that it is more easily satisfied, to the extent applicable.

The Debtor and the Committee have prepared an unaudited Liquidation Analysis, Exhibit 2, to assist claimants holding Allowed Claims in evaluating the Plan. The Liquidation Analysis compares the projected creditor recoveries that would result from the liquidation of the Debtor in a hypothetical case under chapter 7 of the Bankruptcy Code with the estimated Distributions to Claimants holding Allowed Claims under the Plan. The Liquidation Analysis is based on the value of the Debtor's assets and liabilities as of a certain date and incorporates various estimates and assumptions, including a hypothetical conversion to a chapter 7 liquidation as of a certain date. While the liquidation analysis includes the liquidation of the Diocese's real and personal property, it is not clear if any of the Diocese's property would be capable of liquidation under chapter 7 pursuant to the protections of the Religious Freedom Restoration Act, the First Amendment, and applicable Connecticut law. The inclusion of this property in the liquidation analysis shall not be deemed or constitute an admission by the Diocese that the property is capable of liquidation. Further, the analysis is subject to potentially material changes, including regarding economic and business conditions and legal rulings. The actual liquidation value of the Debtor could vary materially from the estimate provided in the Liquidation Analysis. Finally, the Liquidation Analysis does not include a liquidation analysis of the Debtor's Insurance Policies. This is so

because, given insurer coverage defenses and defenses to Abuse Claims, the liquidation value of those policies is highly uncertain.

## **XII. RISK FACTORS**

In evaluating whether to vote to accept or to reject the Plan, all Claimants holding Allowed Claims and all Abuse Claimants in the Voting Classes should carefully read and consider the risk factors set forth below, which describe how the anticipated Distributions and treatments under the Plan rely on uncertain assumptions and are not guaranteed. These disclosures are not intended to be inclusive and should be read in connection with the other disclosures in this Disclosure Statement and the exhibits attached. You should consult with your legal, financial, and tax advisors regarding the risks associated with the plan and Distributions you may receive.

### **A. Parties in Interest May Object to the Committee’s Classification of Claims**

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a claim or an equity interest in a particular class only if such claim is substantially similar to the other claims in such class. The Debtor and the Committee believe that the classification of Claims under the Plan complies with the requirements in the Bankruptcy Code because they created classes of Claims that only encompass Claims substantially similar to the other Claims in such class. Still, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

### **B. The Debtor and the Committee May Not Be Able to Secure Confirmation of the Plan**

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires findings by the bankruptcy court that: (i) such plan “does not unfairly discriminate” and is “fair and equitable” regarding any rejecting classes; (ii) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the Plan; and (iii) the value of distributions to rejecting Holders of claims and equity interests within a particular class under such plan will not be less than the value of distributions such Holders would receive if the Debtor was liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the Bankruptcy Court will confirm the Plan. The Bankruptcy Court could decline to confirm the Plan if it found that the statutory requirements for confirmation had not been met, including the requirement that the terms of the Plan do not “unfairly discriminate” and are “fair and equitable” to rejecting Classes. If the Plan is not confirmed, it is unclear what distributions that claimants holding Allowed Claims will receive regarding their Allowed Claims, or the timing of receipt of such distributions, as it is unclear whether a confirmable alternative plan can be proposed by any other party in this chapter 11 case.

### **C. The Non-Settling Insurers May Object to the Plan**

The Non-Settling Insurers may object to the Plan. The Non-Settling Insurers may argue that the provisions relating to the assignment and/or enforcement of the Debtor’s Insurance Policies related to the Non-Settling Insurers are not enforceable and violate the terms of those

policies. In other Diocesan cases, non-settling insurers have heavily litigated the confirmation of proposed reorganization plans. If those objections have been overruled, the non-settling insurers have appealed those decisions. Thus, even if the Bankruptcy Court confirmed the Plan over the objections of Non-Settling Insurers, such Non-Settling Insurers may appeal the confirmation order increasing administrative expenses, delaying resolution and the Effective Date of the Plan even if such appeal failed.

**D. Abuse Claimants May Not Consent to the Releases and Injunctions Contained In The Plan**

A critical component of the terms and conditions of reorganization set forth in the Plan are the releases, Supplemental Settled Insurer Injunction and Channeling Injunction provided therein and in connection therewith, including each Abuse Claimant entering into the Abuse Claim Release. To the extent any Abuse Claimant elects not to enter into the Abuse Claim Release, the Plan may only be confirmed by the Bankruptcy Court if it determines that imposing such releases, Supplemental Settled Insurer Injunction and Channeling Injunction upon these non-consenting Abuse Claimants in favor of the third-parties, the Settled Insurers and the Participating Parties, is appropriate and equitable under the circumstances.

The Debtor and the Committee anticipate that they will be able to establish each of the factors necessary for the Bankruptcy Court to approve the Plan containing such releases, Supplemental Settled Insurer Injunction and Channeling Injunction, although there is a risk that they are not successful.

**E. Nonconsensual Confirmation**

The Debtor and the Committee believes that the Plan satisfies the requirements of § 1129(b) of the Bankruptcy Code to seek a nonconsensual confirmation of the Plan if necessary unless the Holders of Abuse Claims vote to reject the Plan. However, there is no assurance that the Bankruptcy Court will conclude this, in which case the Plan may not be confirmed.

**F. Non-Occurrence of the Effective Date**

The Effective Date is subject to the conditions precedent in the Plan. There can be no assurance that the conditions necessary for the Plan to become effective will be met, in which case Distributions will be delayed.

**CERTAIN FEDERAL INCOME TAX CONSIDERATIONS<sup>20</sup>**

**The federal, state, local, and foreign tax consequences of the Plan are complex and, in many areas, uncertain. All Holders of Claims are strongly urged to consult their tax advisors with specific reference to the federal, state, and local tax consequences of the Plan. Neither the Debtor and its counsel nor the Committee and its counsel make any representations regarding the particular tax consequences of confirmation and consummation of the Plan as to the Debtor or any creditor.**

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<sup>20</sup> Subject to review by tax counsel.

The following summary is a general discussion of certain potential Federal income tax consequences of the Plan. The summary is based upon relevant provisions of the Internal Revenue Code of 1986, as amended (the “Tax Code”), the applicable Treasury Regulations promulgated (the “Treasury Regulations”), judicial authority, published rulings, and such other authorities considered relevant now in effect, which are subject to change.

The federal income tax consequences to any particular creditor may be affected by matters not discussed below. The summary does not address all categories of Creditors, some of which may be subject to special rules not addressed herein. There also may be state, local, or foreign tax considerations applicable to each Creditor or the Debtor.

### **G. Tax Consequences to Creditors**

A creditor that receives a Distribution to satisfy its Claim will generally recognize a gain or loss equal to the difference between (i) the amount of cash received by such creditor regarding its Claim (excluding any cash received regarding a Claim for accrued interest) and (ii) the creditor’s tax basis in its Claim. The character of any gain or loss recognized as long-term or short-term capital gain or loss or as ordinary income or loss will be determined by several factors, including the tax status of the creditor, whether the Claim constitutes a capital asset in the hands of the creditor, whether the Claim has been held for more than one year, and whether and to what extent the creditor has claimed a bad debt deduction (or charged a reserve for bad debts) regarding the Claim.

For example, if a Distribution is made to satisfy a receivable acquired in the ordinary course of the Claimant’s trade or business, and the Claimant had previously included the amount of such receivable Distribution in their gross income under their method of accounting, and had not previously claimed a loss or bad debt deduction for that amount, the receipt of the distribution should not result in additional income to the Claimant but may, result in a loss. Conversely, had the Claimant previously claimed a loss or bad debt deduction regarding the item previously included in income, the Claimant generally would have to include the amount of the distribution in income when received.

The Debtor and Committee anticipate that Distributions to satisfy Abuse Claims will, in all instances, constitute damages, other than punitive damages, because of personal physical injuries and/or physical sickness, within the meaning of § 104(a)(2) of Tax Code. The Debtor and Committee have not, however, analyzed such tax issues and cannot (and do not) make any assurances or representations regarding the anticipated tax treatment of Abuse Claims.

**There are many factors that will determine the tax consequence to each Holder of an Unsecured Claim. The tax consequences of the Plan are complex, and in some cases, uncertain. Therefore, it is important that each Holder of an Unsecured Claim obtain his, her, or its own professional tax advice regarding the tax consequences to such Holder of an Unsecured Claim as a result of the Plan.**

## **H. Tax Consequences to the Debtor**

The Debtor is a non-profit, non-stock member corporation having tax-exempt status under 26 U.S.C. § 501(c)(3). Due to the Debtor's status as a non-profit corporation, the Debtor does not expect that the Plan will result in any significant federal income tax consequences to the Debtor.

Under the Internal Revenue Code of 1986, as amended (the "Code"), there may be significant federal income tax issues arising under the Plan described in this Disclosure Statement that affect creditors in this chapter 11 case.

## **I. Tax Consequences to the Trust**

The Trust may satisfy the requirements of a designated settlement fund under § 468B of the Tax Code or a qualified settlement fund under Regulation 1.468B-1 of the Treasury Regulations. There are certain tax consequences associated with the characterization of the Trust as a designated settlement fund or a qualified settlement fund ("QSF"). The Debtor and Committee express no opinion on whether the Internal Revenue Service would conclude that the Trust is a designated settlement fund or a QSF. The Debtor has not requested a ruling from the Internal Revenue Service or an opinion of counsel regarding whether the Trust is a designated settlement fund or a qualified settlement fund. Each creditor is urged to consult its own tax advisor regarding the characterization of the Trust and the tax consequences of such characterization.

The federal income tax consequences to a Holder of a Claim receiving, or entitled to receive, a Distribution in partial or total satisfaction of a Claim may depend on several factors, including the Claim, the Claimants' method of accounting, and their own particular tax situation. Because each Claimant's tax situation differs, Claimants should consult their own tax advisors to determine how the Plan affects them for federal, state, and local tax purposes, based on its particular tax situations.

## **XIII. VOTING INSTRUCTIONS**

The Claims Agent will send to all Claimants entitled to vote on the Plan: (i) the Disclosure Statement Order, (ii) a notice of the Confirmation Hearing, (iii) the Disclosure Statement, as approved by the Bankruptcy Court and together with the Plan attached as an exhibit, and (iv) a Ballot (collectively, the "Solicitation Packages"). The Solicitation Packages will also describe the procedures and deadline for submitting Ballots to the Claims Agent.

## **XIV. CONCLUSION AND RECOMMENDATION**

The Debtor and Committee believe that confirmation and implementation of the Plan is preferable to any other alternative. The Debtor and Committee urge all claimants entitled to vote to accept the Plan, and urges Abuse Claimants to vote to accept the Plan by so indicating on their ballots and returning them as specified in the instructions in the Solicitation Packages.

*[Signature Page Follows]*

Dated at Hartford, Connecticut, this 2nd day of February, 2024.

THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS FOR THE  
NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION

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**CERTIFICATE OF SERVICE**

I hereby certify that on February 2, 2024, a copy of foregoing was filed electronically. Notice of this filing will be sent by e-mail to all parties by operation of the Court’s electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the Court’s CM/ECF System.

/s/ Patrick M. Birney  
Patrick M. Birney

**Exhibit 1**

Fifth Amended Joint Plan of Reorganization

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION**

In Re:

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION,<sup>1</sup>

Debtor.

Chapter 11

Case No. 21-20687 (JJT)

**FIFTH AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION PROPOSED  
BY THE NORWICH ROMAN CATHOLIC DIOCESAN CORPORATION  
AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

---

<sup>1</sup> The Debtor in this chapter 11 case is The Norwich Roman Catholic Diocesan Corporation, a/k/a The Roman Catholic Diocese of Norwich. The last four digits of the Debtor's federal tax identification number are 7373.

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Dated: February 2, 2024

**TABLE OF CONTENTS**

INTRODUCTION .....1

SECTION I DEFINITIONS AND INTERPRETATION.....1

1.1. Defined Terms.....1

1.2. Interpretation. ....18

1.3. Time Periods.....19

1.4. Exhibits and Schedules.:.....20

SECTION II PLAN OBJECTIVES AND MEANS OF FUNDING .....20

SECTION III TREATMENT OF UNCLASSIFIED CLAIMS.....21

3.1. Administrative Claims.....21

3.2. Priority Tax Claims. ....23

3.3. U.S. Trustee Fees.....23

SECTION IV CLASSIFICATION OF CLAIMS .....23

4.1. Summary. ....23

4.2. Classification and Voting. ....1

SECTION V TREATMENT OF CLASSIFIED CLAIMS .....1

5.1. Class 1: Other Priority Claims.....1

5.2. Class 2 Citizens Bank, N.A. ....2

5.3. Class 3: M&T Bank Corporation. ....2

5.4. Class 4: Abuse Claims (Other Than Unknown Abuse Claims). ....3

5.5. Class 5: Unknown Abuse Claims (other than Post-Petition Abuse Claims).....6

5.6. Class 6: General Unsecured Claims. ....7

5.7. Class 7: Abuse Related Contribution Claims.....7

5.8. Class 8: Claims Held by Catholic Entities, Xavier and Oceania.....8

SECTION VI ACCEPTANCE OR REJECTION OF PLAN.....8

6.1. Impaired Classes to Vote.....8

6.2. Acceptance by Class of Claimants. ....8

SECTION VII TRUST AND UNKNOWN ABUSE CLAIMS TRUST .....9

7.1. Establishment of Trust.....9

7.2. Payments Effective Upon Tender.....13

7.3. Sale or Transfer of Transferred Real Estate. ....14

7.4. Bond Requirement.....15

SECTION VIII LIQUIDATION AND PAYMENT OF ABUSE CLAIMS .....15

8.1. Liquidation and Payment of Abuse Claims.....15

8.2. Scope of Damages and Effect of No Award on Abuse Claims.....16

8.3. Treatment of Punitive Damages. ....16

8.4. Withdrawal of Abuse Claims.. ....16

**TABLE OF CONTENTS**

8.5. Medicare Reimbursement and Reporting Obligations. ....17

8.6. No Admission.....17

8.7. Delay Regarding Failure to Comply. ....17

8.8. Documentation by Estate of Abuse Claimant.. ....17

**SECTION IX INSURANCE MATTERS REGARDING NON-SETTLING INSURERS** .....18

9.1. Transfer of Insurance Interests.....18

9.2. Appointment of Trustee as the Estate Representative to Enforce Insurance Interests and Obtain Insurance Recoveries. ....18

9.3. Consequences of Determination that Assignment or Appointment is Invalid. ....19

9.4. Preservation of Insurance Rights.....20

9.5. Effect of Discharge, Injunctions and Releases.....21

9.6. Post-Judgment Actions against Non-Settling Insurers.....21

9.7. Settlement with Non-Settling Insurers. ....21

9.8. Cooperation with Non-Settling Insurer in Defense of Claims. ....21

9.9. Insurance Neutrality. ....21

9.10. Judgment Reduction.....22

9.11. No Duty of Diocese or Trust to Prosecute Insurance Claims.....22

9.12. Effect Under Non-Settling Insurer Policies.....23

9.13. D&O Coverage.....23

**SECTION X SETTLED INSURERS AND PARTICIPATING PARTIES** .....23

10.1. Settlement Agreements.....23

10.2. Settlement Payments; Escrow.. ....23

10.3. Post-Effective Date Approval. ....23

10.4. Effect of Post-Effective Date Settlement Agreements. ....24

10.5. Debtor and Trustee Waiver and Release of Estate’s Claims and Causes of Action against Participating Parties and Settled Insurers.....24

10.6. Additional Documentation; Non-Material Modifications. ....24

10.7. Mercy Settlement Agreement.....24

10.8. St. Bernard Settlement Agreement. ....25

10.9. Xavier Settlement Agreement. ....25

10.10. Mount St. John Settlement Agreement.....25

10.11. Catholic Mutual Settlement. ....25

10.12. Sale of Sold Certificates, Free and Clear of Liens, Claims and Interests.....25

10.13. Full Payment by Catholic Mutual for Settlement.....26

10.14. Continuation of Preserved Coverage, as Amended.....26

10.15. Catholic Mutual Consent to Amendments. ....27

10.16. Further Assurances; Non-Material Modifications.....27

10.17. Indemnification Obligations of Trust and Reorganized Debtor.....27

10.18. Rights under Catholic Mutual Settlement Agreement. ....29

**SECTION XI MEANS FOR IMPLEMENTATION OF THE PLAN**.....29

11.1. Funding of Plan. ....29

11.2. Transfer of Real Estate and Reversionary Interests. ....29

**TABLE OF CONTENTS**

11.3. Preservation of Causes of Action.....29  
11.4. Reorganized Debtor’s Officers, Directors and Senior Management.....30  
11.5. Closing.....30  
11.6. Obligations of the Reorganized Debtor and the Implicated Participating Parties.  
30  
11.7. Objections to Claims. ....30  
11.8. Provisions Governing Distributions. ....31  
11.9. Reservation of Rights to Object to Claims Other Than Abuse Claims. ....32  
11.10. Service of Objections. ....33  
11.11. Determination of Claims. ....33  
11.12. No Distributions Pending Allowance.....33  
11.13. Claim Estimation. ....33  
11.14. Setoffs.....34  
11.15. No Interest on Claims.....34  
11.16. Withholding Taxes. ....34  
11.17. Post-Confirmation Reports. ....34  
11.18. Closing of the Case.....34  
11.19. No De Minimis Distributions.....35  
11.20. Manner of Cash Payments.....35

SECTION XII CONDITIONS PRECEDENT.....35  
12.1. Conditions to Effectiveness.....35  
12.2. Waiver of Conditions. ....36  
12.3. Notice of Occurrence of Effective Date. ....36  
12.4. Non-Occurrence of Effective Date.....36  
12.5. Termination Following Non-Occurrence of Effective Date.....36

SECTION XIII EFFECTS OF PLAN CONFIRMATION AND DISCHARGE .....36  
13.1. Discharge.....36  
13.2. Revested Assets.....37  
13.3. Continued Existence of Reorganized Debtor. ....38  
13.4. Exculpation and Limitation of Liability.....38  
13.5. Effective Date Injunctions.....38  
13.6. Channeling Injunction Preventing Prosecution of Abuse Claims against  
Participating Parties and Settled Insurer Parties.....38  
13.7. Settlement Agreements.....40  
13.8. Specific Channeling Injunction Exclusions. ....40  
13.9. Supplemental Settled Insurer Injunction. ....40  
13.10. Term of Injunctions or Stays and Confirmation of Settlements with Participating  
Parties and Settled Insurer Parties. ....41  
13.11. Release of Avoidance Rights against Participating Parties and Settled Insurer  
Parties. ....41  
13.12. Release by Debtor, Reorganized Debtor and Estate of Claims against Each and  
Every Participating Party or Settled Insurer Party. ....42  
13.13. Release of Claims between Each and Every Participating Party and Settled  
Insurer Party. ....42

**TABLE OF CONTENTS**

13.14. Pension Plan.....42

13.15. Police Power.....43

**SECTION XIV TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES .....43**

14.1. Assumed Employee and Retiree Benefit Plans.....43

14.2. General; Assumed if Not Rejected.....43

14.3. Claims for Contract Rejection.....43

**SECTION XV NON-MONETARY COMMITMENTS .....43**

15.1. Non-Monetary Commitment to Healing and Reconciliation.....43

**SECTION XVI MISCELLANEOUS PROVISIONS.....44**

16.1. Retention of Jurisdiction.....44

16.2. Modification of Plan.....45

16.3. Severability.....45

16.4. Headings.....45

16.5. Notices.....45

16.6. Notices to Claimants.....47

16.7. Post-Confirmation Court Approval.....47

16.8. Election under § 1129(b) of the Bankruptcy Code.....48

16.9. Consummation of the Plan.....48

16.10. Exemption from Transfer Taxes.....48

16.11. Setoffs, Recoupments, and Defenses.....48

16.12. Compromise of Controversies.....49

16.13. Withdrawal or Revocation of the Plan.....49

16.14. Default.....49

16.15. Governing Law.....50

16.16. Reservation of Rights.....50

16.17. Controlling Documents.....50

16.18. Successors and Assigns.....50

16.19. Direction to a Party.....50

16.20. Certain Actions.....50

16.21. Rounding of Fractional Numbers.....50

16.22. Dissolution of the Committee.....51

16.23. Saturday, Sunday or Legal Holiday.....51

**SECTION XVII RECOMMENDATIONS AND CONCLUSION .....51**

## INTRODUCTION

The Norwich Roman Catholic Diocesan Corporation, the debtor and debtor-in-possession in the above captioned Bankruptcy Case, and the Official Committee of Unsecured Creditors appointed in this Bankruptcy Case, jointly propose this fifth amended plan of reorganization (the “Plan”) pursuant to the provisions of the Bankruptcy Code. All Claimants are encouraged to consult the fifth amended disclosure statement for the Plan (the “Disclosure Statement”), before voting to accept or reject this Plan. Among other information, the Disclosure Statement contains discussions of the events involving The Norwich Roman Catholic Diocesan Corporation prior to and during this Bankruptcy Case, and a summary and analysis of the Plan. No solicitation materials, other than the Disclosure Statement, have been authorized by the Bankruptcy Court for use in soliciting acceptances or rejections of the Plan.

## SECTION I DEFINITIONS AND INTERPRETATION

**1.1. Defined Terms.** For the purposes of the Plan, except as expressly provided otherwise, all capitalized terms have the meanings ascribed to them below:

1. “Abuse” means any actual or alleged (i) sexual conduct, misconduct, abuse, or molestation as defined in any statute or common law; (ii) indecent assault or battery, rape, lascivious behavior, undue familiarity, pedophilia, ephebophilia, or sexually-related physical, psychological, or emotional harm; (iii) contacts or interactions of a sexual nature; or (iv) assault, battery, corporal punishment, or other act of physical, psychological, or emotional abuse, humiliation, intimidation, or misconduct, or as such term is otherwise defined at <https://portal.ct.gov/DCF/1-DCF/Child-Abuse-and-Neglect-Definitions>. Abuse may occur whether or not this activity involves explicit force, whether or not it involves genital or other physical contact, and whether or not there is physical, psychological, or emotional harm to the Person.

2. “Abuse Claim” means any Claim, including, but not limited to, any Late-Filed Abuse Claim or any Unknown Abuse Claim, against the Debtor or against any Participating Party for which the Debtor’s conduct is a legal cause or a legally relevant factor, resulting or arising in whole or in part, directly or indirectly, from Abuse the first occurrence of which against such Abuse Claimant was committed by any Person before the Effective Date, 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 Debtor, a Participating Party or any other Person, regardless of whether such Abuse Claim has been asserted prior to the Effective Date. “Abuse Claim” does not include any Related Insurance Claims or Medicare Claims.

3. “Abuse Claimant” means the Holder of an Abuse Claim.

4. “Abuse Claim Release” means the release in the form attached as Exhibit L to the Plan to be executed by the Holder of an Abuse Claim as a precondition to receiving a Distribution pursuant to the Plan, including any Distribution from the Trust to a Class 4 Claimant or a distribution from the Unknown Abuse Claims Trust to a Class 5 Claimant or a Post-Petition Abuse

Claimant; which Abuse Claim Release shall be conditioned upon the occurrence of the Effective Date of the Plan and upon such Effective Date each Abuse Claim Release shall be valid and fully enforceable.

5. “Abuse Claims Reviewer” means the Person, including the designee of such Person, who will assess Class 4 and Class 5 Claims under the Trust Distribution Plan and the Unknown Abuse Claims Trust Distribution Plan.

6. “Abuse Related Contribution Claim” means any Person’s Claim against any other Person for contribution, indemnity, equitable indemnity, subrogation, or equitable subrogation, or reimbursement, or any other indirect or derivative recovery, arising because of such Person having paid or defended against any Abuse Claim including but not limited to a joint tortfeasor or the like. To avoid doubt, an Abuse Related Contribution Claim is not an Abuse Claim.

7. “ACA” means The Annual Catholic Appeal, Inc., a civil non-stock corporation organized under the law of the State of Connecticut, and is a non-profit fund-raising entity that subsidizes over twenty-five Catholic charitable ministries and programs in communities throughout the territory of the Diocese.

8. “Administrative Claim” means a Claim for payment of an administrative expense of a kind specified in § 503(b) and referred to in § 507(a)(2) of the Bankruptcy Code, including the actual, necessary costs and expenses of preserving the Estate, any actual, necessary costs and expenses of operating the business of the Debtor, all Professional Claims, any fees or charges assessed against the Estate under 28 U.S.C. § 1930, and any Post-Petition Abuse Claims.

9. “Administrative Claims Filing Deadline” means the deadline established by the Bankruptcy Court by which any request for allowance and payment of an Administrative Claim (but expressly excluding a Professional Claim) must be filed in the Bankruptcy Case and duly served, or be barred in accordance with Section 3.1(d) of this Plan.

10. “Affiliates” means all Persons that control, are controlled by, or are under common control with, another Person, including parents and subsidiaries. For the avoidance of doubt, the following are not Affiliates of any of the Participating Parties: (i) the Non-Settling Insurers; (ii) a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party; and (iii) the Holy See.

11. “Allowed” means a Claim or part of it: (a) that has been allowed by a Non-Appealable Order; (b) which has been scheduled by the Debtor as not disputed, not contingent and not unliquidated, for which no Proof of Claim has been timely filed and as to which no objection has been filed by the Claims Objection Deadline; (c) as to which a Proof of Claim in a liquidated and non-contingent amount has been timely filed and as to which no objection has been filed by the Claims Objection Deadline or any objection has been settled or withdrawn, or has been denied by a Non-Appealable Order; (d) that is expressly allowed by the terms of this Plan; or (e) that is deemed allowed under the Trust Distribution Plan.

12. “Allowed Professional Claim” means a Professional Claim for which the Bankruptcy Court has entered an Order—including, if applicable, an order determining, after notice and a hearing, that a professional has established that it has made a substantial contribution in this Bankruptcy Case within the meaning of § 503(b)(3) of the Bankruptcy Code—which has become a Non-Appealable Order allowing the relevant Fee Application.

13. “Approval Order” means either: (i) an order of the Bankruptcy Court authorizing and approving a Settlement Agreement; or (ii) in the case of proposed findings of fact and conclusions of law with respect to the authorization and approval of a Settlement Agreement entered and submitted by the Bankruptcy Court to the United States District Court for the District of Connecticut, the order of the United States District Court for the District of Connecticut authorizing and approving the Settlement Agreement; and no stay pending appeal has entered or, if entered, no stay pending appeal continues in effect.

14. “Assets” of the Diocese or the Estate means, collectively, any and all property of the Diocese or the Estate, respectively, of every kind and character, wherever located, whether real or personal, tangible or intangible, and specifically including cash (including the residual balance of any reserves established under the Plan, but not the Trust) and Causes of Action.

15. “Ballot” means the ballot, the form of which has been approved by the Bankruptcy Court, accompanying the Disclosure Statement provided to each Holder of a Claim entitled to vote to accept or reject the Plan.

16. “Bankruptcy Case” means this certain bankruptcy case pending under Chapter 11 of the Bankruptcy Code captioned, *In re: The Norwich Roman Catholic Diocesan Corporation*, bearing Case No: 21-20687 (JJT), and presently pending before the Bankruptcy Court.

17. “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended and codified in Title 11 of the United States Code, 11 U.S.C. §§ 101 – 1532.

18. “Bankruptcy Court” means the United States Bankruptcy Court for the District of Connecticut, Hartford Division.

19. “Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure as currently promulgated, Fed. R. Bankr. P. 1001 – 9037, the Local Rules of Bankruptcy Procedure of the Bankruptcy Court, and the Judicial Practices and Procedures of the Bankruptcy Court, in each case as amended from time to time and as applicable to the Bankruptcy Case.

20. “Barred Child Sexual Abuse Claim” means an Abuse Claim arising at a time when the Abuse Claimant was under the age of eighteen (18), and where both: (i) no civil action had been commenced to recover upon such Abuse Claim within thirty (30) years from the date such Abuse Claimant attained the age of eighteen (18), which civil action remained pending on the Petition Date; and (ii) the Petition Date occurred more than thirty (30) years from the date such Abuse Claimant attained the age of eighteen (18).

21. “Business Day” means any day other than a Saturday, Sunday or a “legal holiday” (as defined by Bankruptcy Rule 9006(a)).

22. “Canon Law” means the Code of Canon Law of the Roman Catholic Church, as codified in 1983 and as may hereafter be amended, and all binding universal and particular laws of the Roman Catholic Church.

23. “Cash” means the equivalent of legal tender of the United States of America, however paid or transmitted.

24. “Catholic Entities” means those Persons specifically identified on Exhibit D and their respective predecessors-in-interest, including such Person’s present and former Parishes, schools (including Mount St. John) and certain other Catholic entities specifically identified in Exhibit D. All Catholic Entities operate or operated within the geographical territory of the Diocese and are insured or allegedly insured or covered under an Insurance Policy. A Catholic Entity does not include a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.

25. “Catholic Entity Parties” means the Catholic Entities and, solely in the capacity as such: (i) each of their past and present parents, subsidiaries, merged companies, and divisions; (ii) any and all past and present employees, officers, directors, shareholders, principals, teachers, staff, members, boards, administrators, bishops, priests, deacons, brothers, sisters, nuns, other clergy or religious, volunteers, agents, attorneys, and representatives of the foregoing Persons in their capacity as such; and (iii) each of the foregoing Persons’ respective predecessors, heirs, successors and assigns. Nothing in the foregoing is intended to suggest that such Persons are “employees” or agents of the members or subject to their control. A “Catholic Entity Party” does not include a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.

26. “Catholic Mutual” means The Catholic Mutual Relief Society of America.

27. “Catholic Mutual Certificates” means all binders, certificates, or other evidence of coverage issued or allegedly issued by Catholic Mutual to the Diocese and certain other Persons including, at various times, the Catholic Entities. All Catholic Mutual Certificates are identified in Exhibit C appended hereto.

28. “Catholic Mutual Parties” means Catholic Mutual and, solely in the capacity as such, (i) each of its past and present parents, subsidiaries, Affiliates, holding companies, merged companies, related companies, reinsurers, retrocessionaires and divisions; (ii) each of the foregoing Persons’ respective past and present, directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators in their capacity as such; and (iii) each of the foregoing Person’s respective predecessors, heirs, successors, assignors, and assigns, whether known or unknown, and all Persons acting on behalf of, by, through or in concert with them. A “Catholic Mutual Party” does not include a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.

29. “Catholic Mutual Contribution” means the sum of \$5,300,000 to be paid by Catholic Mutual to the Trust after satisfaction of all conditions set forth in the Catholic Mutual Settlement Agreement affixed hereto as Exhibit J.

30. “Catholic Mutual Settlement Agreement” means the Settlement Agreement by and amongst the Diocese Parties, the Catholic Entity Parties and Catholic Mutual affixed hereto as Exhibit J which shall be approved by an Approval Order.

31. “Cause of Action” or “Causes of Action” means, except as provided otherwise in the Plan, the Confirmation Order, or any document, instrument, release, or other agreement entered into in connection with the Plan, all Claims, actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, controversies, variances, trespasses, damages, judgments, third-party Claims, counterclaims, and cross claims of the Diocese or its Estate, the Committees, or the Trust (as successor to the Diocese or its Estate), whether or not pending on the Effective Date against any Person based on law or equity (in each case, in respect of a Cause of Action that arose before the Effective Date), including under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted, known or unknown, any action brought pursuant to §§ 522, 541–45, 547–51, and 553 of the Bankruptcy Code; provided, however, that any affirmative defense or crossclaim asserted with respect to a Claim shall not be deemed a Cause of Action to the extent that it seeks to disallow or reduce, or is offset against, such Claim.

32. “Channeled Claim” means any Abuse Claim and/or any Claim against a Participating Party or any Settled Insurer Party arising from, in connection with, or related to an Abuse Claim, or any of the Settled Insurer Policies, including any Related Insurance Claim; provided, however, that a “Channeled Claim” does not include any Abuse Claim against: (i) any Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party; (ii) any religious order, diocese or archdiocese other than Participating Parties, or (iii) the Holy See. For the avoidance of doubt “Channeled Claim” includes any Late-Filed Abuse Claim and any Unknown Abuse Claim.

33. “Channeling Injunction” means the injunction imposed pursuant to Section 13.10 of the Plan, the Confirmation Order and any such channeling injunction provided for in, or required by this Plan including any Settlement Agreement with a Participating Party or a Settled Insurer.

34. “Citizens” means RBS Citizens, N.A., as successor in interest to Citizens Bank of Connecticut.

35. “Citizens Secured Guaranty Claim” means the general, contingent, unliquidated claim alleged by Citizens in the approximate amount of \$5,046,752.32 as of the Petition Date, arising out of those certain pre-petition Limited Guaranty Agreements, dated April 30, 1998, as same may have been amended from time to time (collectively, the “Citizens Guaranty Agreement”), made by the Diocese to Citizens to with respect to alleged indebtedness of Xavier to Citizens, as secured by certain mortgages granted on the 181 Randolph Rd. Property.

36. “Claim” shall have the meaning as that term is defined in § 101(5) of the Bankruptcy Code, and regardless of the application of any statute of limitations defense.

37. “Claimant” means the holder of a Claim.

38. “Claims Bar Date” means March 15, 2022.

39. “Claims Objection Deadline” means, unless extended by the Court, the first Business Day that follows the sixtieth (60<sup>th</sup>) day after the Effective Date, by which any objection to a Claim (excluding Class 4 Claims and Class 5 Claims) must be filed with the Bankruptcy Court or such objection will be forever barred.

40. “Class 4 Ballot” means the Ballot that the holders of Class 4 Claims will use to accept or reject the Plan and includes the Abuse Claim Release (in the form attached hereto as Exhibit L) required to be completed and executed by each Class 4 Claimant pursuant to the Plan, the Confirmation Order, and the Trust, as a condition to receive any Distribution from the Trust.

41. “CMS” means the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services, located at 7500 Security Boulevard, Baltimore, MD 21244-1850 and/or any Representative or successor Person charged with responsibility for monitoring, assessing, or receiving reports made under MMSEA for reimbursement of Medicare Claims.

42. “Co-Defendant” means either (i) a defendant in a lawsuit in which the Debtor is also named as a defendant and which lawsuit alleges an Abuse Claim against the defendant and the Debtor, and/or (ii) a Person who may be fully or partially responsible with the Debtor for conduct giving rise to an Abuse Claim, whether or not asserted prior to the Effective Date. A Participating Party or Settled Insurer Party is not a Co-Defendant.

43. “Committee” means the Official Committee of Unsecured Creditors appointed in this Chapter 11 case, as such committee may be constituted from time to time.

44. “Confirmation Date” means the date on which the Confirmation Order is entered by a court having jurisdiction.

45. “Confirmation Order” means either: (i) the order entered by the Bankruptcy Court confirming the Plan pursuant to § 1129 of the Bankruptcy Code; or (ii) in the case of proposed findings of fact and conclusions of law with respect to confirmation of the Plan entered by the Bankruptcy Court and submitted to the United States District Court for the District of Connecticut, the order of the United States District Court for the District of Connecticut confirming the Plan pursuant to § 1129 of the Bankruptcy Code; and no stay pending appeal has entered or, if entered, no stay pending appeal continues in effect.

46. “D&O Coverage” shall have the meaning set forth in Section 9.13 of the Plan.

47. “Debtor” means the Diocese as debtor in possession pursuant to § 1107(a) of the Bankruptcy Code in this above-captioned Chapter 11 case.

48. “Diocese” means The Norwich Roman Catholic Diocesan Corporation, which is the diocesan corporation formed under applicable Connecticut law, and includes the Debtor and/or Reorganized Debtor.

49. “Diocese Parties” means collectively the Diocese and Reorganized Debtor, as now constituted or as it may have been constituted, and, solely in their capacity as such: (i) each of their past and present parents, subsidiaries, merged companies and divisions; (ii) any and all past and present employees, officers, directors, shareholders, principals, teachers, staff, members, boards, administrators, bishops, priests, deacons, brothers, sisters, nuns, other clergy or religious, volunteers, agents, attorneys, and representatives of the foregoing Persons in their capacity as such; and (iii) each of the foregoing Persons’ respective predecessors, heirs, successors and assigns. Nothing in the foregoing is intended to suggest that such Persons are “employees” or agents of the Diocese or subject to its control. A “Diocese Party” does not include either: (x) a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party; or (y) Epiq and its Affiliates.

50. “Direct Action Claims” means the same as “Abuse Claims”, except that they are asserted against any Settled Insurer Party, instead of any Participating Party or the Trust, for the recovery of insurance proceeds.

51. “Disallowed” means (i) a Claim, or any part of it, that has been disallowed by Non-Appealable Order; (ii) a Claim which has been scheduled by the Debtor at zero or as contingent, disputed, or unliquidated and as to which no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court under the Bankruptcy Code, a Non-Appealable Order, or other applicable law; or (iii) a Claim not listed in the schedules filed by the Debtor and as to which no Proof of Claim has been timely filed or deemed timely filed with the Bankruptcy Court under the Bankruptcy Code or a Non-Appealable Order.

52. “Disputed” when used with respect to a Claim against the Diocese or property of the Diocese, means a Claim: (i) designated as disputed, contingent, or unliquidated in the Debtor’s Schedules; (ii) which is the subject of an objection, appeal, or motion to estimate that has been or will be timely filed by a party in interest and which objection, appeal, or motion has not been determined by a Non-Appealable Order; or (iii) which during the period prior to the deadline fixed by the Plan or the Bankruptcy Court for objecting to such Claim, is in excess of the amount scheduled as other than disputed, unliquidated, or contingent. In the event that any part of a Claim is Disputed, such Claim in its entirety shall be deemed to constitute a Disputed Claim for purposes of distribution under the Plan unless the Debtor or the Reorganized Debtor, as applicable, and the holder thereof agree otherwise. To the extent the term “Disputed” is used in the Plan with respect to a specified class of Claims or an unclassified category of Claims (i.e., “Disputed [class designation/unclassified Claim category] Claim”), the resulting phrase shall mean a Disputed Claim of the specified class or unclassified category of Claims. The processes for handling “Disputed Claims” do not apply to Class 4 Claims and/or Class 5 Claims. The Diocese, the Participating Parties and the Settled Insurers shall not have and have waived and relinquished the

ability to object to any Class 4 Claims or any Class 5 Claims. The process for Disputed Class 4 Claims and Disputed Class 5 Claims will be governed by the Trust Agreement and Unknown Abuse Claims Trust Agreement.

53. “Distribution” means any payment of Cash or property to any Holder of an Allowed Claim as provided in the Plan.

54. “Distribution Date” means each date determined by the Trustee or the Unknown Abuse Claims Trustee in their sole discretion on which Distributions will be made from the Trust or the Unknown Abuse Claims Trust, as applicable, to holders of allowed Claims classified in Class 4 or Class 5, respectively, and in accordance with the Plan, the Confirmation Order, the Trust Distribution Plan and the Unknown Abuse Claims Trust Distribution Plan, as applicable.

55. “District Court” means the United States District Court for the District of Connecticut.

56. “Effective Date” means the date upon which the conditions in Section XII of the Plan have been satisfied.

57. “Effective Date Escrow Agent” means Zeisler & Zeisler, P.C., in its capacity as the escrow agent pursuant to the Plan, the Confirmation Order and the Effective Date Escrow Agent Agreement.

58. “Effective Date Escrow Agent Agreement” means that certain Effective Date Escrow Agreement in the form appended to the Plan as Exhibit N.

59. “Epiq” means Epiq Corporate Restructuring, LLC.

60. “Estate” means the bankruptcy estate created upon the commencement of this Bankruptcy Case pursuant to § 541 of the Bankruptcy Code.

61. “Exculpated Parties” means collectively, the Debtor, the Catholic Mutual Parties, the Committee and the Committee’s members (solely in their representative capacity); and each of their respective officers, directors, attorneys, financial advisors, accountants, and other duly authorized employed professionals in this Bankruptcy Case, including the Mediators and the Unknown Abuse Claims Representative.

62. “Executory Contracts” means all contracts or unexpired leases entered into before the Petition Date between the Diocese and any other Person or Persons, pursuant to which parties to both sides of the contract or lease have remaining material duties such that the breach by one party would excuse the performance by the other parties thereto. Executory Contracts are attached hereto as Exhibit P.

63. “Extra-Contractual Claims” means any Claim against the Insurers seeking any type of relief in connection with any alleged obligations of the Insurers to the Participating Parties (including compensatory, exemplary, or punitive damages, or attorneys’ fees, interest, costs or any

other type of relief) alleging any of the following: bad faith; failure to provide insurance coverage under any Insurance Policy; failure or refusal to compromise and settle any Claim insured under any Insurance Policy; failure to act in good faith; violation of any covenant or duty of good faith and fair dealing; violation of any state insurance codes, state surplus lines statutes or similar codes or statutes; violation of any unfair claims practices act or similar statute, regulation or code; any type of misconduct or any other act or omission of any type for which the claimant seeks relief other than coverage or benefits under an Insurance Policy. The term “Extra-Contractual Claims” includes all Claims relating to the Insurers’ (i) handling of any request for insurance coverage for any Claim under the Insurance Policies; (ii) conduct relating to the negotiation of the Insurance Settlement Agreements; and (iii) conduct relating to the settlement of any Insurance Coverage concerning the Insurance Policies.

64. “Fee Application” means an application filed with the Bankruptcy Court in accordance with the Bankruptcy Code and Bankruptcy Rules for payment of a Professional Claim.

65. “Final Decree” means the decree contemplated under Bankruptcy Rule 3022.

66. “Holder” means a Person holding a Claim.

67. “Insurance Claims” means all Claims against any Non-Settling Insurer whether sounding in contract, tort, statute or otherwise, including equity and bad faith, held by:

- (a) the Debtor related to an Abuse Claim including those for: (i) Insurance Coverage, (ii) the interpretation or enforcement of the terms of any Insurance Policy; and/or (iii) an Extra-Contractual Insurance Claim; or
- (b) the Participating Parties related to an Abuse Claim against the Participating Party, whether independently or jointly liable with the Debtor on such Abuse Claim, including (i) Insurance Coverage; (ii) the interpretation or enforcement of the terms of any Insurance Policy; and/or (iii) an Extra-Contractual Insurance Claim.

The term “Insurance Claims” includes any Claim against a Non-Settling Insurer for reimbursement of defense costs or related expenses under any Non-Settling Insurer’s Insurance Policy incurred by the Debtor or a Participating Party through or after the Effective Date.

68. “Insurance Coverage” means insurance or other form of indemnification against loss, available under any Insurance Policy, whether known or unknown to the Debtor or the Committee, to indemnify and/or defend all or any part of an Abuse Claim asserted against (a) the Debtor and/or (b) a Participating Party.

69. “Insurance Litigation” means any actual or potential litigation as to any recoveries from any Non-Settling Insurer or any rights under any Non-Settling Insurer Policies.

70. “Insurance Policies” mean any and all policies, certificates and other contracts providing Insurance Coverage, including without limitation, those listed on Exhibit C.

71. “Insurance Recoveries” means the rights to any proceeds, including any interest or income earned thereon, and other relief, from (a) any award, judgment, relief, or other determination entered or made as to any Insurance Claims, including regarding any Causes of Action related to or arising in connection with any Insurance Claims; (b) any amounts payable by an Insurer under any Settlement Agreement with the Debtor, a Participating Party or a Settled Insurer regarding Insurance Claims; and (c) any proceeds of any Insurance Policy paid or payable to the Debtor, a Participating Party or a Settled Insurer regarding Insurance Claims. Insurance Recoveries do not include any recoveries of a Settled Insurer under any agreement or contract providing reinsurance to the Settled Insurer.

72. “Insurance Settlement Agreement” means, collectively or separately, any agreements between the Debtor and/or the Trustee and Catholic Mutual or any other Settled Insurer with respect to Insurance Coverage or Related Insurance Claims.

73. “Insurer” means a Person (including all of its Affiliates, successors, and assigns) that has, or is alleged to have, issued, subscribed any interest in, assumed any liability for, or underwritten any risk in, any Insurance Policy.

74. “Late-Filed Abuse Claim” means an Abuse Claim resulting or arising in whole or in part, directly or indirectly, from Abuse the first occurrence of which against such Abuse Claimant was committed by any Person before the Petition Date, and for which the Abuse Claimant filed a Proof of Claim in the Bankruptcy Case after the Claims Bar Date and before the Effective Date.

75. “Late-Filed Abuse Claimant” means the Holder of a Late-Filed Abuse Claim.

76. “Lien” means any charge against or interest in property to secure payment of a debt or performance of an obligation as provided by § 101(37) of the Bankruptcy Code.

77. “Litigation Claimants” are Abuse Claimants who elect pursuant to the Plan, Confirmation Order and/or Trust Distribution Plan, as applicable, to litigate their Abuse Claims after the Effective Date for purposes of determining the Non-Settling Insurers’ liability, if any, in connection with such Abuse Claims.

78. “Litigation Claims” are Abuse Claims asserted by Litigation Claimants.

79. “Medicare Claims” means any and all Claims by CMS against the Trust, any Settled Insurer, or any Participating Party, under MMSEA and under MSP, that relate to any payments in respect of any Abuse Claims, including Claims for reimbursement of payments made to Abuse Claimants who recover or receive any Distribution from the Trust and Claims by CMS relating to reporting obligations.

80. “Mediators” means, individually and collectively, Paul A Finn, Commonwealth and Conciliation, Inc., and The Honorable Christopher F. Droney, Droney Law, LLC.

81. “Medicare Trust Fund” means a U.S. Treasury-held trust fund account from which Medicare is funded or from which Medicare disbursements are paid, including the Hospital Insurance Trust Fund and the Supplementary Medical Insurance (SMI) Trust Fund.

82. “Mercy” means Mercy High School Corporation, a Connecticut nonprofit corporation, located at 1740 Randolph Rd., Middletown, Connecticut.

83. “Mercy Settlement Agreement” means the Settlement Agreement by and among Mercy, the Diocese, and the Committee subject to approval pursuant to the Plan.

84. “Mount St. John” means Mount Saint John, Inc., a Connecticut nonprofit corporation, located at 135 Kirtland Street, Deep River, Connecticut.

85. “Mount St. John Parties” means collectively Mount St. John and: (i) each of the past and present parents, subsidiaries, merged companies and divisions; (ii) any named covered party, covered party and additional covered party of Mount St. John under the Catholic Mutual Certificates; (iii) any and all past and present employees, officers, directors, shareholders, principals, teachers, staff, members, members of boards, administrators, bishops, priests, deacons, brothers, sisters, nuns, other clergy or religious personnel, volunteers, agents, attorneys, and representatives of Mount St. John and/or for the Persons in their capacity as such; and (iv) each of the foregoing Persons’ respective predecessors, heirs, successors and assigns. Nothing in the foregoing is intended to suggest that such Persons are “employees” or agents of Mount St. John or subject to its control.

86. “Mount St. John Settlement Agreement” means the Settlement Agreement by and among Mount St. John, Inc., the Diocese, and the Committee.

87. “MMSEA” means § 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (P.L.110-173), which imposes reporting obligations on those Persons with payment obligations under the MSPA.

88. “MSPA” means 42 U.S.C. § 1395y et seq., or any other similar statute or regulation, and any related rules, regulations, or guidance issued in connection therewith or amendments thereto.

89. “M&T” means M&T Bank Corporation (Manufacturers and Traders Trust Company), and all of its successors by merger and predecessors in interest, including, but not limited to, as successor by merger of People’s United Bank, National Association, as successor by merger of Farmington Bank.

90. “M&T Guaranty Agreement” means that certain Limited Guaranty Agreement executed by the Diocese to Farmington Bank on February 26, 2016, to secure the alleged indebtedness of Mercy to Farmington Bank, M&T’s predecessor in interest.

91. “M&T Secured Guaranty Claim” means that certain general, contingent,

unliquidated claim alleged by M&T in the approximate amount of \$1,687,541.00 as of March 31, 2023, arising as a result of the M&T Guaranty Agreement, and allegedly secured by that certain Open-End Mortgage Deed, Security Agreement and Fixture Filing granted upon the 1740 Randolph Rd. Property by the Diocese to Farmington Bank, M&T's predecessor in interest, on February 26, 2016, and recorded at Volume 1861, Page 407, of the Middletown Land Records.

92. "M&T Secured Revolving Loan Claim" means the amount of \$276,543.32, alleged by M&T to be due and owing under that certain Commercial Note and Revolving Loan Agreement, dated September 7, 1994 by and between the Diocese and M&T, as successor to People's United Bank, National Association, and alleged by M&T to be secured by certain of the Diocese's deposit accounts held at M&T. The M&T Secured Claim is subject to the rights of the Diocese under the Interim Order and Stipulation Authorizing Use of Cash Collateral of, and Granting Adequate Protection to, Peoples United Bank, National Association [Dkt. No. 154].

93. "Net Proceeds" means the gross consideration paid by the purchaser(s) less state and local conveyance taxes, recording fees, and the real estate agent commission due by seller.

94. "Non-Appealable Order" means an order, judgment, or other decree (including any modification or amendment thereof) that remains in effect and is final and has not been reversed, withdrawn, vacated, or stayed, and as to which the time to appeal or seek review, rehearing, or writ of certiorari has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending or as to which, if such an appeal, writ of certiorari, review, reargument, or rehearing has been timely sought, then no order, judgment, or other decree is a Non-Appealable Order until (a) such appeal, certiorari, review, reargument, or rehearing has been denied or dismissed and the time to take any further appeal or petition for certiorari, review, reargument, or rehearing has expired; or (b) such order has been affirmed by the highest court to or in which such order was appealed, reviewed, reargued, or reheard, or that granted certiorari, and the time to take any further appeal or petition for certiorari, review, reargument, or rehearing has expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure or any analogous rule under the Bankruptcy Rules may be filed with respect to such order shall not cause such order not to be a "Non-Appealable Order." For the avoidance of doubt, if applicable, the order entered by the United States District Court for the District of Connecticut upon the proposed findings of fact and conclusions of law submitted by the Bankruptcy Court (rather than such proposed findings of fact and conclusions of law) shall be the order, judgment or decree referred to in this definition.

95. "Non-Settling Insurer Policies" means the known or unknown contracts, binders, certificates, or policies of insurance that any Non-Settling Insurer issued, subscribed in any interest in, or has underwritten any risk in, in effect on or before the Effective Date, and that were issued to, allegedly issued to, or for the benefit of, or that otherwise actually, allegedly, or potentially insure, the Diocese, the Participating Parties or any of their predecessors in interest, successors, or assigns, and that actually, allegedly or could potentially afford coverage with respect to any Abuse Claim.

96. "Non-Settling Insurer(s)" means any Insurer that is not a Settled Insurer by the Effective Date; provided, however, that after the Effective Date a Non-Settling Insurer may become and may be treated as a Settled Insurer in accordance with the terms of this Plan including,

without limitation, pursuant to Section X of the Plan.

97. “Oceania” means The Oceania Province of the Congregation of Christian Brothers f/k/a The St. Patrick’s Province of the Christian Brothers. For the avoidance of doubt, “Oceania” does not include the Congregation of Christian Brothers (a/k/a *Congregatio Fratrum Christianorum*, Irish Christian Brothers, or the Edmund Rice Christian Brothers) and any of its subdivisions, subsidiaries, and Affiliates, including but not limited to the North American Province of Christian Brothers, other than Oceania.

98. “Other Insurance Policy” has the meaning set forth in Section 10.10.

99. “Parishes” means each and every parish of or in the geographical region of the Diocese specifically listed in Exhibit F appended hereto.

100. “Participating Party” means any Person providing consideration in exchange for: (a) the release of any Abuse Related Contribution Claim by the Debtor against such Participating Party; (b) the benefit of the Channeling Injunction; and/or (c) any other benefits for Participating Parties under the Plan. For clarity, the Persons listed on Exhibit F, as may be amended from time to time—including, but not limited to, the Diocese Parties, the Catholic Entity Parties, the ACA, Xavier and Oceania—are Participating Parties, and (i) each of their respective past and present, subsidiaries, Affiliates, holding companies, merged companies, related companies and divisions; (ii) each of the foregoing Persons’ respective past and present, directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives in their capacity as such; and (iii) each of the foregoing Person’s respective predecessors, successors, assignors, and assigns, whether known or unknown, and all Persons acting on behalf of, by, through or in concert with them. Upon the consent of the Trustee, at his sole and absolute discretion, a Person may become a Participating Party after the Effective Date if the Bankruptcy Court approves the agreement between the Person and the Trustee under its retained jurisdiction. Upon the Bankruptcy Court’s final approval of such an agreement, Exhibit F will be amended by the Trustee to include such Person. For the purposes of defining a Participating Party, the Persons on Exhibit F shall include their respective predecessors, successors, assigns, employees, officers, agents, attorneys, representatives, and directors. A Participating Parties does not include any Settled Insurer, the Holy See or any a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.

101. “Person” means any individual or entity, including any corporation, limited liability company, partnership, general partnership, limited partnership, limited liability partnership, limited liability limited partnership, proprietorship, association, joint stock company, joint venture, estate, trust, trustee, personal executor or personal representative, unincorporated association, or other entity, of any nature and wherever located, including any federal, international, foreign, state, or local governmental or quasi-governmental entity, body, or political subdivision or any agency or instrumentality thereof and any other individual or entity within the definition of (i) “person” in § 101(41) of the Bankruptcy Code; or (ii) “entity” in § 101(15) of the Bankruptcy Code.

102. “Petition Date” means July 15, 2021, the date on which the Diocese commenced the Chapter 11 case.

103. “Plan” means this plan of reorganization proposed pursuant to Chapter 11 of the Bankruptcy Code, either in its present form or as it may be altered, amended, or modified from time to time with the consent of the Plan Proponents, the Settling Insurers, and the Participating Parties, in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules.

104. “Plan Proponents” means, jointly, the Debtor and the Committee.

105. “Post-Petition Abuse Claim” means any Abuse Claim resulting or arising in whole or in part, directly or indirectly, from Abuse the first occurrence of which against such Abuse Claimant was committed by any Person after the Petition Date and before the Effective Date.

106. “Post-Petition Abuse Claimant” means the holder of a Post-Petition Abuse Claim.

107. “Preserved Coverage” means coverage of the Diocese Parties and the Catholic Entity Parties referred to in the Catholic Mutual Certificates, subject to the limits, declarations, terms and conditions of the Catholic Mutual Certificates, as amended by the Catholic Mutual Settlement Agreement; provided, however, that Preserved Coverage shall not include (a) coverage under the Sold Certificates or (b) coverage for: (i) any and all Direct Action Claims or Abuse Claims, or (ii) any and all other Channeled Claims, which coverage is settled, extinguished and excluded by the Catholic Mutual Settlement Agreement and this Plan.

108. “Priority Tax Claim” means a Claim of a governmental unit of the kind specified in § 507(a)(8) of the Bankruptcy Code.

109. “Professional” means any professional employed or to be compensated pursuant to §§ 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code.

110. “Professional Claim” means a Claim for compensation for services and/or reimbursement of expenses pursuant to §§ 327, 328, 330, 331, or 503(b) of the Bankruptcy Code in connection with an application made to the Bankruptcy Court in the Chapter 11 case.

111. “Proof of Claim” means a proof of Claim filed in the Chapter 11 case pursuant to § 501 of the Bankruptcy Code and/or pursuant to any order of the Bankruptcy Court, together with supporting documents.

112. “Related Insurance Claim” means (i) any Claim against any Settled Insurer for defense, indemnity, reimbursement, contribution, subrogation, or similar relief that, directly or indirectly, relates to an Abuse Claim; (ii) any Extra-Contractual Claim that, directly or indirectly, relates to any Abuse Claim; (iii) any Direct Action Claim; (iv) any Medicare Claim; and (v) any Abuse Related Contribution Claim.

113. “Released Catholic Mutual Claims” means any Claims against Catholic Mutual that are released under the Catholic Mutual Settlement Agreement or this Plan.

114. “Reorganized Debtor” means the Diocese, on and after the Effective Date. Unless

otherwise expressly stated or the context otherwise requires, references to the “Diocese” and the “Reorganized Debtor” throughout various provisions of the Plan are an effort to anticipate whether an event may occur before or after the Effective Date. In this regard, and generally for purposes of the Plan, any written agreement signed after the Petition Date made by the Diocese as part of the Plan before the Effective Date (unless otherwise provided) will survive the Confirmation Date and the Effective Date and will bind the Reorganized Debtor and every other party to such agreement (including, but not limited to, the provisions of the Plan if confirmed).

115. “Revested Assets” means all Assets owned by the Debtor as of the Effective Date that are not transferred to the Trust under the Plan effective as of the Effective Date.

116. “Settled Insurer” means Catholic Mutual and: (a) each of those Insurers on Exhibit E to the Plan, as amended by order of the Bankruptcy Court. Upon the consent of the Trustee, at his sole and absolute discretion, a Person may become a Settled Insurer after the Effective Date if the Bankruptcy Court approves the Settlement Agreement between the Person and the Trustee under its retained jurisdiction. Upon the Bankruptcy Court’s approval of such an agreement by a Non-Appellable Order, Exhibit E will be amended by the Trustee to include such Person.

117. “Settled Insurer Defense and Indemnification Limitation” has the meaning set forth in Section 8.1(d), below.

118. “Settled Insurer Parties” means each and every Settled Insurer and, solely in the capacity as such, (i) each of its past and present parents, subsidiaries, Affiliates, holding companies, merged companies, related companies, reinsurers, retrocessionaires, and divisions; (ii) each of the foregoing Persons’ respective past and present, directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators in their capacity as such; and (iii) each of the foregoing Person’s respective predecessors, heirs, successors, assignors, and assigns, whether known or unknown, and all Persons acting on behalf of, by, through or in concert with them. A “Settled Insurer Party” does not include a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.

119. “Settled Insurer Policies” means, collectively, all Insurance Policies that are the subject of an Insurance Settlement Agreement(s) with the Settled Insurers.

120. “Settlement Agreement” means any compromise or settlement of controversy or other agreement by and between the Committee and/or Trustee, on the one hand, and, *inter alia*, the Diocese, Catholic Mutual, any other Settled Insurer, any Participating Party, and/or any other Person, on the other, memorializing any settlement or compromise or resolving any Abuse Claim, claim for Insurance Coverage and/or any Insurance Claim, and includes for avoidance of doubt any Insurance Settlement Agreement, the Mercy Settlement Agreement, St. Bernard Settlement Agreement, Xavier Settlement Agreement, and the Mount St. John Settlement Agreement.

121. “Sold Certificates” means all Certificates of Insurance issued by Catholic Mutual for coverage before July 1, 1990, and specifically identified in Exhibit C appended hereto, that are to be sold free and clear of Liens and interests pursuant to the Approval Order authorizing and

approving the Catholic Mutual Settlement Agreement and the Plan.

122. “St. Bernard” means Saint Bernard School of Montville, Incorporated, a Connecticut nonprofit corporation, located at 1593 Route 32, Montville, Connecticut.

123. “St. Bernard Property” means that certain piece and parcel of real property, and all buildings and improvements thereon, known 593 Route 32, Montville, Connecticut, and comprised of approximately a 113-acre site, and previously owned by the Diocese.

124. “St. Bernard Property Sale” means the sale of the St. Bernard Property in accordance with the *Order Approving the Sale of Certain Property, Including All Improvements Thereon in Montville, Connecticut and Granting Certain Related Relief* entered on June 20, 2023 [Dkt. No. 1344].

125. “St. Bernard Settlement Agreement” means the Settlement Agreement by and among St. Bernard, the Diocese, and the Committee subject to approval pursuant to the Plan.

126. “Supplemental Plan Documents” means, collectively, the documents included (or to be included) in the supplemental appendix to the Plan and filed with the Bankruptcy Court at least 14 days prior to the confirmation hearing, and shall include the form of the promissory note required by Section 7.1(a)3(ii).

127. “Supplemental Settled Insurer Injunction” means the injunction set forth in Section 13.15 of the Plan and the Confirmation Order.

128. “Transferred Cash” means all the right, title and interest of the Debtor in any and all cash and cash equivalents, marketable securities and all other accounts, and their proceeds, identified in subsection 3 of Section 7.1(a) of this Plan.

129. “Transferred Insurance Interests” means the Insurance Claims and Insurance Recoveries against Non-Settling Insurers deemed assigned to the Trust pursuant to and to the extent provided by Section VIII of the Plan, as of the Effective Date, and Insurance Claims and Insurance Recoveries transferred after the Effective Date pursuant to any Settlement Agreement approved by a Non-Appealable Order, identified in subsection 7 of Section 7.1(a).

130. “Transferred Real Estate” means all the right, title and interest of the Debtor and St. Mary’s Roman Catholic Church, as applicable, in any and all Real Estate (including all Land and Improvements), and their proceeds, identified in Exhibit O of this Plan.

131. “Trust” means the trust created for the benefit of certain Abuse Claimants in accordance with the Plan and Confirmation Order and the Trust Agreement.

132. “Trust Agreement” or “Trust Documents” shall mean the trust agreement establishing the Trust, as it may be amended, together with such additional document as may be

executed in connection with the Trust Agreement, including the Trust Distribution Plan.

133. “Trust Assets” means the Transferred Cash, the Transferred Insurance Interests, the Transferred Real Estate and the other assets and rights to be transferred to the Trust under Section VII of the Plan or otherwise pursuant to the Plan.

134. “Trust Distribution Plan” means the Trust Distribution Plan established under the Trust Agreement.

135. “Trustee” means Craig R. Jalbert, the trustee 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.

136. “Unimpaired” means, with respect to a class of Claims, that such class is not impaired.

137. “Unknown Abuse Claim” means either (1) any Abuse Claim that arises from the Abuse of an Abuse Claimant when such Abuse Claimant was a minor for which a Proof of Claim was not filed before the Claims Bar Date and such Person: (a) was under a disability (such as minority, mental disability, or alienage) on the Petition Date, (b) neither discovered, nor reasonably should have discovered before the Claims Bar Date that their childhood injury was caused by an act of Abuse, or (c) such Claim was barred by the applicable statute of limitations as of the Claims Bar Date, but is no longer barred by the applicable statute of limitations for any reason; or (2) any Post-Petition Abuse Claim.

138. “Unknown Abuse Claimant” means the holder of an Unknown Abuse Claim, the legal representative of the holder of an Unknown Abuse Claim, such as a trustee, the estate of a deceased individual who held an Unknown Abuse Claim, or the personal executor or personal representative of the estate of a deceased individual who held an Unknown Abuse Claim, as the case may be.

139. “Unknown Abuse Claims Representative” means Michael R. Hogan, in his role as Unknown Abuse Claims Representative in accordance with the Order on Debtor’s (I) Motion to Appoint an Unknown Abuse Claims Representative and (II) Application to Employ Michael R. Hogan as the Unknown Abuse Claims Representative (ECF Doc. No. 753), or such other individual who may be appointed to succeed Michael R. Hogan.

140. “Unknown Abuse Claims Trust” means the trust to be established under the Plan and the Unknown Abuse Claims Trust Agreement. For the avoidance of doubt, “Unknown Abuse Claims Trust” does not include the Trust.

141. “Unknown Abuse Claims Trust Agreement” means the agreement attached as Exhibit B to the Plan.

142. “Unknown Abuse Claims Trust Distribution Plan” means the protocol for the allocation, treatment and Distribution of Unknown Abuse Claims Trust Assets substantially in the form attached as Exhibit B to the Plan.

143. “Unknown Abuse Claims Trust Assets” means all property funded to the Unknown Abuse Claims Trust under the Plan.

144. “Unknown Abuse Claims Trust Documents” means the Unknown Abuse Claims Trust Agreement, the Unknown Abuse Claims Trust Distribution Plan, and other documents defined as “Unknown Abuse Claims Trust Documents” in the Unknown Abuse Claims Trust Agreement and shall include any documents reasonably necessary or desirable to implement the Plan that relate to the creation, administration, operation and funding of the Unknown Abuse Claims Trust, as any of the same may be amended, modified, or supplemented.

145. “Unknown Abuse Claims Trustee” means Kara S. Rescia, Rescia Law, P.C., the trustee of the Unknown Abuse Claims Trust in accordance with the terms of the Plan, the Confirmation Order, and the Unknown Abuse Claims Trust Agreement, and any successor trustee appointed under the Unknown Abuse Claims Trust Agreement.

146. “Unsecured Claims” means Claims against the Debtor which are not secured by any property of the Debtor’s Estate and which are not part of any other class defined in this Plan.

147. “U.S. Trustee” means the Office of the United States Trustee for Region 2, which includes the District of Connecticut

148. “Xavier” means Xavier High School Corporation of Middletown, a Connecticut nonprofit corporation, located at 181 Randolph Rd, Middletown, CT 06457.

149. “Xavier Property” means those certain pieces and parcels of real property, and all buildings and improvements thereon, collectively known as 181 Randolph Road, Middletown, Connecticut, and collectively comprised of approximately a 56.96 acre parcel.

150. “Xavier Property Transfer” means the transfer of the Xavier Property by the Diocese to Xavier (or its designee) pursuant to § 1123(a)(5)(D) of the Bankruptcy Code on or before the Effective Date and pursuant to the Plan, yielding the \$2.5 million contribution of proceeds of the sale by the Diocese to the Trustee, and after satisfaction of all other conditions set forth in Xavier Settlement Agreement.

151. “Xavier Settlement Agreement” means the Settlement Agreement by and among Xavier, the Diocese, and the Committee subject to approval pursuant to the Plan.

**1.2. Interpretation.** For purposes of the Plan:

- (a) any term that is not defined herein, but that is used in the Bankruptcy Code

or the Bankruptcy Rules, shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as applicable;

- (b) the terms “including” or “include(s)” are intended to be illustrative and not exhaustive, and shall be construed as “including, but not limited to” or “include(s), but is not limited to”;
- (c) whenever the context requires, terms shall include the plural as well as the singular number, and the masculine gender shall include the feminine gender and the feminine gender shall include the masculine;
- (d) the rules of construction set forth in § 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply;
- (e) unless the context should otherwise require, all references to documents to be filed shall refer to filing with the Bankruptcy Court in accordance with the Bankruptcy Code and Bankruptcy Rules;
- (f) any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions;
- (g) any reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit, as it may have been or may be amended, modified or supplemented;
- (h) unless otherwise specified, all references in the Plan to “Schedules” and “Exhibits” are references to Sections, Schedules and Exhibits of or to the Plan;
- (i) the words “herein,” “hereof,” and “hereto” refer to the Plan in its entirety rather than to a particular portion of the Plan;
- (j) captions and headings to Sections are inserted for ease of reference only and shall not be considered a part of the Plan or otherwise affect the interpretation of the Plan; and
- (k) the Plan supersedes all prior drafts of the Plan, and all prior negotiations, agreements, and understandings with respect to the Plan, evidence of which shall not affect the interpretation of any provision of the Plan.

**1.3. Time Periods.** In computing any period of time prescribed or allowed by the Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply. Enlargement of any period of time prescribed or allowed by the Plan shall be governed by the provisions of Bankruptcy Rule 9006(b).

**1.4. Exhibits and Schedules.** All exhibits to the Plan (including any Supplemental Plan Documents) (with the Plan, the “Plan Documents”) are hereby incorporated by reference and made part of the Plan as if set forth fully herein. The exhibits to the Plan include the following:

- Exhibit A: Trust Agreement and Trust Distribution Plan
- Exhibit B: Unknown Abuse Claim Trust Agreement and Unknown Abuse Claim Trust Distribution Plan
- Exhibit C: Schedule of Insurance Policies
- Exhibit D: Schedule of Catholic Entities
- Exhibit E: Schedule of Settled Insurers
- Exhibit F: Schedule of Participating Parties
- Exhibit G: Non-Monetary Commitments to Healing and Reconciliation
- Exhibit H: Officers and Directors of Reorganized Debtor
- Exhibit I: List of Allegedly Barred Child Sexual Abuse Claims
- Exhibit J: Catholic Mutual Settlement Agreement
- Exhibit K: Mount St. John Settlement Agreement
- Exhibit L: Abuse Claim Release
- Exhibit M: Real Estate Representations and Warranties
- Exhibit N: Effective Date Escrow Agent Agreement
- Exhibit O: Transferred Real Estate
- Exhibit P: Schedule of Executory Contracts
- Exhibit Q: Mercy Settlement Agreement
- Exhibit R: St. Bernard Settlement Agreement
- Exhibit S: Xavier Settlement Agreement

## **SECTION II** **PLAN OBJECTIVES AND MEANS OF FUNDING**

This Plan provides for:

- (a) The Diocese to make meaningful and substantial contributions to fund, through the Trust and Unknown Abuse Claims Trust, Distributions to Abuse Claimants, while also satisfying or, at least, fairly and equitably treating the other Claims against the Diocese;
- (b) The Diocese to reorganize expeditiously on terms and conditions acceptable to the Diocese and the Committee and in the best interests of all Claimants including the Abuse Claimants; and
- (c) Catholic Mutual, the Catholic Entities (which includes Mercy and St. Bernard’s), Mount St. John, Xavier and Oceania to make fair and reasonable contributions to fund through the Trust Distributions to Abuse Claimants in exchange for the benefits conferred upon them pursuant to this Plan including the releases, Channeling Injunction and Supplemental Settled Insurer Injunction.

Upon the Effective Date of the Plan, Catholic Mutual—who entered into the Catholic Mutual Settlement Agreement which has been incorporated into this Plan—shall become a Settled Insurer, and the Catholic Entities, Mount St. John Parties, Xavier and Oceania shall become Participating Parties. The Catholic Mutual Settlement Agreement and Mount St. John Settlement Agreement shall each be incorporated by reference into the Plan and approved by the Confirmation Order. The Diocese’s and the Participating Parties’ Transferred Insurance Interests against any Non-Settling Insurer shall be transferred to the Trust and shall be a Trust Asset. The Trust Assets shall include, among other assets, contributions from the Diocese, the Participating Parties, and Catholic Mutual, and the Transferred Insurance Interests. Trust Assets will fund Distributions to Abuse Claimants, under the Trust Distribution Plan.

Abuse Claimants whose Claims occurred during the coverage period of a Non-Settling Insurers’ Insurance Policy may, subject to the Trustee’s consent and the Trust Documents, pursue their Abuse Claims in a court of competent jurisdiction against the Debtor and any other defendant; *provided, however*, that any such Claims are subject to the terms of this Plan and that Claims against the Debtor or a Participating Party may be paid only from the proceeds of an Insurance Policy issued by a Non-Settling Insurer. The Diocese, each Participating Party, and Settled Insurer will receive the benefit of releases and injunctions provided under this Plan. Nothing in this Plan is intended to replace and does not affect, diminish, or impair the liabilities of any Non-Settling Insurer or any Person that is not a Participating Party under applicable non-bankruptcy law, including the law governing joint and several liabilities.

### **SECTION III** **TREATMENT OF UNCLASSIFIED CLAIMS**

#### **3.1. Administrative Claims.**

- (a) **Allowed Administrative Claims (other than Professional Claims and Post-Petition Abuse Claims).** Each holder of an Allowed Administrative Claim, excluding Professional Claims and Post-Petition Abuse Claims, against the Diocese shall receive, in full satisfaction, settlement, release, and extinguishment of such Claim, an amount from the Reorganized Debtor equal to the Allowed amount of such Administrative Claim, unless the holder agrees in writing to other treatment of such Claim. Such payment shall be made either (a) on the Effective Date, or, if later, the Allowance Date; or (b) upon such terms as agreed to in writing by the Administrative Claimant.
  
- (b) **Allowed Professional Claims.** Each holder of an Allowed Professional Claim shall receive, in full satisfaction, settlement, release, and extinguishment of such Claim, an amount from the Reorganized Debtor equal to the Allowed amount of such Professional Claim, unless the holder agrees in writing to other treatment of such Claim. The Committee and Diocese stipulate and agree that the representation by Goldberg Kohn Ltd. of Mount St. John in this Bankruptcy Case and in connection with the proposed sale of property to fund the Plan has made a substantial

contribution up to a cap of \$100,000 which may only be satisfied from the proceeds of sale as provided in the Mount St. John Settlement Agreement; provided, however, that the allowance of such amount pursuant to § 503(b) is subject to the approval of the Bankruptcy Court upon motion and after due notice and a hearing.

- (c) **Allowed Post-Petition Abuse Claims.** Any alleged Post-Petition Abuse Claim shall be Allowed or Disallowed as an Administrative Claim by the Bankruptcy Court following entry of a final, no longer appealable judgment or order of a Court of competent jurisdiction as to any Post-Petition Abuse Claim. The Diocese hereby preserves all rights to object to and defend against liability for or the Allowance of such alleged Post-Petition Abuse Claim. Even if Allowed, in order to receive a Distribution, the holder of an Allowed Post-Petition Abuse Claim must execute and return an Abuse Claim Release. Each Allowed Post-Petition Abuse Claim shall be paid in full either by the Unknown Abuse Claims Trust or the Reorganized Debtor in accordance with the terms and conditions of the Plan and the Unknown Abuse Claims Trust Documents.
- (d) **Administrative Filing Deadline.**
1. Except as otherwise set forth in this Plan, requests for allowance and payment of Administrative Claims (excluding Post-Petition Abuse Claims and Professional Claims) must be filed and served no later than the Administrative Claims Filing Deadline. Administrative Claims holders, excluding Professional Claims, that do not file a request for payment by the Administrative Claims Filing Deadline shall be forever barred from asserting such Claims against the Diocese, the Reorganized Debtor, the Trust, the Unknown Abuse Claims Trust, or any of their property. Administrative Claims representing obligations incurred by the Diocese after the Effective Date (including, without limitation, Claims for Professionals' fees and expenses) will not be subject to application to the Bankruptcy Court and may be paid by the Reorganized Debtor in the ordinary course of business and without Bankruptcy Court approval. In addition, holders of Administrative Claims representing trade debt incurred after the Petition Date in the ordinary course of Debtor's operations are not required to file requests for allowance of an Administrative Claim and will be paid by the Debtor in the ordinary course.
  2. All objections to the allowance of Administrative Claims (excluding Post-Petition Abuse Claims and Professional Claims) must be served and filed by any parties-in-interest no later than fourteen (14) days after the Administrative Claim Filing Deadline (the "Administrative Claim Objection Deadline"). If no objection to the applicable Administrative Claim is filed on or before the Administrative Claim Objection Deadline, such Administrative Claim will be deemed Allowed. For the avoidance of

doubt, the Administrative Claim Objection Deadline established by the Bankruptcy Court shall control over any contrary deadline set forth in any requests for payment of Administrative Claims.

- (e) **Professional Claim Filing Deadline.** All Professionals or other Persons holding a Professional Claim for services rendered on or before the Effective Date (including, among other things, any compensation requested by any Professional or any other Person for making a substantial contribution in the Chapter 11 case) shall file and serve an application for final allowance of compensation and reimbursement of expenses accruing from the Petition Date to the Effective Date, no later than thirty (30) days after a notice of the Effective Date is filed (the “Professional Claim Filing Deadline”).
- (f) **Payment of Allowed Professional Claims.** The Reorganized Debtor shall pay all unpaid Allowed Professional Claims accruing through the Effective Date, (i) within seven (7) days after the later of the Effective Date or the Bankruptcy Court’s order on such Claims, or (ii) upon such terms as may exist pursuant to an agreement between such holder of an Allowed Professional Claim and the Debtor.

**3.2. Priority Tax Claims.** A Priority Tax Claim is an unsecured Claim of a governmental unit entitled to priority in payment under any provision of § 507(a)(8) of the Bankruptcy Code. As for any Allowed Priority Tax Claim not paid before the Effective Date, the Reorganized Debtor shall (a) pay such Claim on the Effective Date; or (b) provide such other treatment agreed to by the Holder of such Allowed Priority Tax Claim and the Debtor and the Estate (if before the Effective Date) or the Reorganized Debtor (on and after the Effective Date).

**3.3. U.S. Trustee Fees.** All fees due and payable under 28 U.S.C. § 1930 and not paid before the Effective Date shall be paid on and after the Effective Date when due and payable. After the Effective Date, the Reorganized Debtor shall pay quarterly fees to the U.S. Trustee until the Bankruptcy Case is closed, and a Final Decree is entered. In addition, the Reorganized Debtor shall file post-Confirmation Date reports in conformance with the U.S. Trustee guidelines. The U.S. Trustee shall not be required to file a request for payment of its quarterly fees, which will be deemed Administrative Claims against the Diocese. The Trust and the Unknown Abuse Claims Trust shall have no liability for U.S. Trustee fees.

**SECTION IV**  
**CLASSIFICATION OF CLAIMS**

**4.1. Summary.** The categories of Claims listed below classify Claims (except for Administrative Claims and Priority Tax Claims) for all purposes, including voting, confirmation of the Plan, and distribution pursuant to the Plan

CLASS	DESCRIPTION	IMPAIRMENT	VOTING
1	Other Priority Claims	Unimpaired	Deemed to Accept
2	Secured Claim of Citizens Bank, N.A.	Impaired	Yes
3	Secured Revolving Loan and Secured Guaranty Claims of M&T	Unimpaired	No
4	Abuse Claims Other Than Unknown Abuse Claims	Impaired	Yes
5	Unknown Abuse Claims	Impaired	Yes
6	General Unsecured Claims	Unimpaired	Deemed to Accept
7	Abuse Related Contribution Claims	Impaired	Deemed to Reject
8	Claims Held by the Catholic Entities, Xavier, and Oceania	Impaired	Yes

**4.2. Classification and Voting.** The Claims against the Debtor shall be classified as specified above (other than Administrative Claims and Priority Tax Claims, which shall be unclassified and treated in accordance with Section III). Consistent with § 1122 of the Bankruptcy Code, a Claim is classified by the Plan in a particular class only to the extent the Claim is within the description of the class, and a Claim is classified in a different class to the extent it is within the description of that different class.

**SECTION V**  
**TREATMENT OF CLASSIFIED CLAIMS**

**5.1. Class 1: Other Priority Claims.**

- (a) **Definition.** A “Class 1 Claim” means an Allowed Claim described in, and entitled to priority under §§ 507(a) and 503(b)(9) of the Bankruptcy Code other than an Administrative Claim or a Priority Tax Claim.
- (b) **Unimpaired and Not Voting.** Class 1 is not impaired under the Plan. The Class 1 Claimants are conclusively presumed to have accepted and not entitled to vote on the Plan.
- (c) **Treatment.** Unless the holder of an Allowed Class 1 Claim and the Diocese or the Reorganized Debtor (as applicable) agree to a different treatment, the Reorganized Debtor shall pay each such Allowed Class 1 Claim in full, in cash, without interest, from ongoing operations on the later of the Effective Date and the date a Class 1 Claim becomes an Allowed Claim (or as soon thereafter as is practicable).

**5.2. Class 2 Citizens Bank, N.A.**

- (a) **Class 2 Definition.** Class 2 consists of the Citizens Secured Guaranty Claim.
- (b) **Impaired and Voting.** Class 2 is impaired under the Plan. The Class 2 Claimant is entitled to vote on the Plan.
- (c) **Class 2 Treatment.** Upon closing of the Xavier Property Transfer on or before the Effective Date pursuant to the Xavier Settlement Agreement, Citizens shall fully, finally, and completely release and forever discharge the Diocese from any and all obligations arising under the Citizens Guaranty Agreement; *provided, however,* Citizens shall retain a lien against the Xavier Property representing those certain loan agreements by and between Xavier and Citizens.

**5.3. Class 3: M&T Bank Corporation.**

- (a) **Class 3 Definition.** Class 3 consists of all claims held by M&T. Class 3 is comprised of the following Sub-Classes:
  - i. Sub-Class 3-A consists of the M&T Secured Revolving Loan Claim; and
  - ii. Sub-Class 3-B consists of the M&T Secured Guaranty Claim.
- (b) **Unimpaired and Not Voting.** Class 3-A and Class 3-B are Unimpaired under the Plan. The Class 3 Claimant is not entitled to vote on the Plan.
- (c) **Class 3 Treatment.** The Holder of Allowed M&T Secured Revolving Loan Claim and Allowed M&T Secured Guaranty Claim against the Diocese shall receive the treatment set forth below:
  - i. Class 3-A: The collateral securing the M&T Secured Revolving Loan Claim shall upon the Effective Date vest in the Reorganized Debtor and the collateral shall continue to secure the M&T Secured Revolving Loan Claim. The security interest held by M&T to secure M&T Secured Revolving Loan Claim shall remain in place and M&T may exercise any and all rights and remedies against the collateral referenced in such security agreement, available to M&T. The Reorganized Debtor shall be liable to M&T on the M&T Secured Revolving Loan Claim to the same extent and validity as the Diocese immediately prior to the Petition Date.
  - ii. Class 3-B: The collateral securing the M&T Secured Guaranty Claim

shall upon the Effective Date vest in the Reorganized Debtor and the collateral shall continue to secure the M&T Secured Guaranty Claim. The security interest held by M&T to secure M&T Secured Guaranty Claim shall remain in place and M&T may exercise any and all rights and remedies against the collateral referenced in such security agreement, available to M&T. The Reorganized Debtor shall be liable to M&T on the M&T Secured Guaranty Claim to the same extent and validity as the Diocese immediately prior to the Petition Date.

**5.4. Class 4: Abuse Claims (Other Than Unknown Abuse Claims).**

- (a) **Definition.** A “Class 4 Claim” means an Abuse Claim other than an Unknown Abuse Claim. A “Class 4 Claimant” shall mean a holder of a Class 4 Claim.
- (b) **Impaired and Voting.** Class 4 is impaired under the Plan. The Class 4 Claimants (including Late-Filed Abuse Claimants) are entitled to vote on the Plan. Only for purposes of voting, each Claim in Class 4 is deemed to be Allowed in the amount of \$1.00.
- (c) **Treatment of Class 4.** On and after the Effective Date, and subject to the Plan provisions, the Trust shall pay all Abuse Claims (except Unknown Abuse Claims) in accordance with and under the Plan and Trust Documents. Class 4 Claimants shall have their Abuse Claims treated and Allowed or Disallowed in accordance with the terms and conditions set forth in the Trust Distribution Plan.
- (d) **Diocese Cooperation with Trustee and Abuse Claims Reviewer.** The Diocese and its counsel shall reasonably cooperate with the Trustee and the Abuse Claims Reviewer with any inquiries by either in the administration of the Trust Distribution Plan.
- (e) **Class 4 Claim Objections.** No Class 4 Claimant may challenge the merit, validity, or amount of any other Class 4 Claim. Except for any objection to a Class 4 Claim filed by the Committee, any objection to a Class 4 Claim pending as of the Effective Date is deemed withdrawn with prejudice. The Trustee has the exclusive right to object to a Class 4 Claim and shall succeed to the rights of the Committee because of any Committee’s objection to a Class 4 Claim. None of the Reorganized Debtor, the Participating Parties or the Settled Insurer Parties shall have the right to object to a Class 4 Claim. The Trustee shall succeed the Debtor for any pending objections to Class 4 Claims.
- (f) **Abuse Claim Release.** No Class 4 Claimant will receive any payment from the Trust in accordance with and under the Plan and Trust Documents unless and until such Class 4 Claimant has executed the Abuse Claim Release

attached as Exhibit L to the Plan. The form of the Abuse Claim Release shall also be included for completion and execution in the Class 4 Ballot. A Class 4 Claimant who does not timely submit the Class 4 Ballot having fully completed and executed the Abuse Claim Release portion must separately execute the Abuse Claim Release as required by this Section 5.4(f) as a condition of receiving any payments from the Trust.

- (g) **Diocese Discharge of Class 4 Claim Liability.** The Debtor shall be discharged as set forth in Section 13.1 herein of any liability because of all Class 4 Claims, even if the Claimant rejects the Plan.
- (h) **Late-Filed Abuse Claims.**
  - i. Unless and until Disallowed by a Non-Appealable Order entered by this Court, each Late-Filed Abuse Claim shall be classified as a Class 4 Claim and entitled to vote on the Plan. For purposes of voting upon the Plan, the preceding determination shall be made as of the Voting Record Date as ordered by the Bankruptcy Court.
  - ii. A Late-Filed Abuse Claim may be Allowed by the Bankruptcy Court as a Class 4 Claim upon motion by the Abuse Claimant and after due notice and a hearing where the Abuse Claimant establishes their excusable neglect excusing the late filing of their Proof of Claim and the Bankruptcy Court orders that the Late-Filed Abuse Claim shall be treated as timely filed on or before the Claims Bar Date. Unless and until such motion is granted and the Late-Filed Abuse Claim is Allowed as a Class 4 Claim by a Non-Appealable Order, no Distribution shall be paid on account of the Late-Filed Abuse Claim as a Class 4 Claim pursuant to the Trust Distribution Plan.
  - iii. An Abuse Claimant holding a Late-Filed Abuse Claim may elect at their sole and absolute discretion to be treated exclusively as an Unknown Abuse Claimant by making such election upon their Ballot returned at any time on or before the deadline for the return of Ballots. In such event, such Late-Filed Abuse Claim shall be treated in accordance with such Class 5 and the Unknown Abuse Claims Trust Distribution Plan.
  - iv. After the deadline for the return of Ballots, any Holder of a Late-Filed Abuse Claim that had not on their Ballot elected to be treated as an Unknown Abuse Claimant shall be only entitled to pursue their Allowance as a Class 4 Claim based on their Late-Filed Abuse Claim in accordance with the terms of this Plan, and shall have waived and shall thereafter be barred from asserting an Unknown Abuse Claim.

v. Any Abuse Claimant holding a Late-Filed Abuse Claim who elects on their Ballot to be treated as holding an Unknown Abuse Claim shall only be allowed and receive a distribution as a Class 5 Claim if it meets the definition of Unknown Abuse Claim under the Plan and satisfies the requirements in the Unknown Abuse Claims Trust Distribution Plan to receive any Distributions on account of such Unknown Abuse Claim.

(i) **Barred Child Sexual Abuse Claims.** All Barred Child Sexual Abuse Claims constitute Class 4 Claims classified and treated in accordance with this Class 4 and the other terms of the Plan, the Confirmation Order and the Trust Distribution Plan, specifically, without limitation, Section 7.2 of the Trust Distribution Plan. Each Barred Child Sexual Abuse Claim shall be entitled to vote for the Plan. A Class 4 Claim's qualification as a Barred Child Sexual Abuse Claim shall not constitute a basis for any party in interest, including the Trustee, to object to the Allowance of such Abuse Claim.

(j) **Litigation of Class 4 Claims against Non-Settling Insurers.** A Class 4 Claimant may commence an action against the Diocese and, if applicable, one or more Participating Parties, solely for liquidating a Class 4 Claim in order to pursue Insurance Recoveries regarding such Class 4 Claim from Non-Settling Insurers; provided, however, that prior to the Trust Termination Date (as defined in the Trust), a Class 4 Claimant may only commence such an action with the consent of the Trustee and pursuant to the terms and conditions of the Trust Distribution Plan. Notwithstanding any provision in this Plan to the contrary, the Diocese will not have to expend any funds to defend against any action commenced by a Class 4 Claimant except to the extent required by the terms of any Insurance Policy issued by a Non-Settling Insurer, and no Settling Insurer shall have any obligation to defend or indemnify against any such action commenced by a Class 4 Claimant. Consistent with the discharge provided for in Section 13.1 and the rights of a Participating Party, any judgment obtained in such action may not be enforced against the Diocese, a Participating Party and/or any of assets of the Diocese or such Participating Party (other than the Non-Settling Insurers' Insurance Policies and/or the Non-Settling Insurers), including, but not limited to, the Revested Assets or any assets acquired by the Reorganized Debtor after the Effective Date, but any such judgment shall only be satisfied in accordance with the Plan and the Trust Distribution Plan and shall be fully enforceable against and paid by any Non-Settling Insurer including under the terms of that Non-Settling Insurer's Insurance Policy. Prior to the Trust Termination Date, any recovery from the prosecution of such an action is deemed assigned to and shall be paid to the Trust to the extent provided in the Plan, including as provided in the Trust Distribution Plan.

**5.5. Class 5: Unknown Abuse Claims (other than Post-Petition Abuse Claims).**

- (a) **Definition.** A “Class 5 Claim” means an Unknown Abuse Claim (other than a Post-Petition Abuse Claim). A “Class 5 Claimant” shall mean a holder of a Class 5 Claim.
- (b) **Impaired and Voting.** Class 5 is impaired under the Plan. The Unknown Abuse Claims Representative is entitled to vote on this Plan on behalf of Class 5 Claimants. Only for purposes of voting, the Unknown Abuse Claims Representative is deemed to have a single Allowed Claim in the amount of \$1.00.
- (c) **Treatment of Class 5.** The Unknown Abuse Claims Trust will be funded by the Debtor on the Effective Date pursuant to the provisions of this Plan. On and after the Effective Date, the Unknown Abuse Claims Trust shall pay all Class 5 Claims in accordance with and the Plan and Unknown Abuse Claims Trust Documents. Class 5 Claimants shall have their Abuse Claims treated and Allowed or Disallowed in accordance with the terms and conditions set forth in the Unknown Abuse Claims Trust Distribution Plan. In particular, without limitation, each Unknown Abuse Claimant asserting an Unknown Abuse Claim (other than a Post-Petition Abuse Claim) must prove by credible evidence that its Claim constitutes an Unknown Abuse Claim (as defined in this Plan) and, in particular, that the Abuse was perpetrated by a Perpetrator of the Debtor.
- (d) **Diocese Cooperation with Unknown Abuse Claims Trustee and Abuse Claims Reviewer.** The Diocese and its counsel shall reasonably cooperate with the Unknown Abuse Claims Trustee and the Abuse Claims Reviewer with any inquiries by either in the administration of the Unknown Abuse Claims Trust Distribution Plan.
- (e) **Class 5 Claim Objections.** No Class 5 Claimant may challenge the merit, validity, or amount of any other Class 5 Claim. Except for any objection to a Class 5 Claim filed by the Committee, any objection to a Class 5 Abuse Claim pending as of the Effective Date is deemed withdrawn with prejudice. The Unknown Abuse Claims Trustee has the exclusive right to object to a Class 5 Claim and shall succeed to the rights of the Committee because of any Committee’s objection to any Class 5 Claim. Neither the Reorganized Debtor, the Participating Parties or the Settled Insurer Parties shall have the right to object to a Class 5 Claim.
- (f) **Abuse Claim Release.** No Class 5 Claimant will receive any payment from the Unknown Abuse Claims Trust in accordance with and under the Plan and Unknown Abuse Claims Trust Documents unless and until such Class 5 Claimant has executed the Abuse Claim Release attached as Exhibit L to

the Plan.

- (g) **Diocese Discharge of Unknown Abuse Claim Liability.** The Debtor shall be discharged as set forth in Section 13.1 herein of any liability because of all Class 5 Claims, even if the Claimant rejects the Plan.

#### 5.6. Class 6: General Unsecured Claims.

- (a) **Definition.** A “Class 6 Claim” or “General Unsecured Claim” means (i) any Claim arising out of the rejection of any Executory Contract, or (ii) any Unsecured Claim that is not included in another class under the Plan and is not listed as disputed, contingent or unliquidated on the Debtor’s schedules filed in connection with this Chapter 11 case (“Debtor’s Schedules”) or as to which the holder of such Claim timely filed a Claim.
- (b) **Unimpaired and Not Voting.** Class 6 is Unimpaired under the Plan. The Class 6 Claimants are conclusively presumed to have accepted and not entitled to vote on the Plan.
- (c) **Treatment.** Except to the extent that a Class 6 Claimant agrees to less favorable treatment of their Class 6 Claim, in exchange for full and final satisfaction of such Allowed General Unsecured Claim, at the sole option of the Reorganized Debtor: (a) each Class 6 Claimant shall receive payment in Cash in an amount equal to such Allowed General Unsecured Claim, payable on last to occur of (i) the Effective Date, (ii) the date on which such General Unsecured Claim becomes an Allowed General Unsecured Claim, and (iii) the date on which the Class 6 Claimant and the Diocese or Reorganized Debtor, as applicable, shall otherwise agree in writing; or (b) satisfaction of such Allowed General Unsecured Claim in any other manner that renders the Allowed General Unsecured Claim Unimpaired, including reinstatement.

#### 5.7. Class 7: Abuse Related Contribution Claims.

- (a) **Class 7 Definition.** A “Class 7 Claim” means all Abuse Related Contribution Claims (other than those classified in Class 8).
- (b) **Impaired and Not Voting.** Class 7 is impaired under the Plan. The Class 7 Claimants are conclusively presumed to have rejected and not entitled to vote on the Plan.
- (c) **Class 7 Treatment.** Class 7 Claims against the Debtor shall be Disallowed in accordance with § 502(e)(1) of the Bankruptcy Code, and Class 7 Claims will receive no Distribution under the Plan. Notwithstanding the disallowance of an Abuse Related Contribution Claim, an Abuse Claimant who liquidates their claim in an amount greater than \$0, consents to

application of its portion of the reserve established by the Trustee under the Trust Agreement to pay any Co-Defendant for its contribution, reimbursement, and/or indemnity claim, if any, against the Debtor.

**5.8. Class 8: Claims Held by Catholic Entities, Xavier and Oceania**

- (a) **Class 8 Definition.** A “Class 8 Claim” means any Claim (including any Abuse Related Contribution Claim and any Administrative Claim) held by any of the Catholic Entities (which include Mercy, St. Bernard and Mount St. John), Xavier and Oceania.
- (b) **Impaired and Voting.** Class 8 is impaired under the Plan. The Class 8 Claimants are entitled to vote on the Plan. For the avoidance of doubt, only those Persons among the Catholic Entities (which include Mercy, St. Bernard and Mount St. John), Xavier and Oceania who actually hold Claims against the Debtor are entitled to vote.
- (c) **Class 8 Treatment.** The Diocese has reached a settlement with the Catholic Entities, Xavier and Oceania, which are embodied in the Plan (including the Xavier Settlement Agreement, the Mercy Settlement Agreement, the St. Bernard Settlement Agreement and the Mount St. John Settlement Agreement) or that are (or will be) subject to certain settlement agreements that remain a matter of Bankruptcy Court approval pursuant to Bankruptcy Rule 9019. As one component of the settlement, and to maximize recovery for Abuse Claimants, the Catholic Entities, Xavier and Oceania have agreed to waive all rights to Distributions on account of their Class 8 Claims. Accordingly, there will be no Distribution to the Holders of any Class 8 Claims on account of such Class 8 Claims. On the Effective Date, any Claim against the Debtor held by the Catholic Entities, Xavier and Oceania shall be Disallowed.

**SECTION VI**  
**ACCEPTANCE OR REJECTION OF PLAN**

**6.1. Impaired Classes to Vote.** Each holder of a Claim in an impaired Class shall be entitled to vote separately to accept or reject the Plan. Class 2, Class 4, Class 5 and Class 8 are impaired under the Plan.

**6.2. Acceptance by Class of Claimants.** An impaired Class, shall have accepted the Plan if the Plan is accepted by at least two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims of such Class that have voted to accept or reject the Plan.

**SECTION VII**  
**TRUST AND UNKNOWN ABUSE CLAIMS TRUST**

**7.1. Establishment of Trust.** On the Effective Date, the Trust shall be established under the Trust Documents and the Unknown Abuse Claims Trust shall be established under the Unknown Abuse Claims Trust Documents. The Trust Documents and Unknown Abuse Claims Trust Documents, including the Trust Agreement and Unknown Abuse Claims Trust Agreement, are incorporated herein by reference.

(a) **Funding of Trust.**

1. **Summary.** The Trust will be funded from the sources and in the manner set forth in this Section.
2. **Contributions.** The Debtor, the Participating Parties and Settled Insurers shall convey, transfer, assign and deliver to the Trustee for the benefit of the Trust, and the Trustee will accept from the Debtor, the Participating Parties and Settled Insurers, all of their respective right, title and interest in and to the assets, properties and rights described in this Section, all as in accordance with this Plan.
3. **Cash Contributions.** The Debtor, the Participating Parties and Settled Insurers shall make the following cash contributions to the Trustee for the benefit of the Trust, by delivering the following amounts to the Effective Date Escrow Agent (collectively, the “Cash Contributions”). The following Cash Contributions shall be delivered to the Effective Date Escrow Agent within thirty (30) calendar days of the entry of the Confirmation Order:
  - (i) The Debtor shall transfer or cause to be transferred on its behalf by wire transfer to the Effective Date Escrow Agent One Million Two Hundred and Twenty Thousand (\$1,220,000) Dollars in good and immediately available funds, which sum includes \$500,000 that the ACA is paying to the Debtor on account of certain disputed sums due to the Debtor by the ACA in order to resolve such dispute.
  - (ii) Provided that the Court has entered the *Order Approving the Proposed Order re: Supplemental Order to Show Cause Directed to Epiq Corporate Restructuring, LLC* [Dkt. No. 1394], the Debtor shall transfer or cause to be transferred to the Effective Date Escrow Agent: (a) \$409,000 reserved by the Debtor on account of unpaid fees and expenses accrued by Epiq during the Bankruptcy Case and waived by Epiq; and (b) the first \$91,000 disgorged by Epiq.

- (iii) Pursuant to the St. Bernard Settlement Agreement, the Debtor shall transfer or cause to be transferred by wire transfer to the Effective Date Escrow Agent Six Million Five Hundred and Fifty Thousand (\$6,550,000) Dollars plus all interest accrued thereon, in good and immediately available funds representing (a) the Net Proceeds (subject to the provisions of this paragraph) realized from the St. Bernard Property Sale plus accrued interest, and (b) the further consideration exchanged as more particularly described in the Plan and the St. Bernard Settlement Agreement.
- (iv) Oceania shall transfer or cause to be transferred on its behalf by wire transfer to the Effective Date Escrow Agent Seven Million (\$7,000,000) in good and immediately available funds.
- (v) The Parishes shall transfer or cause to be transferred on their collective behalf by wire transfer to the Effective Date Escrow Agent Two Million Seven Hundred Thousand (\$2,700,000) Dollars in good and immediately available funds.
- (vi) Subject to the satisfaction of the conditions set forth in Article III of the Catholic Mutual Settlement Agreement, Catholic Mutual shall pay to the Effective Date Escrow Agent the Catholic Mutual Contribution in the amount of Five Million, Three Hundred Thousand (\$5,300,000) Dollars. Specifically, as provided in Article III of the Catholic Mutual Settlement Agreement, Catholic Mutual's obligation to pay this amount to the Effective Date Escrow Agent is conditioned upon the occurrence of the following unless waived by Catholic Mutual: (1) the due execution of the Catholic Mutual Settlement Agreement by all parties thereto; (2) the entry of the Approval Order authorizing and approving the Catholic Mutual Settlement Agreement and such Approval Order becoming a Non-Appealable Order; (3) the entry of an order approving the Disclosure Statement and such order becoming a Non-Appealable Order; and (4) the entry of the Confirmation Order approving the Plan consistent with the terms and conditions of the Catholic Mutual Settlement Agreement. Payment by Catholic Mutual is further conditioned upon Catholic Mutual having received written notice that the foregoing conditions ((1) through (4)) have been satisfied and appropriate instructions for the transmission of payment. Furthermore, the Effective Date cannot occur until Catholic Mutual, among others, has paid its contribution in the amount of Five Million Three Hundred

Thousand (\$5,300,000) Dollars to the Effective Date Escrow Agent.

- (vii) Pursuant to the Mercy Settlement Agreement, Mercy shall transfer or cause to be transferred on its behalf by wire transfer to the Effective Date Escrow Agent Fifty Thousand (\$50,000) Dollars in good and immediately available funds and the further consideration particularly described in the Plan and the Mercy Settlement Agreement.
- 4. **Promissory Note.** Immediately after the Effective Date, the Reorganized Debtor shall execute and deliver to the Trustee a negotiable promissory note in the original principal amount of Eight Hundred Thousand (\$800,000) due and payable to the Trustee one year after the Effective Date. Said promissory note shall contain ordinary and customary terms and conditions mutually acceptable to the Debtor and the Trustee including, but not limited to, interest at the rate of five percent (5%) per year accruing only on and after the due date, and costs of collection including reasonable attorneys' fees.
- 5. **Transferred Real Estate.** Subject to the terms and conditions set forth in Section 7.3 below (including the timing of such transfers), the Diocese and St. Mary's Roman Catholic Church (as applicable, the "RE Owner") shall transfer by quitclaim deed to the Trust's designee each piece and parcel of Transferred Real Estate owned by them, respectively, or the Net Proceeds realized from the sale of such Transferred Real Estate if such sale closes on or before the Effective Date.
- 6. **Transferred Insurance Interests.** As set forth and to the extent provided in Section IX of the Plan and the Confirmation Order, on the Effective Date, with no further act by any party, the Diocese and the Participating Parties shall be deemed to have assigned the Transferred Insurance Interests to the Trustee for the benefit of the Trust, and such assignment shall immediately be deemed effective. On the Effective Date, the Trustee will be empowered to receive assignment of Litigation Awards (as that term is defined in the Trust Distribution Plan) and to take all steps necessary to pursue recovery from Non-Settling Insurers.
- 7. **Transfer of Mount St. John Settlement Agreement and Interests Thereunder, and Related Interests.** The Trustee shall on the Effective Date succeed to all of the rights, interests and obligations set forth in the Mount St. John Settlement Agreement for the benefit of the Trust, including the right to receive the "Net Proceeds" (as defined therein) realized from the sale of or the transfer by quitclaim deed to the Trust's designee all of

Mount St. John's right, title and interest in the Real Estate<sup>2</sup> known as 135 Kirtland Street, Deep River, Connecticut, more particularly described in Exhibit A appended to the Mount St. John Settlement Agreement, on the terms and conditions set forth in the Mount St. John Settlement Agreement and this Plan. Also pursuant to the Mount St. John Settlement Agreement, within ten (10) days of the Effective Date, the Reorganized Debtor shall transfer to the Trust all of its right, title and interest in the MSJ Debt and the MSJ Mortgage Documents.

8. **Transfer of Xavier Settlement Agreement and Interests Thereunder, and Related Interests.** The Trustee shall on the Effective Date succeed to all of the rights, interests and obligations set forth in the Xavier Settlement Agreement for the benefit of the Trust, including the right to receive within thirty (30) days of the Effective Date, Two Million, Five Hundred Thousand Dollars (\$2,500,000) realized from the sale of all of the Debtor's right, title and interest in the Xavier Property known as 181 Randolph Rd., Middletown, Connecticut, to Xavier on the terms and conditions set forth in the Xavier Settlement Agreement and this Plan.
  9. **Vesting.** All Trust Assets required by the Plan and the Confirmation Order to be transferred to the Trustee for the benefit of the Trust on or before the Effective Date shall vest in the Trustee on the Effective Date, and the Diocese, Participating Parties and Settled Insurers shall be deemed for all purposes to have transferred all of their respective rights, title and interests in the Trust Assets to the Trustee.
  10. **Documentation.** The Diocese, the Participating Parties and the Settled Insurers, as applicable, shall take all actions reasonably necessary to transfer the Trust Assets to the Trustee including those reasonably requested by the Trustee including, but not limited to, execute documents separately documenting such transfers including deeds and assignments.
  11. **Extinguishment of Interests.** Upon the transfer of Trust Assets in accordance with this Section 7.1(a), the Diocese, the Participating Parties and the Settled Insurers shall have no further rights, title or interests in or with respect to the Trust Assets except as otherwise explicitly provided in this Plan and the Effective Date Escrow Agent Agreement in the event of a Termination of the Plan.
- (b) **Contribution of Funds to Unknown Abuse Claims Trust on the Effective Date.** The Unknown Abuse Claims Trust shall be funded exclusively by the Debtor and the Reorganized Debtor by transferring to the Unknown Abuse Claims Trust up to

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<sup>2</sup> Each of the capitalized terms "Real Estate," "MSJ Mortgage Documents," and "MSJ Debt" used in this paragraph shall have the meaning ascribed to them in the Mount St. John Settlement Agreement appended hereto as Exhibit K, which definitions are incorporated by reference.

Five Hundred Thousand Dollars (\$500,000), with the first installment of such funding in the amount of two hundred and eighty thousand (\$280,000) Dollars paid by the Debtor to the Unknown Abuse Claims Trust on the Effective Date, and the balance of such funding to be paid by the Reorganized Debtor in accordance with the terms and conditions of Section 4.1(b) of the Unknown Abuse Claims Trust Agreement, or such other amounts and at such intervals as ordered by the Bankruptcy Court in the Confirmation Order, for the benefit of Unknown Abuse Claims other than Post-Petition Abuse Claims, which transfer shall not be deemed to include any funding from the Catholic Mutual Contribution.

- (c) **Contribution of Funds to Unknown Abuse Claims Trust or Direct Payment for Allowed Post-Petition Abuse Claims.** Within thirty (30) calendar days of any Post-Petition Abuse Claim being Allowed by a Non-Appealable Order as provided in Section 3.1(c) above, the Reorganized Debtor shall either: (i) if the Unknown Abuse Claim Trust has not terminated, contribute the full Allowed amount of such Post-Petition Abuse Claim to the Unknown Abuse Claims Trust in good and immediately available funds; or (ii) if the Unknown Abuse Claims Trust has terminated, pay the full Allowed amount of such Post-Petition Abuse Claim directly to the Claimant in good and immediately available funds.
- (d) **Reserve Accounts.** As set forth in the Trust Agreement and Unknown Abuse Claims Trust Agreements, the Trustee and Unknown Abuse Claims Trustee shall establish reserves for various purposes.
- (e) **No Execution.** All funds held by the Trustee will remain property of such Trust until the funds have been actually paid to and received by a Person entitled to receive payment under the Plan, Confirmation Order and Trust Documents. Except as provided in the Plan, Confirmation Order and the Trust Documents, the Trustee and Trust shall not be responsible for any Claims against the Debtor. All funds held by the Unknown Abuse Claims Trustee will remain property of the Unknown Abuse Claims Trust until the funds have been actually paid to and received by a Person entitled to receive payment under the Plan, Confirmation Order and Unknown Abuse Claims Trust Documents. Except as provided in the Plan, Confirmation Order and the Unknown Abuse Claims Trust Documents, the Unknown Abuse Claims Trustee and the Unknown Abuse Claims Trust shall not be responsible for any Claims against the Debtor.

**7.2. Payments Effective Upon Tender.** Whenever the Plan requires payment to be made to a creditor, such payment will be deemed made and effective upon tender thereof by the Trustee, the Debtor, or the Reorganized Debtor to the creditor to whom payment is due. If any creditor refuses a tender, the amount tendered and refused will be held by the Trust, the Debtor, or the Reorganized Debtor for the benefit of that creditor pending final adjudication of the dispute. However, when and if the dispute is finally adjudicated and the creditor receives the funds previously tendered and refused, the creditor will be obliged to apply the funds in accordance with the Plan as of the date of the tender; and while the dispute is pending and after adjudication thereof, the creditor will not have the right to claim interest or other charges or to exercise any other rights

which would be enforceable by the creditor, if the Trust, the Debtor, or the Reorganized Debtor failed to pay the tendered payment.

### **7.3. Sale or Transfer of Transferred Real Estate.**

- (a) For a period of time not to exceed sixty (60) days following the Effective Date (the “Real Estate Sale Period”), the RE Owner shall retain title to and exclusive possession of the Real Estate and shall reasonably cooperate, in good faith, in the Trustee’s efforts to sell the Real Estate. The Trustee shall determine all manner and methods of the sale process for the Real Estate, and all terms and conditions of the sale for the Real Estate, at his sole and absolute discretion; provided, however, that such shall not materially prejudice the RE Owner without its written consent, which shall not be unreasonably withheld. During the Real Estate Sale Period, the RE Owner’s reasonable cooperation as provided herein shall include, but shall not be limited to, the following: (i) providing a copy of all documents requested by the Trustee concerning the Real Estate (including all Permits and Plans); (ii) permitting reasonable access to the Real Estate including for inspections by the Trustee’s professionals; (iii) providing its written agreement, authorization or affirmation in furtherance of such sale process; and (iv) executing all customary closing documents including the deed, title affidavit, conveyance tax forms, closing statement, and such other documents reasonably necessary or required by a purchaser’s title insurance company to effectuate the transfer of the subject Real Estate.
- (b) During the Real Estate Sale Period, the RE Owner shall continue to maintain and keep the Real Estate in substantially the same condition as in existence as of the date of this Plan, including the mowing of lawns, the raking of fallen leaves, the removal of fallen trees and large branches (except in uncultivated areas), and the removal of snow and ice from walks and driveways, and the RE Owner agrees not to commit or permit waste upon the Real Estate, or to remove or permit the removal of anything from the Real Estate without the written consent of the Committee (before the Effective Date) or the Trustee (on or after the Effective Date).
- (c) During the Real Estate Sale Period, the RE Owner shall obtain and maintain insurance on the Real Estate (including the Improvements) in amounts and coverages substantially identical to what had been obtained and maintained on or about the date of this Plan, and will pay promptly, when due, any premiums on such insurance; provided, however, that the RE Owner shall obtain and maintain for the duration of the Real Estate Sale Period a loss payee endorsement for the Trustee for all insurance coverage provided on account of the Real Estate (including all Improvements). In the event of loss to the Real Estate, the RE Owner will give immediate written notice to the Trustee. In case of loss and payment by any insurance company on account of a loss to the Real Estate, the insurance proceeds received, after deducting all costs of collection, including reasonable attorney’s fees, shall be paid to the Trustee. The RE Owner

hereby agrees and consents to permit the Trustee to negotiate with any insurance company following a loss to the Real Estate to ensure an equitable settlement. The RE Owner agrees that any sums which may become payable under such insurance shall name on the payment the RE Owner and the Trustee. The RE Owner will require all insurance policies on the Real Estate to provide the Trustee with at least ten (10) days prior written notice to Trustee of cancellation or modification. At the Trustee's request, the RE Owner will deliver to him certified copies of all of these insurance policies, binders or certificates applicable to the Real Estate during the Real Estate Sale Period.

- (d) At the closing of any sale of Real Estate during the Real Estate Sale Period (the "Closing"), the RE Owner shall deliver to the Trustee the Net Proceeds of the sale of Real Estate.
- (e) Immediately after the end of the Real Estate Transfer Period, the RE Owner shall promptly transfer by quitclaim deed to the Trustee's designee in accordance with Section 7.1(a)5 above any and all pieces and parcels of Real Estate that it had not sold in accordance with this Section VII, unless Trustee provides advance written notice waiving the Trust's right to acquire title to such Real Estate.
- (f) The RE Owner, to induce the Committee to propose jointly with the RE Owner this Plan which provides for, *inter alia*, the sale or transfer of the Real Estate as provided hereunder, make the representations, warranties and covenants to the Committee (and to the Trustee upon the Effective Date and at all time through the Real Estate Sale Period, such representations, warranties and covenants shall survive the termination of the Real Estate Sale Period) as set forth in Exhibit M which are incorporated herein by reference.

**7.4 Bond Requirement.** As provided in each of the Trust Agreement and the Unknown Abuse Claims Trust Agreement, each of the Trustee and Unknown Abuse Claims Trustee shall post a bond or other form of surety or security on such terms and conditions as ordered by the Bankruptcy Court in the Confirmation Order.

## **SECTION VIII** **LIQUIDATION AND PAYMENT OF ABUSE CLAIMS**

### **8.1. Liquidation and Payment of Abuse Claims.**

- (a) The Trustee and Trust and Unknown Abuse Claims Trustee and Unknown Abuse Claims Trust, respectively, shall pay Abuse Claims under the terms of the Plan, Confirmation Order, the Trust Agreement, the Trust Distribution Plan, the Unknown Abuse Claims Trust Agreement, and the Unknown Abuse Claims Trust Distribution Plan, as applicable.
- (b) The Abuse Claims Reviewer's determinations shall not be a finding or fixing of the fact or liability or the amount payable for any Abuse Claim with any binding legal

effect, other than for distribution purposes by the Trust under the Trust Distribution Plan or the Unknown Abuse Claims Trust under the Unknown Abuse Claims Trust Distribution Plan. The Trustee's, Unknown Abuse Claims Trustee's or Abuse Claims Reviewer's determination of qualification of an Abuse Claim, payment on account of an Abuse Claim or reserve for payment on account of an Abuse Claim is not an admission of liability by the Debtor, a Participating Party, the Trust, or the Unknown Abuse Claims Trust regarding any Abuse Claims, to establish the Diocese's and/or a Participating Party's liability on the Abuse Claim, but any such judgment awarded to an Abuse Claimant will be reduced by the Trust Distributions or Unknown Abuse Claims Trust Distributions already paid by the Trust or Unknown Abuse Claims Trust to such Abuse Claimant on their Abuse Claim(s).

- (c) **Settled Insurer Defense and Indemnification Limitation.** After the Effective Date and notwithstanding any provision of this Confirmation Order, the Plan, the Trust Documents or the Unknown Abuse Claims Trust Documents to the contrary, none of the Settled Insurer Parties shall have any duty or obligation to participate in, defend, indemnify, provide coverage, make any payment or incur any liability or cost in connection with any suit against any Participating Party for the purpose of liquidation of any Channeled Claim, the recovery on Transferred Insurance Interests from any Non-Settling Insurer or the payment of any distribution with respect to an Abuse Claim.

## **8.2. Scope of Damages and Effect of No Award on Abuse Claims.**

- (a) As provided in Section 3.3 of the Trust Distribution Plan, in determining the distribution to any Abuse Claimant, punitive damages and damages that can be classified as economic damages that do not compensate the Abuse Claimant for bodily injury and/or emotional distress or mental anguish attributable to their bodily injury shall not be considered or allowed, even if these damages could have been considered or allowed under applicable non-bankruptcy law. Any distribution to an Abuse Claimant shall be solely because of bodily injury and/or emotional distress or mental anguish attributable to the bodily injury to such Abuse Claimant.
- (b) If an Abuse Claim is denied payment under the Trust Distribution Plan or Unknown Abuse Claims Trust Distribution Plan, the holder of such Abuse Claim will have no further rights against the Diocese, Participating Parties, the Trust, Trustee, Unknown Abuse Claims Trust, or Unknown Abuse Claims Trustee relating to such Abuse Claim.

**8.3. Treatment of Punitive Damages.** Claims for punitive or exemplary damages in connection with any of the Claims will receive no Distribution under the Plan.

**8.4. Withdrawal of Abuse Claims.** An Abuse Claimant may withdraw an Abuse Claim at any time on written notice to the Trustee or Unknown Abuse Claims Trustee, as applicable. If withdrawn, the Claim will be withdrawn with prejudice as to and may not be reasserted against

the Diocese Parties, the Reorganized Debtor, the Trust or Unknown Abuse Claims Trust, as applicable.

**8.5. Medicare Reimbursement and Reporting Obligations.**

- (a) The Trust and Unknown Abuse Claims Trust shall register as a Responsible Reporting Entities (“RRE”) under the reporting provisions of Section 111 of MMSEA.
- (b) The Trust and Unknown Abuse Claims Trust shall timely submit all reports required under MMSEA because of any claims settled, resolved, paid, or otherwise liquidated by the Trust or Unknown Abuse Claims Trust. The Trust or the Unknown Abuse Claims Trust, as an RRE, shall follow all applicable guidance published by the Centers for Medicare & Medicaid Services of the United States Department of Health and Human Services and/or any other agency or successor entity charged with responsibility for tracking, assessing, or receiving reports made under MMSEA (collectively, “CMS”) to determine whether, and, if so, how, to report to CMS under MMSEA.
- (c) For Abuse Claims that occurred after December 5, 1980, before remitting funds to Claimants’ counsel, or to the Claimant if such Claimant is acting pro se, regarding any Abuse Claim, the Trustee or Unknown Abuse Claims Trustee shall obtain (i) a certification that said Claimant (or such Claimant’s authorized representative) has provided or will provide for the payment and/or resolution of any obligations owing or potentially owing under 42 U.S.C. § 1395y(b), or any related rules, regulations, or guidance, in connection with, or relating to, such Abuse Claim and (ii) that the Claimants’ counsel or Claimant (if Claimant is acting pro se) indemnifies the Trust for any such obligations.

**8.6. No Admission.** Section 8.5 does not imply, and shall not be an admission that the Debtor, any Participating Party or any Settled Insurer are “applicable plans” within the meaning of Medicare, Medicaid and SCHIP Extension Act of 2007, or that they have any legal obligation to report any actions undertaken by the Trust or Unknown Abuse Claims Trust or contributions to the Trust or Unknown Abuse Claims Trust under Medicare, Medicaid and SCHIP Extension Act of 2007 or any other statute or regulation.

**8.7. Delay Regarding Failure to Comply.** The failure by one or more Medicare Beneficiaries or other Abuse Claimants to follow these provisions shall not delay or impair the payment by the Trustee or Unknown Abuse Claims Trustee to any other Medicare Beneficiary or other Abuse Claimant following these provisions.

**8.8. Documentation by Estate of Abuse Claimant.** If the Abuse Claimant is the estate of an Abuse Claimant, then the letters or documentation required under Section 8.5 need not be dated within 120 days of payment by the Trustee or the Unknown Abuse Claims Trustee to such Claimant.

**SECTION IX**  
**INSURANCE MATTERS REGARDING NON-SETTLING INSURERS**

**9.1. Transfer of Insurance Interests.**

- (a) On the Effective Date, and with no further action by any party, but subject to this Plan, the Diocese and each of the Participating Parties will be deemed to have assigned to the Trust the Diocese's and the Participating Parties' Transferred Insurance Interests. The Transferred Insurance Interests shall be effective to the maximum extent permissible under applicable law and shall not be construed: (i) as an assignment of the Non-Settling Insurer Policies issued by the Non-Settling Insurers or (ii) to entitle any Person to Insurance Coverage other than those Persons or entities entitled to such coverage under the terms of the Non-Settling Insurer Policies. The determination of whether the assignment of Transferred Insurance Interests provided for in this Section is valid, and does not defeat, diminish or impair the Transferred Insurance Interests shall be made by the Bankruptcy Court at the Confirmation Hearing.
- (b) If a party in interest fails to timely file an objection to the proposed assignment by the deadline for filing objections to confirmation of this Plan, that party in interest shall be deemed to have irrevocably consented to the assignment and will be forever barred from asserting that the assignment affects the ability of the Trust to pursue Transferred Insurance Interests against the Non-Settling Insurers.
- (c) If the Bankruptcy Court determines that the assignment of the Transferred Insurance Interests is valid and does not defeat, diminish or impair the Insurance Coverage, following the Effective Date, the Trust shall assume responsibility for, and be bound by, only such obligations of the Diocese or the Participating Parties under the Non-Settling Insurer Policies as are necessary to enforce the Transferred Insurance Interests; provided, however, that the Trust's assumption of such responsibility shall not relieve the Diocese or the Participating Parties from any duty that such entities may have under the Non-Settling Insurer Policies.

**9.2. Appointment of Trustee as the Estate Representative to Enforce Insurance Interests and Obtain Insurance Recoveries.**

- (a) Under § 1123(b)(3)(B) of the Bankruptcy Code, the Trustee is appointed as the representative of the Diocese and Participating Parties to retain and enforce the Diocese's and Participating Parties' Insurance Coverage and for Insurance Claims regarding the Abuse Claims against the Diocese and Participating Parties for any Insurance Claims transferred to the Trust.
- (b) Neither the Trust nor the Diocese shall have any obligation to take any action to enforce an Insurance Policy of a Non-Settling Insurer, including any obligation to commence and prosecute any action against any Non-Settling Insurer or to defend an action commenced by a Non-Settling Insurer, though the Trust (or the Diocese,

as applicable), may choose to do so.

- (c) The determination of whether the appointment of the Trust as the Debtor's and the Debtor's Estate's representative provided for in Section 9.2(a) is valid and does not defeat, diminish or impair the Insurance Coverage, shall be made by the Bankruptcy Court at the Confirmation Hearing. If a party in interest fails to timely file an objection to the proposed appointment by the deadline for filing objections to confirmation of this Plan, that party in interest shall be deemed to have irrevocably consented to the appointment and will be forever barred from asserting that the appointment in any way affects the ability of the Trust to pursue the Insurance Coverage, Insurance Claims and/or Insurance Recoveries from the Non-Settling Insurers.
- (d) If the Bankruptcy Court determines that the appointment is valid and does not defeat, diminish or impair the Insurance Coverage, following the Effective Date, the Trust shall assume responsibility for, and be bound by, only such obligations of the Diocese or the Participating Parties under the Non-Settling Insurer Policies as are necessary to enforce the Insurance Coverage, the Insurance Claims and/or Insurance Recoveries; provided, however, that the Trust's appointment shall not relieve the Diocese or the Participating Parties from any duty that such entities may have under the Non-Settling Insurer Policies.

### **9.3. Consequences of Determination that Assignment or Appointment is Invalid.**

- (a) If a Non-Appealable Order is entered holding that the assignment of Transferred Insurance Interests provided for in Section 9.1 above, or that the appointment of the Trust as the Diocese's and Participating Parties' representative provided for in Section 9.2 above, is invalid or would defeat, diminish or impair the Transferred Insurance Interests regarding a Non-Settling Insurer Policy, as to such Non-Settling Insurer Policy, the assignment and/or appointment, as the case may be, will be deemed not to have been made. If the assignment and appointment are not deemed to have been made, the Diocese and each of the Participating Parties will retain the Insurance Claims under such Non-Settling Insurer Policy, and the following shall apply to such retained Insurance Claims:
  - 1. The Trust, the Reorganized Debtor, and any Participating Parties shall enter into a common interest agreement related to pursuing the Insurance Claims.
  - 2. The Reorganized Debtor and the Participating Parties will assert their Insurance Claims to the extent requested by the Trust against any Non-Settling Insurer. All Insurance Recoveries identified as transferred to the Trust under Section 9.1 above received by the Reorganized Debtor and the Participating Parties will be immediately paid to the Trust. The Reorganized Debtor and Participating Parties will select and retain counsel to pursue their Insurance Claims under this Section, subject to the Trustee's approval, which approval shall not be unreasonably withheld.

3. The Reorganized Debtor and Participating Parties shall cooperate with the Trust regarding the Insurance Claims, including that the Reorganized Debtor and Participating Parties will provide the Trustee and its counsel with all discovery requests, pleadings, moving documents and other papers that the Reorganized Debtor or Participating Parties intend to make or file regarding the Insurance Claims and any related counterclaims against the Non-Settling Insurers before making such requests or filing. The Reorganized Debtor and Participating Parties shall keep the Trustee advised of any settlement discussions regarding any litigation against a Non-Settling Insurer and will involve the Trust's counsel in all settlement discussions with any Non-Settling Insurer.
4. The Trust shall pay the reasonable attorneys' fees, costs and expenses allowed by the Bankruptcy Court incurred by the Reorganized Debtor and Participating Parties in pursuing the Insurance Claims under this Section 9.3, subject to a monthly cap to be established by the Trustee, in consultation with the Reorganized Debtor and Participating Parties.
5. The Trust shall, in addition to reasonable attorneys' fees, costs and expenses provided for in Section 9.3(a)4, reimburse the Reorganized Debtor and Participating Parties for any reasonable out of pocket costs and expenses it incurs as a direct consequence of pursuing such Insurance Claims, but will not compensate the Reorganized Debtor and Participating Parties for any time any of its employees spends. All Insurance Recoveries received by the Reorganized Debtor or Participating Parties on account of such Insurance Claims shall be held in trust to benefit the Trust and shall be immediately remitted by the Reorganized Debtor or Participating Parties to the Trust.

**9.4. Preservation of Insurance Rights. Nothing in this Plan or any of the other Plan Documents, including, without limitation, any discharge, release, covenant not to sue or injunction protecting the Debtor, any Settled Insurer Party or any Participating Party, or any release provided by a Class 4 Claimant or Class 5 Claimant, or any determination with respect to a Class 4 Claim under the Trust Documents or any determination with respect to Class 5 Claim under the Unknown Abuse Claim Trust Document, shall impair or diminish any Non-Settling Insurer's obligations under or related to the Non-Settling Insurer Policies including, but not limited to, pursuant to the doctrines of *res judicata*, collateral estoppel, admission, accord and satisfaction, novation or waiver. No provision of this Plan or any of the other Plan Documents shall impair or diminish any Insurance Claims or Insurance Recoveries, including any Non-Settling Insurer's legal, equitable, or contractual obligations arising out of or relating to the Non-Settling Insurer Policies or the Insurance Claims, against the Non-Settling Insurers. Under no circumstance shall the review or determination of an Abuse Claim by the Abuse Claims Reviewer, Trustee or Unknown Abuse Claims Trustee affect the rights or obligations of a Non-Settling Insurer. If any court determines that any provision of this Plan impairs or diminishes any Non-Settling Insurer's obligation regarding any Insurance Claims or Insurance Recoveries, including any Non-Settling Insurer's**

obligations arising out of or relating to the Transferred Insurance Interests, such provision shall be given effect only if it shall not cause such impairment or diminishment.

**9.5. Effect of Discharge, Injunctions and Releases.** Notwithstanding any provision of this Plan or any other Plan Document, including the discharge provided by Section 13.1, the injunctions provided by Sections 13.6 and 13.9 of the Plan, and the releases provided in and pursuant to this Plan and the other Plan Documents, to preserve coverage under any Non-Settling Insurer Policy and to preserve all Insurance Claims and all Insurance Recoveries, including the Transferred Insurance Interests, the Abuse Claimants specifically reserve, and do not release, and are not enjoined or otherwise precluded from asserting and litigating through any form of legal proceeding any Claims they may have against the Diocese, the Reorganized Debtor, or any Participating Party solely for the purpose of asserting those Claims to recover on Insurance Coverage under any Non-Settling Insurer Policy, or any Insurance Claims or Insurance Recoveries, and recourse is limited to the proceeds of such Non-Settling Insurer Policy and all Insurance Claims and Insurance Recoveries that may be recoverable against any Non-Settling Insurer, and any such judgments or awards shall be handled pursuant to the Plan and the Trust Distribution Plan.

**9.6. Post-Judgment Actions against Non-Settling Insurers.** If the Trust or any Abuse Claimant obtains a judgment against the Reorganized Debtor or Participating Parties, the Reorganized Debtor or Participating Parties will cooperate with the Trust or Abuse Claimant in the pursuit of any action brought by the Trust or Abuse Claimant against a Non-Settling Insurer that may, based upon allegations made in good faith, provide Insurance Coverage applicable to such judgment. The Reorganized Debtor and/or Participating Parties will provide the Trust or Abuse Claimant with any non-privileged and relevant documents and information reasonably requested by the Trust or Abuse Claimant in pursuit of such an action.

**9.7. Settlement with Non-Settling Insurers.** Following the Effective Date and prior to the termination of the Trust, the Reorganized Debtor and the Participating Parties shall not enter into an agreement affecting any Insurance Policy with any Non-Settling Insurer without the express written consent of the Trustee, which consent may be granted or withheld at the Trustee's sole and absolute discretion. Following the Effective Date and prior to the Trust Termination Date (as defined in the Trust), the Trust shall exclusively act on the Reorganized Debtor's and Participating Parties' behalf to negotiate a settlement with any Non-Settling Insurer because of such Transferred Insurance Interests, unless Section 9.3 applies. Such settlements may provide for the Non-Settling Insurer to become a Settling Insurer.

**9.8. Cooperation with Non-Settling Insurer in Defense of Claims.** Without limiting the Diocese's and/or Participating Party's obligations under this Section IX, if any Abuse Claimant prosecutes an action against the Diocese and/or Participating Party, the Diocese and/or Participating Party will cooperate, under the terms of any applicable Non-Settling Insurer Policy, with a Non-Settling Insurer providing a defense to such a Claim.

**9.9. Insurance Neutrality.** Other than as expressly provided in this Section, no provision of this Plan shall diminish or impair the right of any Insurer to assert any defense to any

Insurance Claim. That the Trust is liquidating and paying/reserving monies because of the Abuse Claims shall not be construed to diminish any duty of any Insurer under any Insurance Policy to provide Insurance Coverage to the Diocese for Abuse Claims. The duties and obligations, if any, of the Non-Settling Insurers under each Non-Settling Insurer's Insurance Policy shall not be impaired, altered, reduced or diminished by: (a) the discharge granted to the Debtor under the Plan under § 1141(d) of the Bankruptcy Code, (b) the exonerations, exculpations and releases in the Plan or the other Plan Documents, or (c) the Channeling Injunction and the Supplemental Settled Insurer Injunction.

**9.10. Judgment Reduction.** In connection to any action by the Trust to enforce Insurance Claims regarding a Non-Settling Insurer Policy, if any Non-Settling Insurer obtains a judicial determination or binding arbitration award that, it would be entitled to obtain a sum certain from a Settled Insurer because of a claim for contribution, subrogation, indemnification, or other similar claim against a Settled Insurer for such Settled Insurer's alleged share or equitable share, or to enforce subrogation rights, if any, of the defense and/or indemnity obligation of such Settled Insurer for any Claims released or resolved under any settlement agreement with a Settled Insurer, the Diocese, the Trustee or Participating Party, as applicable, shall be deemed to have reduced its judgment or Claim against, or settlement with, such other Insurer to the extent necessary to satisfy such contribution, subrogation, indemnification, or other claims against such Settled Insurer. To make sure such a reduction is accomplished, such Settled Insurer shall be entitled to assert this Section as a defense to any action against it brought by any other Insurer for any such portion of the judgment or Claim and shall be entitled to request that the court or appropriate tribunal issue such orders as are necessary to effectuate the reduction to protect such Settled Insurer or any released parties under a settlement agreement with a Settled Insurer from any liability for the judgment or Claim. If a Non-Settling Insurer asserts that it has a Claim for contribution, indemnity, subrogation, or similar relief against a Settled Insurer, such Claim may be asserted as a defense against the Trust, the Diocese or any Participating Party in any litigation of Insurance Claims (and the Trust, the Diocese and the Participating Party may assert the legal and equitable rights of such Settled Insurer in response thereto); and to the extent such a Claim is found to be valid by the court presiding over such action, the liability of such Non-Settling Insurer to the Trust, the Diocese or Participating Party shall be reduced dollar for dollar by the amount so determined. The Bankruptcy Court shall retain nonexclusive jurisdiction to determine the amount, if any, of any judgment reduction under this Section. In addition, any court of competent jurisdiction may determine the amount, if any, of any judgment reduction under this Section.

**9.11. No Duty of Diocese or Trust to Prosecute Insurance Claims.** Neither the Trust nor the Diocese have any obligation to take any action to enforce any Non-Settling Insurer Policy or any Insurance Claims against any Non-Settling Insurer (for the Trust, pursuant to the rights and interests conferred pursuant to Sections 9.1 through 9.3 of the Plan), including any obligation to commence and prosecute any action against any Non-Settling Insurer or to defend an action commenced by a Non-Settling Insurer, though the Trust (or the Diocese, as applicable), may choose to do so. **Notwithstanding and for the avoidance of doubt, pursuant to this Plan and specifically Section 9.4 and 9.5, and subject to the provisions of Section 10 of the Trust Distribution Plan, each Class 4 Claimant retains the right to assert and litigate through any form of legal proceeding any Claims they may have against the Diocese, the Reorganized Debtor, or any Participating Party solely for the purpose of asserting those Claims to recover**

**on Insurance Coverage under any Non-Settling Insurer Policy, or any Insurance Claims or Insurance Recoveries.**

**9.12. Effect Under Non-Settling Insurer Policies.** The Debtor's and Participating Party's contributions are being made in respect of the uninsured or underinsured exposure of the Debtor and the Participating Parties for Abuse Claims and, to the extent required under applicable law, to satisfy self-insured retentions or deductibles under Non-Settling Insurer Policies.

**9.13. D&O Coverage.** The Catholic Mutual Certificates include coverage for the defense and indemnification of the Diocese's officers, employees and directors subject to the terms, conditions, exclusions and limits contained therein ("D&O Coverage") during the Bankruptcy Case and, except for the Sold Certificates, will continue provide D&O Coverage as part of the Preserved Coverage of the Reorganized Debtor after the Effective Date notwithstanding the provisions of the Plan.

**SECTION X**  
**SETTLED INSURERS AND PARTICIPATING PARTIES**

**10.1. Settlement Agreements.** Each Settlement Agreement shall comply and be consistent with the provisions of this Plan and, in particular, without limitation, the provisions of this Section X. Upon satisfaction of the conditions precedent to any Settlement Agreement becoming effective, including the Confirmation Order and the order approving the Settlement Agreement becoming a Non-Appealable Order (only if such Settlement Agreement contemplates or the Bankruptcy Court requires a separate order), any Settlement Agreement will be fully binding on the Settled Insurer Parties, the Trust, the Unknown Abuse Claims Trust, the Participating Parties, the Reorganized Debtor, the Committee, the Abuse Claimants, and parties in interest, and any of the foregoing Persons' successors.

**10.2. Settlement Payments; Escrow.** Each Participating Party and Settled Insurer will pay to the Trust the sums set forth in each applicable Settlement Agreement on the terms and subject to the conditions set forth in such Settlement Agreement including within the time set forth in such Settlement Agreement. In the event that a payment by a Participating Party or a Settled Insurer is made prior to the Effective Date, it shall be paid to the Effective Date Escrow Agent and held in escrow and delivered to the Trust or returned promptly in accordance with the Confirmation Order and the Effective Date Escrow Agreement.

**10.3. Post-Effective Date Approval.** After the Effective Date, upon consent of the Trustee, a Person may become a Settled Insurer or a Participating Party if the Bankruptcy Court, after notice and hearing, approves the Settlement Agreement between, *inter alia*, the Person and the Trustee. After the Effective Date, the Trustee shall have the exclusive authority to seek approval of such a Settlement Agreement. Such approval shall be subject to the same standards of law applicable to the approval of a compromise or settlement pursuant to Fed. R. Bankr. P. 9019(a). Upon the Bankruptcy Court's entry of a Non-Appealable Order approving such Settlement Agreement, the definition of Participating Parties and/or Settled Insurers in this Plan, and the list of Participating Parties and/or Settled Insurers set forth in Exhibit E and/or Exhibit F to the Plan, as appropriate, shall be amended by the Trustee to include such Person. The Bankruptcy Court's

retained jurisdiction to approve an agreement under this Section shall include jurisdiction to determine the adequacy of notice of a motion to approve such an agreement.

**10.4. Effect of Post-Effective Date Settlement Agreements.** Any Person that enters into a Settlement Agreement with the Trustee after the Effective Date which has been approved by a Non-Appealable Order shall have all of the rights, remedies and duties of a Participating Party or a Settled Insurer under this Plan notwithstanding that such Person originally may have been a Non-Settling Insurer or may not have been a Participating Party under any provision of the Plan on the Effective Date. Such rights, remedies and duties shall include the terms and conditions of this Plan including the Channeling Injunction and the Supplemental Settled Insurer Injunction provided for in Section XIII.

**10.5. Debtor and Trustee Waiver and Release of Estate's Claims and Causes of Action against Participating Parties and Settled Insurers.** In consideration of the contributions and other consideration to be provided by each Participating Party and Settled Insurer Party, and conditioned upon the occurrence of and effective upon the Effective Date, the Debtor and Trust, as applicable, irrevocably and unconditionally, without limitation, hereby waive, release, acquit, and forever discharge such Participating Party and Settled Insurer Party of and from any and all Claims and Causes of Action of the Estate against any Participating Party or Settled Insurer, or the property thereof; provided, however, that notwithstanding the foregoing, the foregoing release is subject to all exclusions and limitations set forth in this Plan applicable to releases provided in or pursuant to this Plan, and does not waive, release, acquit or forever discharge the Participating Parties' and Settled Insurer Parties' rights and obligations provided in or pursuant to this Plan.

**10.6. Additional Documentation; Non-Material Modifications.** From and after the Effective Date, the Trustee, the Unknown Abuse Claims Trustee, the Reorganized Debtor, and the Participating Parties are authorized to enter into, execute, adopt, deliver and/or implement all contracts, leases, instruments, releases, and other agreements or documents necessary to effectuate or memorialize the settlements in this Plan without further Order of the Bankruptcy Court. Also, the Trustee, the Reorganized Debtor, and the Participating Parties may make technical and/or immaterial alterations, amendments, modifications or supplements to the terms of any settlement in this Plan, without Bankruptcy Court approval, provided that the amendment or modification does not materially and adversely change the treatment of any holder of a Class 4 Claim without the prior written agreement of such holder. A class of Claims that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified or supplemented under this Section, if the proposed alteration, amendment, modification or supplement does not materially and adversely change the treatment of the Claims within such class. An Order of the Bankruptcy Court approving any amendment or modification made under this Section shall constitute an Order in aid of consummation of the Plan and shall not require the re-solicitation of votes on the Plan.

**10.7. Mercy Settlement Agreement.** The Mercy Settlement Agreement shall be effective and binding on all parties in interest in this Bankruptcy Case and any of their respective successors and assigns, upon entry of the Confirmation Order and the satisfaction of all conditions set forth in the Mercy Settlement Agreement. The rights of the parties under the Mercy Settlement Agreement shall be determined exclusively under the Mercy Settlement Agreement, those provisions of the Confirmation Order approving such Mercy Settlement Agreement and the Plan.

The Mercy Settlement Agreement is incorporated into the Plan by reference and shall survive the confirmation, effectiveness, and consummation of the Plan.

**10.8. St. Bernard Settlement Agreement.** The St. Bernard Settlement Agreement shall be effective and binding on all parties in interest in this Bankruptcy Case and any of their respective successors and assigns, upon entry of the Confirmation Order and the satisfaction of all conditions set forth in the St. Bernard Settlement Agreement. The rights of the parties under the St. Bernard Settlement Agreement shall be determined exclusively under the St. Bernard Settlement Agreement, those provisions of the Confirmation Order approving such St. Bernard Settlement Agreement and the Plan. The St. Bernard Settlement Agreement is incorporated into the Plan by reference and shall survive the confirmation, effectiveness, and consummation of the Plan.

**10.9. Xavier Settlement Agreement.** The Xavier Settlement Agreement shall be effective and binding on all parties in interest in this Bankruptcy Case and any of their respective successors and assigns, upon entry of the Confirmation Order and the satisfaction of all conditions set forth in the Xavier Settlement Agreement. The rights of the parties under the Xavier Settlement Agreement shall be determined exclusively under the Xavier Settlement Agreement, those provisions of the Confirmation Order approving such Xavier Settlement Agreement and the Plan. The Xavier Settlement Agreement is incorporated into the Plan by reference and shall survive the confirmation, effectiveness, and consummation of the Plan.

**10.10. Mount St. John Settlement Agreement.** The Mount St. John Settlement Agreement shall be effective and binding on all parties in interest in this Bankruptcy Case and any of their respective successors and assigns, upon entry of the Confirmation Order and the satisfaction of all conditions set forth in the Mount St. John Settlement Agreement. The rights of the parties under the Mount St. John Settlement Agreement shall be determined exclusively under the Mount St. John Settlement Agreement, those provisions of the Confirmation Order approving such Mount St. John Settlement Agreement and the Plan. The Mount St. John Settlement Agreement is incorporated into the Plan by reference and shall survive the confirmation, effectiveness, and consummation of the Plan.

**10.11. Catholic Mutual Settlement.** The Catholic Mutual Settlement Agreement, and all releases, amendments, and indemnifications contained therein shall be effective and binding on all parties in interest in this Bankruptcy Case including the Trust, the Diocese Parties, the Catholic Entity Parties, Xavier, Oceania, the Claimants and Catholic Mutual, and any of their respective successors and assigns, upon entry of an Approval Order with respect to the Catholic Mutual Settlement Agreement, and the satisfaction of all conditions set forth in the Catholic Mutual Settlement Agreement. The rights of the parties under the Catholic Mutual Settlement Agreement shall be determined exclusively under the Catholic Mutual Settlement Agreement, those provisions of the Approval Order approving such Catholic Mutual Settlement Agreement, the Plan and the Confirmation Order. The Catholic Mutual Settlement Agreement is incorporated into the Plan by reference and shall survive the confirmation, effectiveness, and consummation of the Plan.

**10.12. Sale of Sold Certificates, Free and Clear of Liens, Claims and Interests.** Pursuant to and solely to the extent provided in the Approval Order authorizing and approving the Catholic Mutual Settlement Agreement and the Confirmation Order, effective on the date set forth

in the Catholic Mutual Settlement Agreement, each and every Sold Certificate shall be sold to Catholic Mutual, pursuant to §§ 105, 363, and 1123 of the Bankruptcy Code, free and clear of all Liens, Claims and interests of all Persons, including, without limitation, the Diocese Parties, the Catholic Entity Parties, Xavier and Oceania, and Catholic Mutual shall be a good faith purchaser thereof entitled to all of the benefits of § 363(m) of the Bankruptcy Code.

**10.13. Full Payment by Catholic Mutual for Settlement.** Catholic Mutual shall pay the Catholic Mutual Contribution to the Effective Date Escrow Agent subject to the terms and conditions of the Catholic Mutual Settlement Agreement, the Plan and the Confirmation Order. The Effective Date Escrow Agent shall hold the Catholic Mutual Contribution as escrowee and return such contribution to Catholic Mutual in the event of termination as provided in Section 5.1 of the Catholic Mutual Settlement Agreement. In the absence of such termination, the Catholic Mutual Contribution is the total amount the Catholic Mutual Parties are and shall ever be obligated to pay on account of any and all Channeled Claims or on account of any Claims or interests relating to the Sold Certificates. The consideration to be provided by the Catholic Mutual Parties pursuant to this Plan (including the Catholic Mutual Contribution) constitutes a fair and reasonable exchange for (i) the consideration granted by the Estate to the Catholic Mutual Parties in this Plan, the Sold Certificates and the Catholic Mutual Settlement Agreement (including the releases, Channeling Injunction and the Supplemental Settled Insurer Injunction), and (ii) the consideration to be provided by the Diocese Parties and the Catholic Entity Parties to the Catholic Mutual Parties pursuant to this Plan (including the releases and injunctions herein). The Catholic Mutual Parties are not acting as volunteers in paying the Catholic Mutual Contribution, which is in settlement of liability under the Catholic Mutual Certificates and the Catholic Mutual Parties' liability thereunder (other than the Preserved Coverage).

**10.14. Continuation of Preserved Coverage, as Amended.** The Preserved Coverage under the Catholic Mutual Certificates and any other Insurance Policies issued by any other Person ("Other Insurance Policy"), shall either be deemed assumed by the Reorganized Debtor pursuant to §§ 365, 1123(a)(5)(A), and 1123(b)(2) of the Bankruptcy Code, to the extent such Other Insurance Policy or certificate is or was an Executory Contract of the Diocese, or continued in accordance with its terms pursuant to § 1123(a)(5)(A) of the Bankruptcy Code, to the extent such Other Insurance Policy or certificate is not an Executory Contract of the Diocese, such that each of the parties' contractual, legal, and equitable rights under each such Other Insurance Policy shall continue. To the extent that any or all such Other Insurance Policies and certificates are considered to be Executory Contracts, then the Plan shall constitute a motion to assume such Other Insurance Policies in connection with the Plan. Subject to the occurrence of the Effective Date, the Confirmation Order shall approve such assumption pursuant to §§ 365(a), 1123(a)(5)(A), and 1123(b)(2) of the Bankruptcy Code and include a finding by the Bankruptcy Court that each such assumption is in the best interest of the Diocese, the Estate, and all parties in interest in this Chapter 11 Case. For the avoidance of doubt, the Plan and Catholic Mutual Settlement Agreement do not affect the Preserved Coverage under the Catholic Mutual Certificates under which Catholic Mutual has provided coverage to the Diocese and the Catholic Entities during the Bankruptcy Case, as amended by the Plan and Catholic Mutual Settlement Agreement. Unless otherwise determined by the Bankruptcy Court pursuant to an order which becomes a Non-Appealable Order or agreed to by the parties thereto prior to the Effective Date, no payments are required to cure any defaults of

the Diocese existing as of the Effective Date with respect to any Other Insurance Policy or certificate.

**10.15. Catholic Mutual Consent to Amendments.** The Confirmation Order and any subsequent modifications or amendments to this Plan shall be in all respects acceptable to Catholic Mutual and shall not deprive the Catholic Mutual Parties of any right or benefit under this Plan or Catholic Mutual Settlement Agreement or otherwise adversely affect the rights and interests of the Catholic Mutual Parties pursuant to this Plan; provided, however, that nothing herein shall preclude the filing of a competing or alternative plan by the Debtor or other parties in interest which might be adverse to Catholic Mutual.

**10.16. Further Assurances; Non-Material Modifications.** From and after the Effective Date, the Reorganized Debtor, Catholic Mutual, the Participating Parties and the Trustee shall be authorized to enter into, execute, adopt, deliver, or implement all notes, contracts, security agreements, instruments, releases, and other agreements or documents necessary to effectuate or memorialize the settlements contained in this Section without further order of the Bankruptcy Court. The Reorganized Debtor, Catholic Mutual and the Trustee may make technical or immaterial alterations, amendments, modifications, waivers, or supplements to the terms of the Catholic Mutual Settlement Agreement and/or the Plan, subject to the requirements of such agreement. A class of Claims that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified, or supplemented under this Section 10.12, if the proposed alteration, amendment, modification, or supplement does not materially and adversely change the treatment of the Claims within such class. An order of the Bankruptcy Court approving any amendment or modification made pursuant to this Section shall constitute an order in aid of consummation of the Plan and shall not require the re-solicitation of votes on the Plan.

**10.17. Indemnification Obligations of Trust and Reorganized Debtor.**

(a) From and after the Effective Date, the Trust shall defend, indemnify, and hold harmless the Catholic Mutual Parties with respect to any and all Abuse Claims, Medicare Claims, and Related Insurance Claims (other than any of such Claims arising from Unknown Abuse Claims), including: all Abuse Claims and Related Insurance Claims made by (i) any Person claiming to be insured (as a named insured, additional insured, or otherwise) under any Catholic Mutual Certificates; (ii) any Person who has made, will make, or can make an Abuse Claim (other than an Unknown Abuse Claim) or Related Insurance Claim; and (iii) any Person who has actually or allegedly acquired or been assigned the right to make a Claim (other than an Unknown Abuse Claim) under any Catholic Mutual Certificates; *provided, however*, that the Catholic Mutual Parties shall not seek to recover from an Abuse Claimant or any transferee of an Abuse Claimant any property distributed or to be distributed after the Effective Date by the Trust in accordance with the confirmed Plan and neither the Trust nor the Reorganized Debtor shall have any liability from a breach of this proviso. The Reorganized Debtor shall defend, indemnify, and hold harmless the Catholic Mutual Parties with respect to any and all Abuse Claims and Related Insurance Claims made by (i) any Person claiming to be insured (as a named insured, additional insured, or otherwise) under any Catholic Mutual Certificates; (ii) any Person who has made, will make, or can make an Abuse Claim or Related Insurance Claim; and (iii) any Person who has actually or allegedly acquired or been assigned the right to make a Claim under any Catholic Mutual Certificates subject to the

limitations set forth in any other settlement agreement with an Insurer that has been approved by the Bankruptcy Court. The Catholic Mutual Parties shall have the right to defend any Claims identified in this section and shall do so in good faith.

(b) The indemnification obligations of the Trust and the Reorganized Debtor include Abuse Claims made by Persons over whom the Diocese or Parishes do not have control, including any other Person who asserts Abuse Claims (for the Trust, other than Unknown Abuse Claims) against or right to coverage under the Catholic Mutual Certificates. The Catholic Mutual Parties may, but are not obligated to undertake the defense of any Claim on receipt of such Claim and their choice to defend or not shall not affect the indemnification obligations of the Trust and Reorganized Debtor. The Catholic Mutual Parties shall notify the Trust or the Reorganized Debtor, as applicable, as soon as practicable (but, in no case, later 30 dates after receipt) of any Claims identified in this section and of their choice of counsel. The Trust or Reorganized Debtor, as applicable, is not obligated to indemnify the Catholic Mutual Parties for Claims that are or may be made against the Catholic Mutual Parties by other insurers. The obligation of the Trust or Reorganized Debtor, as applicable, to indemnify the Catholic Mutual Parties under this Section 10.17 shall not exceed in the aggregate dollar amount the amount of the Catholic Mutual Contribution set forth herein, which shall be deemed to be distributed to Abuse Claimants pro rata with other contributions to the Trust. Subject to the limitations above concerning the maximum amounts the indemnifying party must pay, the Trust shall reimburse all reasonable and necessary attorneys' fees, expenses, costs, and amounts incurred by the Catholic Mutual Parties in defending such Claims (other than Unknown Abuse Claims), and the Reorganized Debtor shall reimburse all reasonable and necessary attorney's fees, expenses, costs and amounts incurred by the Catholic Mutual Parties in defending Unknown Abuse Claims. In defense of any such Claims, the Catholic Mutual Parties may settle or otherwise resolve a Claim consistent with the terms of this Plan and with the prior consent of the indemnifying party, which consent shall not be unreasonably withheld.

(c) The indemnification obligations of the Trust set forth in this Section 10.17 may give rise to a liability on the part of the Trust but shall not create any right on the part of Catholic Mutual to "claw back" or otherwise recover any specifically identifiable proceeds of the contribution paid to the Trust by Catholic Mutual, or any interest therein.

(d) Any dispute with respect to the indemnification obligations set forth in this Section 10.17, including any attorneys' fees, expenses, costs, or other amounts allegedly incurred by the Catholic Mutual Parties and subject to reimbursement by the Trust or the Reorganized Debtor, shall be adjudicated and finally determined by the Bankruptcy Court.

(e) Waiver/Consent/Fees

i. Subject to the occurrence of the Effective Date, in consideration of the releases and Channeling Injunction, the Supplemental Settled Insurer Injunction, and other covenants set forth herein, each of the Diocese Parties and the Catholic Entity Parties irrevocably and unconditionally, without limitation, releases, acquit, forever discharge, and waive any Claims and/or interests they have or might have now or in the future have against the Participating Parties and the Reorganized Debtor with respect to any and all Related Insurance Claims, any contribution,

subrogation, indemnification, or other similar Claim arising from or relating to Abuse Claims, and any Catholic Mutual Certificates.

ii. Subject to the occurrence of the Effective Date, in consideration of the releases and Channeling Injunction and other covenants set forth herein, each of the Catholic Entities irrevocably and unconditionally, without limitation, releases, acquits, forever discharges, and waives any Claims and/or interests they have or might have now or in the future against the other Participating Parties and the Reorganized Debtor with respect to any and all Related Insurance Claims, any contribution and indemnity Claims arising from or relating to Abuse Claims, and any Catholic Mutual Certificates; and

iii. **Nothing in this Plan shall be construed to bar either (a) a Claim based on Abuse against a Person who is not a Participating Party or (b) a Claim by such Person for insurance coverage in connection with a Claim described in the foregoing subsection (a) under an insurance policy other than the Settled Insurer Policies including the Catholic Mutual Certificates.**

**10.18. Rights under Catholic Mutual Settlement Agreement.** The rights of the parties under the Catholic Mutual Settlement Agreement shall be determined exclusively under the Catholic Mutual Settlement Agreement and those provisions of the Approval Order approving such Catholic Mutual Settlement Agreement, the Plan and the Confirmation Order.

## **SECTION XI**

### **MEANS FOR IMPLEMENTATION OF THE PLAN**

**11.1. Funding of Plan.** On the Effective Date, the Debtor shall make all payments and effectuate all transfers required to be performed on the Effective Date pursuant to this Plan, including by transferring any Trust Assets due on the Effective Date to the Trust on the Effective Date. On or immediately after the Effective Date, the Effective Date Escrow Agent shall transfer to the Trustee, for the benefit of the Trust, in accordance with this Plan and the Effective Date Escrow Agreement, all Cash Contributions received by the Effective Date Escrow Agent in accordance with Section 7.1(a)3 of the Plan.

**11.2. Transfer of Real Estate and Reversionary Interests.** On and after the Effective Date, the Debtor shall take all steps necessary to effectuate transfer of ownership to the Trust of all Transferred Real Estate. On and after the Effective Date, the Diocese shall also take all steps necessary to effectuate transfer of all reversionary interests in the Transferred Real Estate if any portion of the properties are leased, sold, or subject to an option for lease or sale on or before the Trust Termination Date (as that term is defined in the Trust Documents).

**11.3. Preservation of Causes of Action.** The Trustee, on behalf of the Trust, shall retain the Trust's Causes of Action, whether arising before or after the Petition Date, in any court or other tribunal, including, without limitation, the Bankruptcy Court. The Trustee, on behalf of the Trust, shall have the exclusive right, authority, and discretion to institute, prosecute, abandon, settle, or compromise any such Causes of Action, subject to the requirements of the Bankruptcy Code. To the extent the Committee is the named plaintiff in any Cause of Action vested in the Trust, the

Trustee may be substituted as the named plaintiff without additional notice to the parties in such Cause of Action.

**11.4. Reorganized Debtor's Officers, Directors and Senior Management.** In accordance with § 1129(a)(5) of the Bankruptcy Code, the identities and affiliations of the persons proposed to serve as the officers, directors and senior management of the Reorganized Debtor on and after the Effective Date are set forth on Exhibit H. Pursuant to § 1129(a)(5)(B) of the Bankruptcy Code, Exhibit H further discloses the nature of compensation to be paid by the Reorganized Debtor to each of the Reorganized Debtor's insiders (the Bishop and the named officers).

**11.5. Closing.** Closing will be conducted at the offices of Zeisler & Zeisler, P.C., or at such other location designated by the Committee, including remotely, as soon as reasonably practicable following the Effective Date for the Diocese and the Participating Parties to execute and deliver the Plan Documents and completing those actions necessary for the Reorganized Debtor and the Participating Parties to establish and fund the Trust and make other Distributions required to be made upon, or promptly following, the Effective Date. As soon as practicable after conditions in Section 12.1 have been satisfied or waived under Section 12.2, the Diocese shall file notice of the Closing and the occurrence of the Effective Date.

**11.6. Obligations of the Reorganized Debtor and the Implicated Participating Parties.** The Reorganized Debtor and any implicated Participating Parties will:

- (a) In the exercise of their respective business judgment, review all Claims filed against the Estate (except for Abuse Claims) and, if advisable, object to such Claims;
- (b) Not object to any Abuse Claims (other than Post-Petition Abuse Claims which the Reorganized Debtor may object to in its sole and absolute discretion). Despite the foregoing, the Reorganized Debtor and any implicated Participating Parties shall timely provide the Abuse Claims Reviewer or Trustee, as applicable, with information regarding Abuse Claims as may be requested by the Trustee or Abuse Claims Reviewer;
- (c) Fulfill the Diocese's obligations under the Insurance Policies issued by the Non-Settling Insurers and under applicable non-bankruptcy law;
- (d) Honor the Diocese's obligations arising under any Settlement Agreement approved by the Bankruptcy Court; and,
- (e) Perform all of their obligations under this Plan and Plan Documents, in each case, as and when the same become due.

**11.7. Objections to Claims.** Objections to a Claim (except for Abuse Claims other than Post-Petition Abuse Claims, as appropriate) as to which no objection is pending as of the Effective Date, must be filed by the Claims Objection Deadline, provided that the Reorganized Debtor may

request extensions of the Claims Objection Deadline, or of any Bankruptcy Court approved extensions thereof, by filing a motion with the Bankruptcy Court. A motion seeking to extend the deadline to object to any Claim is not an amendment to the Plan. No party in interest other than the Trustee may object to a Class 4 Claim (including a Late Filed Abuse Claim). No party in interest other than the Unknown Abuse Claims Trustee may object to a Class 5 Claim. The process and deadlines for any objections to Abuse Claims (other than Post-Petition Abuse Claims) are as set forth in the Trust Distribution Plan or the Unknown Abuse Claims Trust Distribution Plan.

#### **11.8. Provisions Governing Distributions.**

- (a) **Distribution Only to Holders of Allowed Claims.** Except as otherwise provided in the Plan, Distributions under this Plan and the Plan Documents will be made only to the holders of Allowed Claims and in the case of Abuse Claims, pursuant only to the Plan and the Trust Documents or Unknown Abuse Claims Trust Documents, as applicable. Until a Disputed Claim becomes an Allowed Claim, the holder of that Disputed Claim will receive no Distribution otherwise provided to the Claimants under this Plan or the Plan Documents.
  
- (b) **Transmittal of Distributions.** Except as otherwise provided in this Plan, in the Plan Documents, or in an order of the Bankruptcy Court, Distributions to be made under this Plan, Confirmation Order, Trust Documents, or Unknown Abuse Claims Trust Documents, as applicable, to Abuse Claimants that opt to not litigate will be made by the Trustee or Unknown Abuse Claims Trustee, as applicable, and Distributions to all other Claimants will be made by the Reorganized Debtor. Distributions to Abuse Claimants will be made (a) to the client trust account for attorneys of record of Abuse Claimants, (b) if the Abuse Claimant does not have an attorney of record, to the latest mailing address set forth in a proof of claim filed with the Claims Agent or the Bankruptcy Court by or on behalf of such Claimant, or to such other address as may be provided to the Reorganized Debtor or Trustee, as applicable, by such Claimant in writing, or (c) if no such proof of claim has been filed and no written notice setting forth a mailing address is provided by or on behalf of such Claimant to the Reorganized Debtor, Trustee, or Unknown Abuse Claims Trustee to the mailing address in the schedules filed by the Debtor in this Case. Distributions to other Claimants will be made by wire or first class United States mail, postage prepaid, (a) to the client trust account for attorneys of record of the Claimant, (b) if the Claimant does not have an attorney of record, to the latest mailing address in a proof of claim filed with the Claims Agent or the Bankruptcy Court by or on behalf of such Claimant, or to such other address as may be provided to the Reorganized Debtor, as applicable, by such Claimant in writing, or (c) if no such proof of claim has been filed and no written notice setting forth a mailing address is provided by or on behalf of such Claimant to the Reorganized Debtor, to the mailing address in the schedules filed by the Debtor in this Case. If a Claimant's Distribution is not mailed or is returned to the Reorganized Debtor, Trustee, or Unknown Abuse Claims Trustee because of the absence of a proper mailing address, the Reorganized Debtor, Trustee, or Unknown Abuse Claims Trustee, as the case may be, shall make a reasonable effort to locate or ascertain the correct

mailing address for such Claimant from information generally available to the public and from such party's own records, but shall not be liable to such Claimant for having not found a correct mailing address. The Trustee or the Unknown Abuse Claims Trustee, as applicable, shall have no liability to an Abuse Claimant because of Distributions made to the client trust account of an Abuse Claimant's attorney.

- (c) **Timing of Distributions.** Unless otherwise agreed by the Reorganized Debtor, the Trustee, or the Unknown Abuse Claims Trustee, as applicable, and the recipient of a Distribution under this Plan or the Plan Documents, whenever any payment to be made is due on a day other than a Business Day, such payment will instead be made on the next Business Day, with interest to the extent expressly contemplated by this Plan or any applicable agreement or instrument. Any Claimant otherwise entitled to an undeliverable Distribution and that does not, within thirty (30) days after a Distribution is returned to the Trustee, Unknown Abuse Claims Trustee, or Diocese as undeliverable, or is deemed to be an undeliverable Distribution, provide the Trustee or Diocese with a written notice asserting its claim to that undeliverable Distribution and setting forth a current, deliverable address will be deemed to waive any claim to such undeliverable Distribution and will be forever barred from receiving such undeliverable Distribution or asserting any Claim against the Reorganized Debtor, the Participating Parties, the Settled Insurer Parties, the Trust, the Trustee, the Unknown Abuse Claims Trust, the Unknown Abuse Claims Trustee, or their property. Any undeliverable Distributions not claimed under this Section will become available to distribute to other Claimants or be retained by the Reorganized Debtor under the Plan. Nothing in the Plan requires the Reorganized Debtor, the Trust, the Trustee, the Unknown Abuse Claims Trust, or the Unknown Abuse Claims Trustee to attempt to locate any Claimant whose Distribution is undeliverable.
- (d) **Form of Distributions.** Unless otherwise agreed by the Reorganized Debtor or Trustee, as applicable, and the recipient of a Distribution under this Plan or the Plan Documents, all Distributions will be made, at the option of the Reorganized Debtor or Trustee, by a check by first class mail, postage prepaid or wire transfer.
- (e) **No Professional Fees or Expenses.** No professional fees or expenses incurred by a Claimant will be paid by the Debtor, the Reorganized Debtor, or the Trustee regarding any Claim except as specified in this Plan or the Trust Documents.

**11.9. Reservation of Rights to Object to Claims Other Than Abuse Claims.** Unless a Claim is expressly described as an Allowed Claim under the Plan, or otherwise becomes an Allowed Claim before the Effective Date, upon the Effective Date, the Reorganized Debtor shall be deemed to have a reservation of any rights, interests and objections of the Debtor to any Claims and motions or requests for the payment of or because of Claims, whether administrative expense, priority, secured or unsecured (but not Abuse Claims), whether under the Bankruptcy Code, other applicable law or contract. Subject to the Claims Objection Deadline, the Debtor's failure to object to any Claim in the Case shall be without prejudice to the Reorganized Debtor's rights to contest

or otherwise defend against such Claim in the Bankruptcy Court in this Section when and if such Claim is sought to be enforced by the holder of such Claim.

**11.10. Service of Objections.** An objection to a Claim shall be deemed properly served on the holder of such Claim if the objector effects service by any of the following methods: (i) under Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Bankruptcy Rule 7004; (ii) to the extent counsel for such holder is unknown, by first class mail, postage prepaid, on the signatory on the Proof of Claim or other representative identified on the Proof of Claim or any attachment thereto; or (iii) by first class mail, postage prepaid, on any counsel that has appeared on the behalf of such holder in the Case.

**11.11. Determination of Claims.** From and after the Effective Date, any Claim (except for Abuse Claims) as to which a Proof of Claim or motion or request for payment was timely filed in the Case or deemed timely filed by Order of the Bankruptcy Court, may be determined and (so long as such determination has not been stayed, reversed or amended and as to which determination (or any revision, modification or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending) liquidated under (i) an Order of the Bankruptcy Court, (ii) applicable bankruptcy law, (iii) agreement of the parties with no Bankruptcy Court approval, (iv) applicable non-bankruptcy law or (v) the lack of (a) an objection to such Claim, (b) an application to equitably subordinate such Claim and (c) an application to otherwise limit recovery regarding such Claim, filed by the Diocese or any other party in interest on or before any applicable deadline for Filing such objection or application regarding such Claim. Any such Claim so determined and liquidated shall be deemed to be an Allowed Claim for such liquidated amount and shall be satisfied under the Plan. Nothing in this Section shall be or be deemed a waiver of any Claims, rights, interests or Causes of Action that the Diocese may have against any Person in connection with or arising out of any Claim or Claims, including any rights under 28 U.S.C. § 157. Notwithstanding the foregoing, no party in interest other than the Trustee or Unknown Abuse Claim Trustee, as applicable, may object to an Abuse Claim.

**11.12. No Distributions Pending Allowance.** No payments or Distributions will be made regarding all or any part of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Non-Appealable Order, and the Disputed Claim has become an Allowed Claim; provided, however, that if only a portion of such Claim is an Allowed Claim, the Reorganized Debtor may, in their discretion, make a Distribution because of the part of such Claim that is an Allowed Claim.

**11.13. Claim Estimation.** To effectuate Distributions under the Plan and avoid undue delay in the administration of the Case, the Diocese, after notice and a hearing (which notice may be limited to the holder of such Disputed Claim), shall have the right to seek an Order of the Bankruptcy Court or the District Court under § 502(c) of the Bankruptcy Code, estimating or limiting, because of a Disputed Claim, the amount of (i) property that must be withheld from or reserved for distribution purposes because of such Disputed Claim(s), (ii) such Claim for allowance or disallowance purposes, or (iii) such Claim for any other purpose allowed under the Bankruptcy Code; provided, however, that the Bankruptcy Court or the District Court, as

applicable, shall determine (i) whether such Claims are subject to estimation under § 502(c) of the Bankruptcy Code and (ii) the timing and procedures for such estimation proceedings, if any, such matters being beyond the scope of the Plan. Notwithstanding the foregoing, no party in interest except the Trustee may seek to estimate a Class 4 Claim and no party in interest except the Unknown Abuse Claim Trustee may seek to estimate an Unknown Abuse Claim.

**11.14. Setoffs.** The Diocese may, to the extent permitted under applicable law, set off against any Allowed Claim and the Distributions to be made under the Plan because of such Allowed Claim, the Claims, rights and Causes of Action of any nature that the Diocese may hold against the holder of such Allowed Claim not otherwise waived, released or compromised under the Plan; provided, however, that neither such a setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Diocese of any such Claims, rights and Causes of Action that the Diocese possesses against such holder.

**11.15. No Interest on Claims.** Unless otherwise specifically provided for in the Plan, the Confirmation Order, or a post-petition agreement in writing between the Diocese and a holder of a Claim and approved by an Order of the Bankruptcy Court, post-petition interest shall not accrue or be paid on any Claim, and no holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. In addition, and without limiting the foregoing or any other provision of the Plan, Confirmation Order, Trust Agreement, or Unknown Abuse Claims Trust Agreement interest shall not accrue on or be paid on any Disputed Claim regarding the period from the Effective Date to the date a final Distribution is made when and if such Disputed Claim becomes an Allowed Claim.

**11.16. Withholding Taxes.** The Diocese shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all Distributions under the Plan shall be subject to any such withholding and reporting requirements. As a condition to making any Distribution under the Plan, the Diocese may require that the holder of an Allowed Claim provide such holder's taxpayer identification number and such other information and certification as may be deemed necessary to comply with applicable tax reporting and withholding laws.

**11.17. Post-Confirmation Reports.** After the Effective Date and until the Bankruptcy Case is closed, the Reorganized Debtor, Trustee and Unknown Abuse Claims Trustee shall timely file the Post-Confirmation Reports as required by United States Trustee Program's rule entitled *Uniform Periodic Reports in Cases Filed Under Chapter 11 of Title 11*, published at 28 C.F.R. § 58.8.

**11.18. Closing of the Case.** As soon as practicable after the Effective Date, when the Diocese deems appropriate, the Diocese will seek authority from the Bankruptcy Court to close the Case under the Bankruptcy Code and the Bankruptcy Rules; provided, however, that entry of a final decree closing the Case shall, whether or not specified therein, be without prejudice to the right of the Diocese, the Trustee, Unknown Abuse Claim Trustee, or any other party in interest to reopen the Case for any matter over which the Bankruptcy Court or the U.S. District Court for the

District of Connecticut has retained jurisdiction under this Plan. Any order closing this Case will provide that the Bankruptcy Court or the U.S. District Court for the District of Connecticut, as appropriate, will retain (a) jurisdiction to enforce, by injunctive relief or otherwise, the Confirmation Order, any other orders entered in this Case, and the obligations created by this Plan and the Plan Documents; and (b) all other jurisdiction and authority granted to it under this Plan and the Plan Documents.

**11.19. No De Minimis Distributions.** Notwithstanding anything to the contrary in this Plan, no cash payment of less than \$100 will be made by the Reorganized Debtor, the Trustee, or Unknown Abuse Claim Trustee, as applicable, to any Holder of an Allowed Claim. No consideration will be provided in lieu of the *de minimis* Distributions not made under this Section. Allowed Claims entitled to a Distribution of less than \$100 shall continue to accrue until the Distribution because of such Claim will be \$100 or more.

**11.20. Manner of Cash Payments.** Cash payments to domestic Claimants will be denominated in U.S. dollars and will be made by checks drawn on a domestic bank selected by the Trustee or Unknown Abuse Claim Trustee, as applicable, or at the Trustee's or Unknown Abuse Claim Trustee's option, by wire transfer from a domestic bank. Cash payments to foreign Claimants may be paid, at the Trustee's or Unknown Abuse Claim Trustee's option, either in the same manner as payments to domestic entities or in any funds and by any means that are necessary or customary in the particular foreign jurisdiction.

## **SECTION XII** **CONDITIONS PRECEDENT**

**12.1. Conditions to Effectiveness.** The Effective Date shall occur when each of the following conditions have been satisfied or, as to those certain specific conditions only, waived under Section 12.2:

- (a) All Approval Orders authorizing and approving all settlement agreements involving the Participating Parties and Settled Insurers (for agreements executed before the Confirmation Date) and any appropriate judgments consistent therewith, shall have been entered by a court of competent jurisdiction in form and substance reasonably acceptable to each party and such orders shall have become Non-Appealable Orders, and no stay of such Orders shall be in effect;
- (b) The Confirmation Order shall have been entered by a court of competent jurisdiction in form and substance reasonably acceptable to the Debtor and the Committee and such order shall have become a Non-Appealable Order, and no stay of such Confirmation Order shall be in effect;
- (c) The Trustee and Debtor shall have signed the Trust Agreement;
- (d) The Bankruptcy Court shall have approved the Effective Date Escrow Agreement;

- (e) The Unknown Abuse Claims Trustee and Debtor have signed the Unknown Abuse Claims Trust Agreement; and
- (f) The Debtor, the Participating Parties, and the Settled Insurers have each delivered to the Effective Date Escrow Agent under and in accordance with the terms of the Effective Date Escrow Agreement, all of the Cash Contributions described in Section 7.1(a)3, in good and immediately available funds.

**12.2. Waiver of Conditions.** The condition in Section 12.1(a) and (b) requiring Non-Appealable Orders may be waived by the mutual written consent of the Committee, the Debtor, Catholic Mutual, the Association of Parishes, Xavier, Mercy, St. Bernard, Oceania and the ACA.

**12.3. Notice of Occurrence of Effective Date.** Within three (3) Business Days after the occurrence of the Effective Date, the Diocese shall file with the Bankruptcy Court a notice thereof.

**12.4. Non-Occurrence of Effective Date.** In the absence of an order of the Bankruptcy Court providing otherwise, if the Effective Date does not occur within ninety (90) calendar days of entry of the entry of the Confirmation Order, within three (3) Business Days after the expiration of said ninety (90) calendar day period, either the Debtor or the Committee shall file a notice of termination with the Court.

**12.5. Termination Following Non-Occurrence of Effective Date.** In the absence of an order of the Bankruptcy Court providing otherwise, upon the filing of a notice of termination with the Bankruptcy Court by either the Diocese or the Committee as required by Section 12.4 of the Plan, the Plan shall become null and void and all contributions theretofore received by the Effective Date Escrow Agent shall be returned to their contributor, with accrued interest.

### **SECTION XIII**

#### **EFFECTS OF PLAN CONFIRMATION AND DISCHARGE**

**13.1. Discharge.**

- (a) Except as otherwise expressly provided in the Plan or in the Confirmation Order, on the Effective Date, under § 1141(d) of the Bankruptcy Code, the Diocese will be discharged from all liability for any and all Claims and debts, known or unknown, whether or not giving rise to a right to payment or an equitable remedy, that arose, directly or indirectly, from any action, inaction, event, conduct, circumstance, happening, occurrence, agreement, or obligation of the Debtor before the Confirmation Date, or that otherwise arose before the Confirmation Date, including all interest, if any, on any such Claims and debts, whether such interest accrued before or after the date of commencement of this Case, and including all Claims and debts based upon or arising out of an Abuse Claim and from any liability of the kind specified in §§ 502(g), 502(h), and 502(i) of the Bankruptcy Code, whether or not (a) a proof of claim is filed or is deemed filed under § 501 of

the Bankruptcy Code; (b) such Claim is Allowed under this Plan; or (c) the holder of such Claim has accepted this Plan.

- (b) The discharge provided for in Bankruptcy Code § 1141(d), this Section 13.1 and otherwise in this Plan and the Confirmation Order shall not in any way affect any Abuse Claim against the Debtor solely to the extent necessary for the Trust or an Abuse Claimant to enforce against Non-Settling Insurers or under any Non-Settling Insurer's Insurance Policies and thereby recover upon Insurance Coverage, Insurance Claims, and/or Insurance Recoveries, *provided, however*, that any such non-discharged Abuse Claim shall be nonrecourse to the Reorganized Debtor and its assets, including the Revested Assets and recourse is limited to the recoveries from the Trust, the proceeds of the Non-Settling Insurer's Insurance Policies and all other damages (including extra-contractual damages), awards, judgments in excess of policy limits, penalties, punitive damages and attorney's fees and costs that may be recoverable against any Non-Settling Insurers, and any such judgments or awards will be handled under the Plan and the Trust Distribution Plan, if applicable.
- (c) As provided in Bankruptcy Code § 524(e), unless otherwise provided in the Plan, the discharge as provided in Section 13.1 shall not apply to and shall not affect the liability of any other Person on, or the property of any other Person for, Abuse Claims including the liability of against a Person having personally committed an act or acts of Abuse resulting in an Abuse Claim against the Debtor or a Participating Party, any other Co-Defendant or Non-Settling Insurer, which liability shall continue unaffected by the terms of this Plan or the discharge granted to the Debtor or the Reorganized Debtor under this Plan and Bankruptcy Code § 1141(d).
- (d) Abuse Claimants and the Trust shall be permitted to name the Diocese or any Participating Party in any proceeding to resolve whether the Diocese or any Participating Party has liability for Abuse Claims and the amount of any such liability, solely for the purposes permitted by this Section 13.1. The discharge hereunder does not apply to, and shall not limit in any way the obligations of Non-Settling Insurers to defend and pay, the Diocese's or any Participating Party's liability for Abuse Claims under Non-Settling Insurer Insurance Policies.
- (e) This discharge provided for in Bankruptcy Code § 1141(d), this Section 13.1 and otherwise in this Plan and the Confirmation Order shall not apply to and shall not affect the obligations arising under any (i) Settlement Agreement that is approved by the Bankruptcy Court, or (ii) Non-Settling Insurer's Insurance Policies, which are not and will not be discharged.

**13.2. Revested Assets. Pursuant to § 1141 of the Bankruptcy Code, and except as otherwise provided in the Plan, the Confirmation Order or in subsections 1141(d)(2) and (d)(3) of the Bankruptcy Code, on the Effective Date, all of the Revested Assets shall vest in the Reorganized Debtor free and clear of all Claims and interests of Claimants. 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 imposed by the Plan or the Confirmation Order.

**13.3. Continued Existence of Reorganized Debtor.** The Debtor will, as the Reorganized Debtor, continue to exist after the Effective Date as separate entities under the applicable laws of the State of Connecticut, 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.

**13.4. Exculpation and Limitation of Liability.** Except as expressly provided in this Plan, on and after the Effective Date, none of the Exculpated Parties will have or incur any liability to, or be subject to any right of action by, any holder of a Claim, any other party in interest, or any of their related parties, for any act or omission occurring between the Petition Date and the Effective Date in connection with or relating to this Bankruptcy Case, including the exercise of their respective business judgment and the performance of their respective fiduciary obligations, the pursuit of confirmation of the Plan, or the negotiation of the Disclosure Statement, the Plan and related settlement agreements. For the avoidance of doubt, (a) this section shall not exculpate any Claim for any act or omission that is determined by a Non-Appealable Order to have constituted actual fraud, willful misconduct, criminal conduct, gross negligence, or professional malpractice of an Exculpated Party or any Causes of Action arising from or related to denials of coverage or coverage defenses raised by Non-Settling Insurers, and (b) the definition of “Exculpated Parties” shall not, directly or indirectly, inure to or for the benefit of (i) a person or persons having personally committed an act or acts of Abuse resulting in a Claim against the Debtor, a Participating Party or a Settled Insurer Party, or (ii) the Holy See.

**13.5. Effective Date Injunctions.** On the Effective Date, the injunctions provided for in this Plan shall be deemed issued, entered, valid and enforceable according to their terms. The injunctions shall be permanent and irrevocable and may only be modified by the Bankruptcy Court.

**13.6. Channeling Injunction Preventing Prosecution of Abuse Claims against Participating Parties and Settled Insurer Parties.**

- (a) **Applicability.** This Section 13.6 is only applicable to Participating Parties and Settled Insurer Parties and is effective on and after the Effective Date.
- (b) **In consideration of the undertakings of the Participating Parties and Settled Insurer Parties, pursuant to this Plan and their respective settlements with the Debtor or the Trustee, the funding of the Trust, other consideration, and to**

further preserve and promote the agreements between and among the Participating Parties, Settled Insurer Parties and the Debtor or the Trustee, and the protections afforded the Participating Parties and Settled Insurer Parties, and pursuant, *inter alia*, to §§ 105, 363, 524, 1123 and 1141 of the Bankruptcy Code and subject to the provisions of the Plan and except as otherwise provided in the Plan:

1. Any and all Channeled Claims (other than Unknown Abuse Claims and their associated Related Insurance Claims) are channeled into the Trust and Unknown Abuse Claims and their associated Related Insurance Claims are channeled to the Unknown Abuse Claims Trust.
2. All Persons that have held or asserted, hold or assert, or may hold or assert, any Channeled Claim (including all debt holders, governmental, tax and regulatory authorities, lenders, trade and other creditors, Abuse Claimants, other Insurers, and all others holding Claims of any kind or nature whatsoever) 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, including:
  - (i) Commencing or continuing in any manner any action or other proceeding of any kind with respect to any Channeled Claim against any Participating Party, any Settled Insurer Party, and any such person's respective predecessors, successors, and assigns, or their respective employees, officers, and directors, or against the property of any Participating Party or Settled Insurer Party;
  - (ii) Enforcing, attaching, collecting or recovering, by any manner or means, from any Participating Party or Settled Insurer Party or from the property of any Participating Party or Settled Insurer Party, with respect to any such Channeled Claim, any judgment, award, decree, or order against any Participating Party or Settled Insurer Party;
  - (iii) Creating, perfecting or enforcing any lien of any kind against any Participating Party, or settled insurer party or the property of any Participating Party or Settled Insurer Party with respect to any such Channeled Claim (except as provided in the Plan); and
  - (iv) Asserting, implementing or effectuating any Channeled Claim of any kind against: (1) any obligation due any Participating Party or Settled Insurer Party; (2) any Participating Party or Settled Insurer Party; or (3) the property of any Participating Party or Settled Insurer Party with respect to any such Channeled Claim.

**13.7. Settlement Agreements.** On and after the Effective Date, any injunction contained in a Bankruptcy Court order approving a settlement agreement with a Participating Party or Settled Insurer Party is incorporated into the Plan by reference, is deemed fully set forth in this Plan and is in addition to the Channeling Injunction. Any differences between the Channeling Injunction in Section 13.10 and the injunction(s) deemed set forth in the Plan by this subparagraph are not intended to affect, diminish or impair the injunction(s) incorporated herein by this Section 13.7 and contained in such agreement.

**13.8. Specific Channeling Injunction Exclusions.** Notwithstanding any provision of this Plan, the foregoing Channeling Injunction provides absolutely no protection to: (i) a person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor, a Participating Party or a Settled Insurer Party; (ii) the Holy See; (iii) a Non-Settling Insurer, or (iv) any person or Claims expressly excepted from the exculpation as set forth in Section 13.4 (and identified in subclauses (a) and (b)) of this Plan.

**13.9. Supplemental Settled Insurer Injunction.** On and after the Effective Date, in consideration of the undertakings of the Settled Insurer Parties (including, but not limited to, the undertakings of Catholic Mutual pursuant to the Catholic Mutual Settlement Agreement and specifically including, without limitation, Catholic Mutual's purchase of the Sold Certificates free and clear of all Liens, Claims and interests pursuant to §§ 363(f) and 1123 of the Bankruptcy Code), pursuant to their respective settlements with the Debtor or the Trustee, the funding of the Trust, other consideration, and to further preserve and promote the agreements between and among the Settled Insurer Parties and the Debtor or the Trustee, and the protections afforded the Settled Insurer Parties, and pursuant to §§ 105, 363 and 1123 of the Bankruptcy Code, and except as otherwise provided in the Plan, including, but not limited to Sections 9.4 and 9.5, any and all Persons (including, without limitation, all debt holders, all equity holders, governmental, tax, and regulatory authorities, lenders, trade and other creditors, abuse claim holders, other insurers, and all others holding Claims or interests) are permanently enjoined and barred from asserting against a Settled Insurer Party any Claim (including, without limitation, any Channeled Claim) or interest of any kind or nature whatsoever arising from or relating in any way to (i) any Channeled Claim or (ii) any of the Settled Insurer Policies (including, but not limited to, the Catholic Mutual Certificates) or (iii) any and all other Claims relating to the payment of any of the claims identified in clauses (i) and (ii) which, directly or indirectly, relate to any and all Settled Insurer Policies (including, but not limited to, any and all Catholic Mutual Certificates) or any Abuse Claims that are covered or may be covered under the Settled Insurer Policies (including, but not limited to, the Catholic Mutual Certificates), or (v) any released Catholic Mutual Claims, including from:

(a) Commencing or continuing in any manner any action or other proceeding, whether legal, equitable or otherwise, against the Settled Insurer Party or the property of the Settled Insurer Party;

(b) Enforcing, attaching, collecting, or recovering, or seeking to do any of the preceding, by any manner or means, any judgment, award, decree or order against the Settled Insurer Party or the property of the Settled Insurer Party;

(c) Creating, perfecting, or enforcing, or seeking to do any of the preceding, any lien of any kind against the Settled Insurer Party or the property of the Settled Insurer Party;

(d) Asserting or accomplishing any setoff, right of indemnity, subrogation, contribution, or recoupment of any kind against any obligation due to the Settled Insurer Party or the property of the Settled Insurer Party; and

(e) Taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan.

This Supplemental Settled Insurer Injunction is an integral part of the Plan and is essential to the Plan's consummation and implementation. It is intended that the Supplemental Settled Insurer Injunction shall be in addition to channeling of the Channeled Claims as provided in this Section 13.6 and shall inure to the benefit of the Settled Insurer Parties (including the Catholic Mutual Parties). In a successful action to enforce the injunctive provisions of this Section 13.9 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.

This Supplemental Settled Insurer Injunction will be effective with respect to any Settled Insurer Party only as of the date that the Effective Date Escrow Agent or Trust, as applicable, receives the settlement amount required by such Settled Insurer Party's Settlement Agreement and the Plan. Nothing in this Supplemental Settled Insurer Injunction shall limit, or be deemed or otherwise interpreted to limit, the scope of the Discharge or Channeling Injunction in favor of the Participating Parties or to limit the Preserved Coverage. The foregoing injunctive provisions are an integral part of this Plan and are essential to its implementation.

**13.10. Term of Injunctions or Stays and Confirmation of Settlements with Participating Parties and Settled Insurer Parties.** All injunctions and/or stays provided for in this Plan, the injunctive provisions of §§ 524 and 1141 of the Bankruptcy Code, and all injunctions or stays protecting the Participating Parties and the Settled Insurer Parties that has purchased its insurance policy or policies in a §§ 363(f) and 1123 sale, entered pursuant to a Non-Appealable Order, are permanent and will remain in full force and effect on and after the Effective Date and are not subject to being vacated or modified. Debtor's Settlement Agreements, if any, with the Settled Insurer Parties, and the Participating Parties previously authorized by the Bankruptcy Court prior to the Confirmation Date, if any, are hereby affirmed and any obligations of Debtor with respect to such Settlement Agreements are excepted from the Debtor's discharge and shall be assumed by the Reorganized Debtor and Trustee, as applicable, on the Effective Date.

**13.11. Release of Avoidance Rights against Participating Parties and Settled Insurer Parties.** On and after the Effective Date, all avoidance rights, including those arising under §§ 544, 547, 548, 549, 550, and 553 of the Bankruptcy Code, against each of the Participating Parties and Settled Insurer Parties and the Debtor and Reorganized Debtor shall be deemed settled, compromised, and released by this Plan.

**13.12. Release by Debtor, Reorganized Debtor and Estate of Claims against Each and Every Participating Party or Settled Insurer Party.** Effective on and after the Effective Date, except for the obligations arising under any executory contract assumed by the Reorganized Debtor pursuant to Section XIV, the obligations under any Settlement Agreement, Claims excepted from exculpation and discharge under Section 13.1 and 13.4, the MSJ Debt and the MSJ Mortgage Documents, and except as otherwise provided in this Plan, as of the Effective Date, the Debtor, Reorganized Debtor and the Estate waive, release and discharge any and all Claims or Causes of Action of every kind and nature that Debtor, the Reorganized Debtor, or the Estate have or may have against a Participating Party or Settled Insurer Party, including avoidance rights, and any Claim that such Participating Party or Settled Insurer Party or its assets are a part of or owned by the Debtor or the Estate. No Claim subject to this Release will survive the Effective Date or be deemed to be assigned to the Trust.

**13.13. Release of Claims between Each and Every Participating Party and Settled Insurer Party.** Effective on and after the Effective Date, each of the Participating Parties and each of the Settled Insurer Parties waive, release and discharge any and all Claims or Causes of Action of every kind and nature arising on account of, in connection with or related to an Abuse Claim, that (i) the Participating Parties have or may have against any other Participating Parties or the Settled Insurer Parties and (ii) that the Settled Insurer Parties have against any other Settled Insurer Parties or the Participating Parties, in each case that arise from, relate to or arise in connection with Abuse Claims or the Settled Insurer Policies; provided that such release shall not release the obligations of the Participating Parties and Settled Insurers under the Preserved Coverage, this Plan or any Settlement Agreement. No Claim subject to this release will survive the Effective Date or be deemed to be assigned to the Trust. This release is in addition to any releases in a Bankruptcy Court-approved Settlement Agreement with a Participating Party or Settled Insurer Party.

**13.14. Pension Plan.** No provision in the Plan, Confirmation Order, the Bankruptcy Code (including § 1141 of the Bankruptcy Code), or any other document filed or order entered in the Chapter 11 Case shall be construed to exculpate, discharge, release or relieve the Debtor, the Catholic Entities, or any other party, in any capacity, from any liability or responsibility to any Person regarding the Pension Plans under any law, governmental policy, or regulatory provision. The Pension Plans shall not be enjoined or precluded from enforcing any such liability or responsibility because of the provisions of the Plan (including those provisions providing for exculpation, satisfaction, release and discharge of Claims against the Debtor), the Confirmation Order, the Bankruptcy Code (including § 1141 of the Bankruptcy Code), or any other document filed or order entered in the Chapter 11 Case. The Trust shall not have any liability to any Person on account of the Pension Plans, including liability as a member of a “Controlled Group” as defined in 29 U.S.C. § 1301(a)(14)(A) or on any other basis.

As of the Effective Date, the Reorganized Debtor shall assume and continue the Pension Plans to the extent of its obligations under the Pension Plans and applicable law. Notwithstanding the foregoing, the Reorganized Debtor reserves all of its rights under the Pension Plan. For the avoidance of doubt, any claims asserted by any beneficiary of the Pension Plan shall be reinstated and shall remain with the same priority and validity as before the Petition Date.

**13.15. Police Power.** No provision in the Plan, the Confirmation Order, the Bankruptcy Code (including § 1141 of the Bankruptcy Code), or any other document filed or order entered in the Chapter 11 Bankruptcy Case (including the discharge, releases and injunctions set forth in this Section XIII), shall be construed to exculpate, discharge, release or relieve the Debtor, the other Participating Parties, or any other Person, in any capacity, for their liability or responsibility with respect to any criminal action or proceeding or any action or proceeding by a governmental unit to enforce such governmental unit's police and regulatory power.

#### **SECTION XIV** **TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

**14.1. Assumed Employee and Retiree Benefit Plans.** To the extent not previously assumed, all employee and retiree benefit plans to which the Debtor are a party will be deemed assumed by the Reorganized Debtor on the Effective Date.

**14.2. General; Assumed if Not Rejected.** Subject to the requirements of § 365, all Executory Contracts of the Debtor not rejected by order of the Bankruptcy Court or are not the subject of a motion to reject pending on the Confirmation Date will be deemed assumed by the Reorganized Debtor on the Effective Date. If any party to an Executory Contract that is being assumed objects to such assumption, the Bankruptcy Court may conduct a hearing on such objection on any date that is either mutually agreeable to the parties or fixed by the Bankruptcy Court. All payments to cure defaults that may be required under § 365(b)(1) of the Bankruptcy Code will be made by the Reorganized Debtor. In the event of a dispute regarding the amount of any such payments, or the ability of the Debtor to provide adequate assurance of future performance, the Reorganized Debtor will make any payments required by § 365(b)(1) of the Bankruptcy Code after the entry of the Non-Appealable Order resolving such dispute.

**14.3. Claims for Contract Rejection.** All proofs of claim regarding Claims arising from the rejection of Executory Contracts must be filed with the Bankruptcy Court within 30 days after the Effective Date or such Claims will be forever barred as against the Reorganized Debtor. If any order providing for the rejection of an Executory Contract did not provide a deadline for filing Claims arising from such rejection, proofs of Claim with respect thereto must be filed within 30 days after the later to occur of (a) the Effective Date or, (b) if the order is entered after the Effective Date, the date such order becomes a Non-Appealable Order, or such Claims will be forever barred as against the Reorganized Debtor.

#### **SECTION XV** **NON-MONETARY COMMITMENTS**

**15.1. Non-Monetary Commitment to Healing and Reconciliation.** To further promote healing and reconciliation, and to continue its efforts to prevent Abuse and other injury to children from occurring in the Diocese in the future, the Diocese agrees that it will undertake and the

Diocese shall comply with the Non-Monetary Commitments to Healing and Reconciliation set forth in Exhibit G attached hereto and incorporated herein.

**SECTION XVI**  
**MISCELLANEOUS PROVISIONS**

**16.1. Retention of Jurisdiction.** Notwithstanding entry of the Confirmation Order or the occurrence of the Effective Date:

- (a) Except as otherwise stated in this Plan or in the Confirmation Order, the Bankruptcy Court will retain jurisdiction over all matters arising under, to further, or in connection with this Plan, including the following:
1. The determination of objections to Disputed Claims; the determination of requests for payment of Claims entitled to priority under § 507 of the Bankruptcy Code, including compensation of and reimbursement of expenses of parties entitled thereto;
  2. The resolution of controversies and disputes regarding interpretation and implementation of this Plan and the Plan Documents;
  3. The compelling of the Diocese and/or a Participating Party to cooperate with the Trust as required under this Plan;
  4. The granting of relief in aid of this Plan and the Plan Documents including the entry of appropriate orders (which may include removal of actions in non-Bankruptcy Court forums to the Bankruptcy Court, contempt or other sanctions) to protect the Reorganized Debtor, the Participating Parties, and the Settled Insurer Parties from actions prohibited under this Plan or the Plan Documents;
  5. Amendments to and modifications of this Plan;
  6. Subject to the limitations and exclusions described above, the determination of any and all applications, adversary proceedings, and contested or litigated matters pending on the Effective Date;
  7. Allowance or Disallowance of Administrative Claims including Professional Fees and Post-Petition Abuse Claims (following entry of a final, no longer appealable judgment or order of a court of competent jurisdiction as to such Post-Petition Abuse Claim), and post-confirmation fees provided for in the Plan;
  8. The approval of a Settlement Agreement whereby a Person, including a Non-Settling Insurer, may become a Participating Party or Settled Insurer

and whereby the Bankruptcy Court may appoint a future claims representative and provide for treatment of future claims;

9. The enforcement all injunctions provided for in this Plan; and
10. The closing of this Case.

**16.2. Modification of Plan.** The Debtor and the Committee jointly reserve the right, under the Bankruptcy Code, to amend, modify or withdraw this Plan prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Debtor and the Committee may, jointly, upon order, amend or modify this Plan under § 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan.

**16.3. Severability.** If, before confirmation, the Bankruptcy Court holds that any Plan term or provision is invalid, void, or unenforceable, the Bankruptcy Court may alter or interpret that term or provision so it is valid and enforceable to the maximum extent possible consistent with the original purpose of that term or provision. That term or provision will then be applicable as altered or interpreted, unless such term or provision is inconsistent with the intent of the Committee, in which case the Plan may be unilaterally withdrawn by the Committee. Notwithstanding any such holding, alteration, or interpretation, the Plan's remaining terms and provisions will remain in full force and effect and will in no way be affected, impaired, or invalidated. The Confirmation Order will constitute a judicial determination providing that each Plan term and provision, as it may have been altered or interpreted under this Section, is valid and enforceable under its terms. In the event of a successful collateral attack on any provision of this Plan (*i.e.*, an attack other than through a direct appeal of the Confirmation Order), the remaining provisions of this Plan will remain binding on the Diocese, the Participating Parties, the Settled Insurer Parties, the Non-Settling Insurers, the Trustee, the Unknown Abuse Claims Trustee, the Committee, all Claimants, all Creditors, and all other parties in interest.

**16.4. Headings.** The headings of the Sections of this Plan are inserted for convenience only and will not affect the interpretation hereof.

**16.5. Notices.** All notices or requests in connection with this Plan shall be in writing and served either by (i) United States mail, postage prepaid, (ii) hand delivery, or (iii) reputable overnight delivery service, all charges prepaid, and shall be deemed given when received by the following parties:

If to the Debtor or Reorganized Debtor:

Rev. Peter J. Langevin, S.T.B., Ph.L.  
Chancellor  
Diocese of Norwich  
The Chancery  
201 Broadway  
Norwich, CT 06360

(860) 887-9294 x235

With a copy to:

Ice Miller LLP  
1500 Broadway, Suite 2900  
Attn: Louis T. DeLucia  
Alyson M. Fiedler  
Telephone: (212) 835-6312  
Email: [Louis.DeLucia@icemiller.com](mailto:Louis.DeLucia@icemiller.com)  
[Alyson.Fiedler@icemiller.com](mailto:Alyson.Fiedler@icemiller.com)

*-and-*

Robinson & Cole LLP  
280 Trumbull Street  
Hartford, CT 06103  
Attn: Patrick M. Birney  
Andrew A. DePeau  
Annecca H. Smith  
Telephone: (860) 275-8275  
Email: [pbirney@rc.com](mailto:pbirney@rc.com)  
[adepeau@rc.com](mailto:adepeau@rc.com)  
[asmith@rc.com](mailto:asmith@rc.com)

If to the Trustee:

Craig R. Jalbert, CIRA  
Verdolino & Lowey, P.C.  
124 Washington Street, Suite 101  
Foxboro, MA 02035  
Telephone: (508)-543-1720  
Email: [cjalbert@vlpc.com](mailto:cjalbert@vlpc.com)

With a copy to:

Zeisler & Zeisler, P.C.  
10 Middle St., 15<sup>th</sup> Fl.  
Bridgeport, CT 06525  
Attn: Stephen M. Kindseth, Esq.  
  
Telephone: (203) 368-5487  
Email: [skindseth@zeislaw.com](mailto:skindseth@zeislaw.com)

If to the Unknown Abuse Claims Trustee:

Kara S. Rescia  
Rescia Law, P.C.  
5104 Bigelow Cmns.  
Enfield, CT 06082  
Telephone: (860) 452-0052  
Email: kara@ctmalaw.com

With a copy to:

Rescia Law, P.C.  
5104 Bigelow Cmns.  
Enfield, CT 06082  
Attn.: Paige M. Vaillancourt, Esq.  
Telephone: (860) 452-0052  
Email: paige@ctmalaw.com

If to the Office of the United States Trustee:

Holley L. Claiborn  
Trial Attorney  
Office of the United States Trustee  
Giaino Federal Building  
150 Court Street, Room 302  
New Haven, CT 06510  
Telephone: (203) 773.5504  
Email: Holley.L.Claiborn@usdoj.gov

**16.6. Notices to Claimants.** All notices and requests to a Person holding any Claim will be sent to them at the last known address listed for such Person with the Bankruptcy Court or with the Debtor's Claims Agent, or to the last known address of their attorney of record. The holder of a Claim may designate in writing any other address, which designation will be effective upon actual receipt by the Reorganized Debtor, the Trustee, and the Unknown Abuse Claims Trustee. Any Person entitled to receive notice under this Plan will have the obligation to provide the Reorganized Debtor, the Trustee, and the Unknown Abuse Claims Trustee with such Person's current address for notice purposes. The Reorganized Debtor, the Trustee, and the Unknown Abuse Claims Trustee will have no obligation to attempt to locate a more current address if any notice proves to be undeliverable to the most recent address provided to the Reorganized Debtor, the Trustee, and the Unknown Abuse Claims Trustee.

**16.7. Post-Confirmation Court Approval.** Any action requiring Bankruptcy Court, U.S. District Court or state court approval after the Effective Date will require the Person seeking such approval to file an application, motion, or other request with the Bankruptcy Court, U.S. District Court, or state court, as applicable, and obtain a Non-Appealable Order approving such action before the requested action may be taken. The Person filing such application, motion, or other request shall serve such application, motion, or other request, together with a notice setting

forth the time in which objections must be filed with the court, on the Reorganized Debtor, the Committee, the Trustee, and the Unknown Abuse Claims Trustee by first-class mail, electronic mail, ECF, overnight courier, facsimile, or hand delivery. Unless the court orders otherwise, all notices shall provide the recipients at least 21 days in which to file an objection to the application, motion, or other request. If no objection is timely filed, the court may authorize the proposed action without further notice or a hearing. If an objection is timely filed, the court will determine whether to conduct a hearing, or to require the submission of further documentation, prior to ruling on the application, motion, or other request.

**16.8. Election under § 1129(b) of the Bankruptcy Code.** The Committee requests confirmation of the Plan under § 1129(b) of the Bankruptcy Code if the requirements of all provisions of § 1129(a) of the Bankruptcy Code, except subsection (a)(8) thereof, are met regarding the Plan. In determining whether the requirements of § 1129(a)(8) of the Bankruptcy Code have been met, any Class that does not have as an element of it an Allowed Claim or a Claim temporarily allowed under Bankruptcy Rule 3018 as of the date fixed by the Bankruptcy Court for filing acceptances or rejections of this Plan shall be deemed deleted from this Plan for purposes of voting to accept or reject this Plan and for purposes of determining acceptance or rejection of this Plan by such Class.

**16.9. Consummation of the Plan.** The Committee reserves the right to request that the Confirmation Order include a finding by the Bankruptcy Court that Bankruptcy Rule 3020(e) shall not apply to the Confirmation Order.

**16.10. Exemption from Transfer Taxes.** Under § 1146(a) of the Bankruptcy Code, after due notice to the relevant taxing authorities (state and local), Trustee's, Debtor's or Reorganized Debtor's delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with this Plan, whether occurring before or after the Confirmation Date, including any deeds, bills of sale or assignments executed with any sale or disposition of assets and/or properties contemplated by this Plan, shall not be subject to any stamp tax, real estate transfer tax, excise tax, sales tax, use tax or other similar tax.

**16.11. Setoffs, Recoupments, and Defenses.** Except for the Sections of the Plan about the Abuse Claims, nothing in the Plan shall constitute a waiver or release by the Debtor, Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee of any rights of setoff or recoupment, or of any defense, they may have regarding any Claim (including rights under § 502(d) of the Bankruptcy Code), or a waiver or release by any Claimant of any rights of setoff or recoupment, or any defense, they may have regarding any Cause of Action against such Claimant provided such Claimant timely filed a Proof of Claim asserting such right of setoff or recoupment. Except as otherwise provided in the Plan or in the Confirmation Order or in agreements previously approved by a Non-Appealable Order, the Debtor, Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee may, but will not be required to, set off against any Claim or any Distributions regarding such Claim, any of the claims, rights and Causes of Action of any nature that the Debtor, the Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee, as applicable, may hold against the

holder of such Claim; provided, however, that neither the failure to effect such a setoff, the allowance of any Claim hereunder, the payment of any Distribution hereunder or any other action or omission of the Debtor, Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee, nor any provision of the Plan, shall constitute a waiver or release by the Debtor, the Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee, as applicable, of any such claims, rights and Causes of Action that the Debtor, the Reorganized Debtor, Participating Parties, the Trustee, or the Unknown Abuse Claims Trustee, as applicable, may possess against such holder.

#### **16.12. Compromise of Controversies.**

- (a) **Bankruptcy Court Approval of Settlements.** In consideration for the classification, Distributions and other benefits provided under the Plan, the Plan shall constitute a good faith compromise and settlement of all Claims or controversies resolved under the Plan. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each compromise and settlement provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination under the standards of Bankruptcy Rule 9019 that such compromises and settlements are in the best interests of the Debtor and the Estates.
- (b) **Settlement with Participating Parties and Settled Insurer Parties.** Specifically included within the Bankruptcy Court's approval of compromises and settlements of Claims and controversies is the Bankruptcy Court's approval of the agreements with Participating Parties and Settled Insurers. Such agreements also bind the Trust.

**16.13. Withdrawal or Revocation of the Plan.** The Committee reserves the right to revoke or withdraw the Plan prior to the Confirmation Date. If the Plan is revoked or withdrawn, or if the Confirmation Date does not occur, the Plan shall have no force and effect and in such event nothing herein shall be deemed to constitute a waiver or release of any Claims by or against the Estate or any other Person, or to prejudice in any other manner the rights of the Committee, whether one or more, or any other Person in further proceedings involving the Committee and specifically shall not modify or affect the rights of any party under any prior orders of the Bankruptcy Court.

**16.14. Default.** Except as otherwise provided in the Plan or in the Confirmation Order, if the Reorganized Debtor, a Participating Party, a Settled Insurer, the Trustee or the Unknown Abuse Claims Trustee shall default in the performance of any of their respective obligations under the Plan or under the Plan Documents and shall not have cured such a default within any applicable cure period (or, if no cure period is specified in the Plan or Plan Documents or in any instrument issued to or retained by a Claimant under the Plan, then within 30 days after receipt of written notice of default), then the Person to whom the performance is due may pursue such remedies as are available at law or in equity. An event of default occurring with respect to one Claim shall not be an event of default regarding any other Claim.

**16.15. Governing Law.** Except when federal law (including the Bankruptcy Code or Bankruptcy Rules) is applicable, the rights and obligations arising under the Plan or under the Plan Documents shall be governed by and construed and enforced under the laws of the State of Connecticut without giving effect to the principles of conflicts of laws.

**16.16. Reservation of Rights.** If the Plan is not confirmed by a Non-Appealable Order, or if the Plan is confirmed and the Effective Date does not occur, the rights of all parties in interest in the Case are and will be reserved in full. Any concessions or settlement reflected, if any, are made for purposes of the Plan only, and if the Plan does not become effective, no party in interest in the Case shall be bound or deemed prejudiced by any such concession or settlement.

**16.17. Controlling Documents.** To the extent any provision of a Settlement Agreement with a Participating Party or Settled Insurer is inconsistent with this Plan or the Confirmation Order, the terms of this Plan and the Confirmation Order shall control, and to the extent any provision of the Confirmation Order is inconsistent with this Plan, the Confirmation Order shall control.

**16.18. Successors and Assigns.** The Plan shall be binding upon and inure to the benefit of the Debtor, the Reorganized Debtor, all Claimants and all other parties in interest affected thereby and their respective successors, heirs, legal representatives and assigns.

**16.19. Direction to a Party.** On and after the Effective Date, the Trust, the Unknown Abuse Claims Trust or the Reorganized Debtor, as applicable, may apply to the Bankruptcy Court for entry of an Order directing any Person to execute or deliver or to join in the execution or delivery of any instrument or document reasonably necessary or reasonably appropriate to effect a transfer of properties dealt with by the Plan, and to perform any other act (including satisfaction of any Lien or security interest) that is reasonably necessary or reasonably appropriate for the consummation of the Plan.

**16.20. Certain Actions.** By reason of entry of the Confirmation Order, prior to, on or after the Effective Date (as appropriate), all matters provided for under the Plan that would otherwise require approval of the officers of the Debtor under the Plan, including (a) the adoption, execution, delivery, and implementation of all contracts, leases, instruments, releases, and other agreements or documents related to the Plan, and (b) the adoption, execution, and implementation of other matters provided for under the Plan involving the Debtor or organizational structure of the Debtor, shall be deemed to have occurred and shall be in effect prior to, on or after the Effective Date (as appropriate), under applicable non-bankruptcy law, with no requirement of further action by the officers of the Debtor.

**16.21. Rounding of Fractional Numbers.** All fractional numbers, including payments or Distributions under the Plan, Trust Documents, and Unknown Abuse Claims Trust Documents shall be rounded (up or down) to the nearest whole number.

**16.22. Dissolution of the Committee.** On the Effective Date, the Committee shall dissolve automatically, whereupon its members, Professionals and agents shall be released from any further duties and responsibilities in the Case and under the Bankruptcy Code, except that such parties shall continue to be bound by any obligations arising under confidentiality agreements, joint defense/common interest agreements (whether formal or informal), and protective Orders entered during the Case, which shall remain in full force and effect according to their terms, provided that such parties shall have a right to be heard regarding any (i) applications for Professional Claims and (ii) requests for compensation and reimbursement of expenses under § 503(b) of the Bankruptcy Code for making a substantial contribution in the Case.

**16.23. Saturday, Sunday or Legal Holiday.** If any payment or act under the Plan should be required to be made or performed on a day that is not a Business Day, then the payment or act may be completed on the next succeeding day that is a Business Day, in which event the payment or act will be deemed to have been completed on the required day.

**SECTION XVII**  
**RECOMMENDATIONS AND CONCLUSION**

The Diocese and the Committee strongly believe that Plan confirmation and implementation are preferable to any feasible alternative because the Plan will provide Creditors holding Claims with recoveries significantly greater than any available alternatives.

[ *Signatures on following page* ]

Dated at Hartford, Connecticut, this 2nd day of February 2024.

THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS FOR THE  
NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION

By: /s/ Stephen M. Kindseth  
Eric A. Henzy (ct12849)  
Stephen M. Kindseth (ct14640)  
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THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION, DEBTOR  
AND DEBTOR-IN-POSSESSION

By: /s/ Patrick M. Birney  
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**Exhibit 2**

**Liquidation Analysis**

The Norwich Roman Catholic Diocesan Corporation  
Liquidation Analysis  
As of 12/31/23

	DEBTOR ASSETS	fn	Adjustments	LIQUIDATION VALUE
<b>Current Assets</b>				
Cash and Cash Equivalents - Unrestricted	\$ 4,094,874	1		4,094,874
Cash and Cash Equivalents - Restricted	2,082,320	1	(2,082,320)	-
M&T Escrow Cash - St. Bernard & 31 Perkins sale proceeds	6,817,029	2		6,817,029
Memo accounts and grants receivable, net:				
Cathedraticum	1,657,592	3	(1,657,592)	-
Non-Cathedraticum	13,728,363	3	(10,296,273)	3,432,091
Allowance on memo accounts and AR	(6,065,330)	3	6,065,330	-
Loans receivable	903,430	4	(677,573)	225,858
Pledges receivable, net	335,589	4	(251,692)	83,897
Loan to Mt. St. John - Secured	1,533,596	5	-	1,533,596
Loan to Mt. St. John - Unsecured	841,565	6	(791,565)	50,000
<b>Total Current Assets</b>	<b>\$ 25,929,027</b>		<b>\$ (9,691,683)</b>	<b>\$ 16,237,344</b>
<b>Property and Equipment</b>				
Furniture / equipment	\$ 804	7	(804)	\$ -
Vehicles	96,751	8	(72,563)	24,188
Real Estate - 2 high schools	2,187,367	9	(328,105)	1,859,262
Real Estate - other	3,072,133	10	(614,427)	2,457,706
<b>Total Property and Equipment</b>	<b>\$ 5,356,251</b>		<b>\$ (1,015,095)</b>	<b>\$ 4,341,156</b>
<b>Total Assets from Debtor<sup>11</sup></b>	<b>\$ 31,285,278</b>		<b>\$ (10,706,778)</b>	<b>\$ 20,578,500</b>

#### Notes

- 1 12/31/23 Balances. Includes investment brokerage accounts; donor restricted funds are excluded
- 2 Proceeds from sale of St. Bernard & 31 Perkins. Cash is currently in escrow
- 3 Presumes 100% uncollectable for Cathedraticum-related balance and 75% discount for all other "receivables" and
- 4 Presumes 75% discount on parish loans in Chapter 7 due to collection difficulties, offsets and defenses.
- 5 Property is valued in excess of secured debt and thus secured amount would be paid in full. Unsecured portion is
- 6 Recovery of unsecured amount deemed *di minimis* in light of claims against Mt. St. John
- 7 All furniture, fixtures and equipment were fully depreciated as of 7/15/21 except \$804 in computers. Assume liquidation value of these fixed assets is zero.
- 8 Eight vehicles; values per Edmonds.com at 7/15/21 Assume 25% discount for further depreciation and net
- 9 Considers in-place 20-year leases, resulting in inability to monetize until lease expires. Assumes base value increases 5% per year until that time, then is discounted back at 15%.
- 10 Based on actual sale results and Town of Norwich Assessments, with 20% reduction for liquidation, closing and other costs of sale
- 11 Does not include Plan related contributions from 3rd parties

	<u>fn</u>	<u>20,578,500</u>
<b>Liquidation value of Assets</b>		
<b>Less:</b>		
Chapter 7 Trustee Fees	1	(638,342)
Chapter 7 Attorney and Financial Professional Fees	2	(500,000)
Shut-down costs		(250,000)
Chapter 11 Residual Administrative Costs	3	(50,000)
Chapter 11 Residual Professional Fees		(1,430,000)
Other Administrative claims		(75,000)
People's Bank line of credit		(375,000)
Secured real estate debt	4	(1,859,262)
Priority claims		(134,018)
<b>Total Admin &amp; Priority Claims</b>		<b>\$ (5,311,622)</b>
<b>Estimated Net Assets Available for Distribution to Unsecured Creditors</b>		<b>\$ 15,266,878</b>

	<u>CLAIM</u>	<u>RECOVERY</u>
<b><u>Unsecured Creditor Claims</u></b>		
Due to Priest Pension Plan	90,038	27,203
Prepetition Trade Payables	249,543	75,395
Due to Parishes, Schools and other Catholic Organizations	2,366,734	715,069
Accrued PTO	268,036	80,983
Survivor Claims (142 claims)	5	12,870,875
Secured Debt Guarantee Deficiency Claim	4,955,938	1,497,353
<b>Total</b>	<b>\$ 50,530,289</b>	<b>\$ 15,266,878</b>

**Notes**

- 1 Assumes 3% of available assets
- 2 Includes pursuit of existing and potential litigation with other Catholic organizations for contribution or indemnification of claims as well as profession portion of shut-down administration
- 3 Includes not-yet-paid professional fees; and post-petition AP as of 7/31, net of of \$521k Epiq fees waived  
Debtor is limited guarantor of a non-debtor obligation. Amount is limited to the value of the properties (listed above). Deficiency
- 4 balance included in Unsecured Creditor Claims
- 5 \$300,000 x 142 claims. This is an estimate for analytical purposes only and does not represent any admission of liability on the part of the Debtor or any other Person

The Norwich Roman Catholic Diocesan Corporation  
 Liquidation Analysis - Plan vs Liquidation  
 As of 12/31/23

**Plan Contributions - per Amended Plan and Disclosure Statement (DE 1400 & 1401)**

**\$000's**

Funded by Debtor:

(i)	Diocese Cash	\$	1,220
(ii)	Epiq Recovery		500
(iii)	Xavier		2,500
(iv)	St. Bernard & 31 Perkins		6,817
(v)	Diocese Note		800
(vi)	Transferred Misc. Real Estate		1,330
(vii)	Mt. St. John (Estimate) - if unsold at eff date		TBD
(viii)	Transferred Insurance Interests		TBD

Proceeds from other parties:

(i)	Christian Brothers Oceania Province		7,000
(ii)	Parishes		2,700
(iii)	Catholic Mutual		5,300
(iv)	Mercy		50
(v)	St. Mary's real estate - 50-54 N Main St		400
(vi)	Mt. St. John (Estimate) - proceeds if sold		4,500
		<b>\$</b>	<b>33,117</b> + "TBD" above

	Plan	Liquidation
<b>Distributable Funds</b>	<b>\$ 33,117</b>	<b>\$ 20,578</b>
Less:		
Chapter 7 Trustee Fees	-	(638)
Chapter 7 Attorney and Financial Professional Fees	-	(500)
Shut-down costs	-	(250)
Chapter 11 Residual Administrative Costs	(50)	(50)
Chapter 11 Residual Professional Fees	(1,430)	(1,430)
Other Administrative claims	(75)	(75)
People's Bank line of credit	-	(375)
Secured real estate debt	-	(1,859)
Priority claims	(134)	(134)
<b>Total Reductions:</b>	<b>(1,689)</b>	<b>(5,312)</b>
<b>Funds Available for Unsecured Creditors:</b>	<b>\$ 31,428</b>	<b>\$ 15,267</b>

The Norwich Roman Catholic Diocesan Corporation  
 Liquidation Analysis - Real Estate Detail  
 As of 12/31/23

		Net Book Value at 7/15/21 [1]	Assessed Value [2]	Govt "Appraisal"/Listed Price [3]	Commission	Carry Cost (6 mos.)	RE Mill Rate	RE Taxes (6 mos)	Net Value
Properties						5%			
7-9 Bath St	Norwich	16,759	23,200						
11 Bath St	Norwich	111,821	147,800	190,000	(9,500)		48.48	(3,583)	176,917
7 Otis St	Norwich	148,428	408,200	559,000	(27,950)		48.48	(9,895)	521,155
17 Otis St	Norwich	106,400	133,500	170,000	(8,500)		48.48	(3,236)	158,264
25 Otis St (Sold)[6]	Norwich	102,783	105,200	165,036	-		48.48	-	165,036
31 Perkins Ave (Sold) [7]	Norwich	13,553	106,500	-	-		48.48	-	-
201 Broadway	Norwich	214,707	613,800	876,857	(43,843)		48.48	(14,879)	818,136
274 Broadway	Norwich	148,388	259,800	371,143	(18,557)		48.48	(6,298)	346,288
617 Main St	Middletown	55,395	281,840	402,629	(20,131)			-	382,497
290 Prospect St	Willimantic	75,628	249,940	357,057	(17,853)			-	339,204
60 Jay St	New London	15,237	121,310	173,300	(8,665)			-	164,635
		1,009,098	2,451,090	3,265,022	(154,999)			(37,890)	3,072,133

High Schools		Net Book Value at 7/15/21 [1]	Liquidation Value [4]	Est Present Value [5]	Cost of Sale (15%)	Title Challenge	Mortgage Debt	Net Liquidation Value
Mercy HS		526,859	6,570,000	1,065,110	(159,767)		(1,768,447)	4,641,786
Xavier HS		371,812	6,922,500	1,122,257	(168,338)		(5,046,752)	1,707,409
		898,671	13,492,500	2,187,367	(328,105)	-	(6,815,200)	6,349,195

**Notes**

- 1 Debtor has made no additions to these assets since Petition Date. Depreciation expense is minimal and does not impact liquidation value.
- 2 Amounts taken from public records. Actual market value would be materially less than these values.
- 3 Highlighted properties are valued at the current contract or listing price. All other properties are assessed at 70% of the "government appraised" value, shown here
- 4 Liquidation values for Mercy and Xavier are Hilco appraisals by Hilco Real Estate Appraisal.
- 5 Considers in-place 20-year leases, resulting in inability to monetize until lease expires. Assumes base value increases 5% per year until that time, then is discounted back at 15%.
- 6 Property sold. Value reflect net proceeds
- 7 Property sold. Proceeds included in cash figures

**Exhibit 3**

**Disclosure Statement Approval Order**

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION

In re:

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION,<sup>1</sup>

Debtor.

Chapter 11

Case No: 21-20687 (JJT)

**ORDER GRANTING MOTION FOR ENTRY OF ORDER (I) APPROVING DISCLOSURE STATEMENT; (II) ESTABLISHING VOTING RECORD DATE; (III) APPROVING SOLICITATION PACKAGES AND DISTRIBUTION PROCEDURES; (IV) APPROVING FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON PLAN; (V) APPROVING FORMS OF NOTICES TO NON-VOTING CLASSES UNDER PLAN; (VI) ESTABLISHING VOTING DEADLINE TO ACCEPT OR REJECT PLAN; (VII) APPROVING PROCEDURES FOR VOTE TABULATION, INCLUDING ESTIMATION OF CERTAIN CLAIMS FOR VOTING PURPOSES ONLY; AND (VIII) ESTABLISHING CONFIRMATION HEARING DATE AND NOTICE AND OBJECTION PROCEDURES THEREOF**

Upon the motion (the “Motion”)<sup>2</sup> of The Norwich Roman Catholic Diocesan Corporation, debtor and debtor-in-possession (the “Debtor” or “Diocese”), and the Official Committee of Unsecured Creditors (the “Committee”, and, together with the Diocese, the “Plan Proponents”) appointed in the above-captioned chapter 11 case (the “Chapter 11 Case”), for entry of an order, (this “Order”) (i) approving the *Fifth Amended Joint Disclosure Statement for Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* the (“Disclosure Statement”); (ii) establishing the Voting

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<sup>1</sup> The Debtor in this chapter 11 case is The Norwich Roman Catholic Diocesan Corporation, a/k/a The Roman Catholic Diocese of Norwich. The last four digits of the Debtor’s federal tax identification number are 7373.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the Plan.

Record Date; (iii) approving Solicitation Packages and Distribution Procedures; (iv) approving the forms of the Ballots and establishing procedures for voting on the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* (the “Plan”); (v) approving forms of Notices to the Non-Voting Classes under the Plan; (vi) establishing the Voting Deadline to accept or reject the Plan; (vii) approving procedures for voting tabulations, including estimation of certain Claims for voting purposes only; and (viii) establishing the Confirmation Hearing date and notice and objection procedures thereof; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided under the particular circumstances, and it appearing that no other or further notice need be provided; and a hearing having been held to consider the relief requested in the Motion (the “Hearing”); and upon all of the proceedings before the Court; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor;

**IT IS FOUND AND DETERMINED THAT:**

A. The Disclosure Statement attached hereto as **Schedule 1** (the “Disclosure Statement”) contains adequate information about the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by The Norwich Roman Catholic Diocesan Corporation and The Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_] (as it may be amended, the “Plan”) within the meaning of Section 1125 of the Bankruptcy Code.

B. Notice of the Disclosure Statement, the Motion, the Hearing, and the deadline for filing objections to the Disclosure Statement was properly provided and such notice was due and sufficient and given in accordance with the Bankruptcy Code, Bankruptcy Rules, and Local Rules, and no other or further notice is necessary or required.

C. All objections to the adequacy of the Disclosure Statement, responses to, and statements and comments, if any, in opposition to the Motion, other than those withdrawn with prejudice or resolved in their entirety prior to, or on the record at, the hearing on the Motion, shall be, and hereby are, overruled in their entirety for the reasons stated on the record and, notwithstanding the foregoing, no objection to the Motion shall be considered an objection to confirmation of the Plan unless such objection is interposed in accordance with the procedures for objection to confirmation of the Plan set forth in this order. Confirmation issues that remain unresolved by the process described herein are reserved to be heard at the Confirmation Hearing (as defined herein).

D. The Disclosure Statement complies with Bankruptcy Rule 3016(c) and describes in specific and conspicuous language the acts to be enjoined and the entities subject to the injunction, exculpation, and release provisions contained in the Plan.

E. The Solicitation Packages and other notices of the Record Date, the Voting Deadline, the Plan Objection Deadline, the Confirmation Hearing, the Solicitation Procedures, the Plan, and all matters related to the Plan and confirmation of the Plan contemplated by the Motion comply with Bankruptcy Rules 2002 and 3017 (having been served by the Debtor to those Record Date parties-in-interest indicated in the Debtor's Certificates of Service).

F. The forms of Ballots, substantially in the forms attached to this Order as **Schedules 2-1, 2-2, 2-3, and 2-4**, including all instructions and information provided in each

form of Ballot, are sufficiently consistent with Official Form No. 314, adequately address the particular needs of this Chapter 11 Case, and are appropriate for the Voting Classes. No further or other information is necessary or required with respect to the Ballots.

G. The combination of direct and published notice of the Plan and Confirmation Hearing, including, without limitation, the Confirmation Hearing Notice and Publication Notice, substantially in the forms attached to this order as **Schedule 5** and **Schedule 6**, respectively, provides sufficient notice to those served as indicated in the Debtor's Certificates of Service of the Plan, the Confirmation Hearing, the opportunity to vote on and object to the Plan, and complies with Bankruptcy Rules 2002 and 3017.

H. Pursuant to the Plan, Administrative Expense Claims and Priority Tax Claims are unclassified (the "Unclassified Claims") and are not entitled to vote or receive a Ballot.

I. Holders of Claims and Interests in Class 1 (Other Priority Claims), Class 3 (The M&T Secured Revolving Loan Claim and M&T Secured Guaranty Claim), Class 6 (General Unsecured Claims), and Class 7 (Abuse Related Contribution Claims) (collectively, the "Non-Voting Classes") may be conclusively presumed to accept or deemed to reject the Plan and are not entitled to vote or receive a Ballot.

J. The period, as set forth below, during which the Plan Proponents may solicit acceptances to the Plan is a reasonable period of time for entities entitled to vote on the Plan to make an informed decision whether to accept or reject the Plan.

K. The procedures for the solicitation and tabulation of votes to accept or reject the Plan provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

L. The proposed timing for the Confirmation Hearing complies with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and will enable the Plan Proponents to pursue confirmation of the Plan in a timely fashion.

M. The Plan Proponents reserve the right to seek modifications or extensions of the matters governed by this Order.

N. The relief requested in the Motion is in the best interests of the Diocese and the Diocese's estate.

O. The legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein.

**NOW, THEREFORE, IT IS HEREBY ORDERED THAT:**<sup>3</sup>

1. The relief requested in the Motion is **GRANTED**, subject to the terms and conditions contained herein.

2. Any and all objections to the Motion not otherwise settled or withdrawn are hereby overruled except those relating to confirmation of the Plan.

3. The Disclosure Statement contains adequate information, considering the complexity of the case, the benefit of additional information, and the costs related thereto, in accordance with section 1125 of the Bankruptcy Code and is approved.

4. The form and manner of the notice of the hearing on the Disclosure Statement complied with all applicable Bankruptcy Rules and Local Rules.

5. The Disclosure Statement (including all applicable exhibits thereto) provides notice of the injunction, exculpation, and release provisions contained in the Plan, which will be

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<sup>3</sup> All findings of fact and conclusions of law set forth above or announced by the Court at the hearing in relation to the Motion are hereby incorporated herein to the extent not inconsistent herewith.

determined by the Court at the Confirmation Hearing whether it fully complies with Bankruptcy Rule 3016(c).

6. The forms of Ballots as revised by the Court herein annexed hereto as **Schedules 2-1, 2-2, 2-3, and 2-4**, are approved.

7. For the purposes of determining claimants entitled to vote on the Plan, the Voting Record Date (the "Voting Record Date") as requested by the Debtor is \_\_\_\_\_, **2024** with respect to Holders of Claims in Class 2 (Secured Claim of Citizens Bank, N.A.), Class 4 (Abuse Claims Other Than Unknown Abuse Claims), Class 5 (Unknown Abuse Claims), and Class 8 (Claims Held by the Catholic Entities, Xavier, Mercy, St. Bernard and Oceania) (collectively, the "Voting Classes").

8. The Voting Record Date is also the date for purposes of determining which claimants in the Non-Voting Classes are entitled to receive an appropriate Notice of Non-Voting Status.

9. Omni Agent Solutions, Inc. ("Omni"), will complete the mailing of Solicitation Packages by no later than \_\_\_\_\_, **2024**, (the "Solicitation Date"), to the U.S. Trustee and Holders of Claims in the Voting Classes entitled to vote on the Plan as of the Voting Record Date, as required by Bankruptcy Rule 3017(d).

10. Solicitation Packages distributed to Holders of Claims in the Voting Classes will contain a copy of (i) the "Creditor Committee Mini-Disclosure Letter" [Dkt. No. \_\_\_\_\_]; (ii) the Disclosure Statement Order (excluding exhibits attached thereto); (iii) the appropriate Ballot to accept or reject the Plan, with instructions and a return envelope; (iv) the Disclosure Statement and Plan; (v) a notice of the Confirmation Hearing, (the "Confirmation Hearing Notice"); and (vi)

such other material as the Court may direct. Omni shall distribute, or cause to be distributed the Solicitation Package in paper format.

11. The entire Solicitation Package (minus Ballots) will be distributed to the Non-Voting Classes, along with the appropriate Notice of Non-Voting Status.

12. By the Solicitation Date, the Plan Proponents shall distribute, or cause to be distributed, (i) the Disclosure Statement Order (excluding exhibits attached thereto), (ii) the Confirmation Hearing Notice, (iii) the Disclosure Statement and Plan, (iv) and any other materials as the Court may direct to the U.S. Trustee and all persons requesting service or notice in this Chapter 11 Case who are not otherwise receiving a Solicitation Package.

13. The entire Solicitation Package will be distributed to counterparties to executory contracts and leases and those Administrative Claimants who make specific written request for copies of such documents to (i) Norwich Roman Catholic Diocesan Corporation Ballot Processing, c/o Omni Agent Solutions, Inc, 5955 De Soto Ave, Suite 100, Woodland Hills, CA 91367, or (ii) by email at NorwichInquiries@OmniAgnt.com.

14. The Plan Proponents are not required to send Solicitation Packages to Claimants that have already been paid in full; *provided, however*, that if, and to the extent that, any such Claimant would be entitled to receive a Solicitation Package for any reason other than by virtue of the fact that such Claim had been paid by the Diocese, then such Claimant will be sent a Solicitation Package in accordance with the procedures set forth above.

15. The Plan Proponents are excused from mailing Solicitation Packages and any other material related to voting or confirmation of the Plan to those entities to which certain notices mailed during the course of this Chapter 11 Case have been returned as undeliverable by the United States Postal Service, unless and until the Plan Proponents are provided with accurate

addresses for such entities before the Solicitation Date provided that Plan Proponents have used commercially reasonable efforts to obtain an updated address for such party. The Plan Proponents' failure to mail Solicitation Packages or any other materials related to voting or confirmation of the Plan to such entities will not constitute inadequate notice of the Confirmation Hearing or Voting Deadline and shall not constitute a violation of Bankruptcy Rule 3017(d).

16. The Plan Proponents are not required to distribute copies of the Plan or Disclosure Statement to any party who holds a Claim that is either not filed or is not scheduled in an amount greater than \$0, unless such party files a motion for temporary allowance of a claim under Bankruptcy Rule 3018 *provided, however*, that Omni shall serve such parties with a copy of the Confirmation Hearing Notice.

17. The Plan Proponents are authorized to make ministerial changes to the Disclosure Statement, the Plan, and related documents without further order of the Court, such as changes to correct typographical and grammatical errors, and to make conforming changes among the Disclosure Statement, the Plan, and any other materials in the Solicitation Packages prior to mailing. Such ministerial changes shall be approved by the Committee and filed upon the Court docket prior to the Confirmation Hearing as an "Errata Sheet of Changes to Plan Documents."

18. The Notice of Unimpaired Non-Voting Status annexed hereto as **Schedule 3** is approved and shall be distributed to all known holders of Claims in the Unimpaired Non-Voting Class.

19. The Notice of Impaired Non-Voting Status annexed hereto as **Schedule 4** is approved and shall be distributed to all known holders of Interests in the Impaired Non-Voting Class.

20. To be counted as a vote to accept or reject the Plan, all Ballots must be properly completed, signed, dated and returned by only one of the following return methods:

If by U.S. Postal Service First Class mail:

Norwich Roman Catholic Diocesan Corporation Ballot Processing  
c/o Omni Agent Solutions, Inc  
5955 De Soto Ave, Suite 100  
Woodland Hills, CA 91367

If by overnight courier or hand delivery:

Norwich Roman Catholic Diocesan Corporation Ballot Processing  
c/o Omni Agent Solutions, Inc.  
5955 De Soto Ave, Suite 100  
Woodland Hills, CA 91367

By electronic, online submission:

<https://omniagentsolutions.com/Norwich-Ballots>

If you choose to submit your Ballot via Omni's Voting Upload Portal, you should not also return a hard copy of your Ballot.

21. Omni shall make the encrypted ballot data and audit trail created by the submissions to the Voting Upload Portal a part of the record of any electronic Ballot submitted, and the creditor's electronic signature shall be deemed to be an original signature that is legally valid and effective. For the avoidance of all doubt, Holders of Claims in Voting Classes may only cast Ballots electronically via the Voting Upload Portal, and any Ballot received by e-mail, or any other electronic means (other than the Voting Upload Portal) shall not be counted as an acceptance or rejection of the Plan and shall be rendered invalid; *provided, however*, the Plan Proponents may elect to accept Ballots submitted by such means.

22. All original Ballots must be actually received by Omni no later than **\_\_:00 .m.** (Eastern Time) on \_\_\_\_\_, **2024** (the "Voting Deadline").

23. The following procedures shall govern voting on the Plan:
- (a) if a Claim is deemed Allowed under the Plan, such Claim is Allowed for voting purposes in the deemed Allowed amount set forth in the Plan;
  - (b) each Holder of a Class 4 Claim, including Holders of Barred Child Sexual Abuse Claims and Late-Filed Abuse Claims that have not been Disallowed by a Non-Appealable Order, who is entitled to vote shall be granted a single vote in the amount of \$1.00 in the aggregate (per Class 4 Claimant), or as otherwise ordered by this Court. The temporary allowance shall be for purposes of voting to accept or reject the Plan only, and not for purpose of the allowance of, or distribution on account of, such Class 4 Claim, and shall be without prejudice to the rights of any Class 4 Claimant, the Trustee, the Diocese, or any Participating Parties regarding all non-voting purposes. Notwithstanding the foregoing, the temporary allowance procedure delineated herein may be allowed by the Court upon the Debtor's demonstration of good and sufficient cause and process, upon the record of the Disclosure Statement Continued Hearing.
  - (c) the Unknown Abuse Claims Representative, on behalf of all Class 5 Claimants, shall be granted a single vote in the amount of \$1.00. The temporary allowance shall be for purposes of voting to accept or reject the Plan only, and not for purpose of the allowance of, or distribution on account of, any Class 5 Claims, and shall be without prejudice to the rights of any Class 5 Claimant, the Trustee, the Diocese, or any Participating Parties regarding all non-voting purposes. Notwithstanding the foregoing, the temporary allowance procedure delineated herein may be allowed by the Court upon the Debtor's demonstration of good and sufficient cause and process, upon the record of the Disclosure Statement Continued Hearing.
  - (d) if a Claim has been estimated or otherwise Allowed for voting purposes by order of the Court, such Claim is temporarily allowed in the amount so estimated for voting purposes only, and not for purposes of allowance or distribution;
  - (e) if a proof of claim was timely filed in an amount that is liquidated, matured, or undisputed, such Claim is temporarily allowed in the amount set forth on the proof of claim, unless such Claim is disputed as set forth in subparagraph (i) below;
  - (f) if a Claim is listed in the Schedules as contingent, unliquidated, or disputed and a proof of claim was not (i) filed by the applicable bar date for the filing of proofs of claims established by the Court or (ii) deemed timely filed by an order of the Court prior to the Voting Deadline, other than any Late-Filed Abuse Claims that have not been Disallowed by a Non-Appealable Order,

the Plan Proponents propose that such Claim shall be disallowed for voting purposes;

- (g) if a Claim is listed in the Schedules or on a timely filed proof of claim as contingent, unliquidated, or disputed in part, such Claim is temporarily Allowed in the amount that is non-contingent, liquidated, matured, or undisputed for voting purposes only, and not for purposes of allowance or distribution;
- (h) if a claim, other than an Abuse Claim, for which a proof of claim has been timely filed for unknown or undetermined amounts, or is wholly unliquidated, or contingent (as determined on the face of the claim or after a reasonable review of the supporting documentation by Omni) and such claim has not been allowed, such Claim shall be temporarily allowed for voting purposes only, and not for purposes of allowance or distribution, at unless otherwise ordered by the Court pursuant to Bankruptcy Rule 3018;
- (i) if a party has been served with an objection to a Claim at least ten (10) days before the Voting Deadline, such Claim may be temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except to the extent and in the manner as may be set forth in such objection, or as ordered by the Court before the Voting Deadline;
- (j) proofs of claim filed for \$0.00 are not entitled to vote;
- (k) with the exception of voting amounts for Abuse Claims, for purposes of voting, classification and treatment, under the Plan, each entity that holds or has filed more than one Claim shall be treated as if such entity has only one Claim in each applicable Class and the Claims filed by such entity shall be aggregated in each applicable Class and the total dollar amount of such entity's Claims in each applicable Class shall be the sum of the aggregated Claims of such entity in each applicable Class;
- (l) any entity that filed duplicate Claims in the same Class shall be provided with only one Solicitation Package and one Ballot for voting a single Claim in such Class, regardless of whether the Plan Proponents have objected to such duplicate Claims; and
- (m) if a proof of claim has been amended by a later proof of claim that is filed on or prior to the Voting Record Date, the later filed amending Claim shall be entitled to vote in a manner consistent with these tabulation rules, and the earlier filed Claim shall be disallowed for voting purposes, regardless of whether a party has objected to such amended Claim. Except as otherwise ordered by the Court, any amendments to proofs of claim after the Voting Record Date shall not be considered for purposes of these tabulation rules.

24. The following procedures shall apply for tabulating votes:
- (a) any Ballot that is otherwise properly completed, executed, and timely returned but does not indicate an acceptance or rejection of the Plan will not be counted;
  - (b) if no votes to accept or reject the Plan are received with respect to a particular Class that is entitled to vote on the Plan, such Class shall be deemed to have voted to accept the Plan; **however**, the legal propriety of a deemed acceptance not being firmly established in the law of the Second Circuit, the Court may approve this provision upon a showing of good cause and sufficient legal authority during the Confirmation Hearing;
  - (c) if a voter casts a Ballot with both an acceptance and rejection of the Plan or more than one Ballot for the same Claim (either from the same Claimant, the Claimant and a person purporting to act on their behalf, or multiple persons purporting to act on behalf of the Claimant) with conflicting votes on the Plan or that is otherwise materially in conflict, Omni shall immediately notify the Plan Proponents and the Plan Proponents shall immediately endeavor as reasonable and appropriate to reconcile the conflict and obtain written confirmation of which vote or Ballot for the Holder of the Claim entitled to vote shall control and be counted as timely returned; provided, however, that if the identification of the controlling vote or Ballot is not resolved as provided above within five (5) calendar days from the notice of the conflict as provided by the Plan Proponents, such votes shall not be counted;
  - (d) Claimants must vote all of their Claims within a particular Class to either accept or reject the Plan;
  - (e) other than as provided in subsections (a), (c) and (d) immediately above, the Plan Proponents, in their joint discretion, may waive any other defects in a Ballot, or enter into a stipulation to settle or resolve any dispute or cure any defect in relation thereto, with a holder of a Claim that has completed and timely returned a Ballot; and
  - (f) except as otherwise provided in this Motion, for purposes of determining whether numerosity and Claim amount requirements of Sections 1126(c) and 1126(d) of the Bankruptcy Code have been satisfied, Omni will tabulate only those Ballots received by the Voting Deadline.

25. The following Ballots will not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected: (i) any Ballot received after the Voting Deadline unless the Plan Proponents jointly, or the Court, in writing, granted an extension

of the Voting Deadline with respect to such Ballot prior to the Voting Deadline; (ii) any Ballot that is illegible or contains insufficient information to permit the identification of the voter; (iii) any Ballot cast by a person or entity that does not hold a Claim or Interest in a Voting Class; (iv) any unsigned Ballot; and (v) any Ballot submitted by email, facsimile, or any other means of electronic submission other than utilization of the Voting Upload Portal.

26. If any Claimant seeks to challenge the allowance of its Claim for voting purposes in accordance with the above procedures, such Claimant shall serve on the Plan Proponents, and file with the Court (with a copy to Chambers), a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim in a different amount for purposes of voting to accept or reject the Plan on or before the 10th day after the later of (i) service of the Confirmation Hearing Notice, and (ii) service of notice of an objection or request for estimation, if any, as to such Claim. In accordance with Bankruptcy Rule 3018, that as to any Claimant filing such a motion, such Claimant's Ballot should not be counted unless temporarily Allowed by an order entered by the Court prior to the Voting Deadline.

27. Omni shall file a Voting Certification with the Court, including a list of Plan acceptances and rejections, no later than \_\_\_\_\_, **2024**.

28. The hearing on Confirmation of the Plan (the "Confirmation Hearing") shall commence at \_\_:**00** \_\_.m. (**Eastern Time**) on \_\_\_\_\_, **2024**; *provided, however*, that the Confirmation Hearing may be adjourned or continued from time to time by the Court or the Plan Proponents.

29. The Confirmation Notice providing (i) the time fixed for filing objections to confirmation of the Plan and (ii) the time, date, and place of the Confirmation Hearing, substantially in the form annexed hereto as **Schedule 5** is approved.

30. The Publication Notice, substantially in the form annexed hereto as **Schedule 6** is approved, and the Plan Proponents shall cause the Publication Notice to be published in USA Today, The National Catholic Register, The National Catholic Reporter, the Hartford Courant, the Norwich Bulletin, the Day, and the New Haven Register, not less than 20 days before the Confirmation Objection Deadline.

31. Objections or responses to confirmation of the Plan, if any, must (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Rules; (c) set forth the name and address of the objecting party and the amount and nature of the Claim of such party; and (d) state the basis for the objection, and the specific grounds therefor. All objections and responses must be filed and served no later than **\_\_:00 .m. (Eastern Time)** on \_\_\_\_\_, **2024**.

32. The Plan Proponents' replies, if any, to any timely filed objections shall be filed and served no later than **\_\_:00 .m. (Eastern Time)** on \_\_\_\_\_, **2024**.

33. Objections to confirmation of the Plan that are not timely filed and served in the manner set forth above may not be considered and may be deemed overruled.

34. The Plan Proponents are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

35. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

36. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: \_\_\_\_\_, 2024

\_\_\_\_\_  
JAMES J. TANCREDI  
UNITED STATES BANKRUPTCY JUDGE

**Schedule 1**

Disclosure Statement

*[Intentionally Omitted]*

**Schedule 2**

Voting Package

**Schedule 2-1**

Form of Ballot for Class 2

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION

In re:

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION,<sup>1</sup>

Debtor.

Chapter 11

Case No: 21-20687 (JJT)

**CLASS 2 BALLOT**

The Bankruptcy Court has approved the Fifth Amended Joint Disclosure Statement for Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors (the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot. Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors (the “Plan”) by the Bankruptcy Court.

You should review the Disclosure Statement and the Plan before you vote. If you are not represented by an attorney, you may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan.

In order for your vote to be counted, this Ballot must be properly completed, signed, and returned to Omni Agent Solutions, Inc. (the “Voting Agent”) so that it is actually received **no later than 5:00 p.m. (Prevailing Eastern Time) on \_\_\_\_\_, 2024** (the “Voting Deadline”), unless such time is extended by the Court or the Plan Proponents. If the plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote or if you vote to reject the Plan.

Copies of the Disclosure Statement and Plan are provided to you with this Ballot and will also be on file with the Office of the Clerk of the Court for review during normal business hours (a fee may be charged) and are also available free of charge on the website maintained by the Diocese’s claims agent at <https://omniagentsolutions.com/Norwich>.

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<sup>1</sup> The Debtor in this chapter 11 case is The Norwich Roman Catholic Diocesan Corporation, a/k/a The Roman Catholic Diocese of Norwich. The last four digits of the Debtor’s federal tax identification number are 7373.

**INSTRUCTIONS FOR FILLING OUT AND SUBMITTING THIS BALLOT**

To have your vote counted, please complete, sign, and date this Ballot and return it so that it is received by the Voting Agent no later than the Voting Deadline, unless such time is extended by the Court or the Plan Proponents. Ballots must be delivered to the Voting Agent (i) at an appropriate address as listed below; or (ii) via the Voting Agent’s Voting Upload platform at: <https://omniagentsolutions.com/Norwich-Ballots>.

<p><u>If by U.S. Postal Service First Class mail:</u> The Norwich Roman Catholic Diocesan Corporation c/o Omni Agent Solutions, Inc. 5955 De Soto Avenue, Suite 100 Woodland Hills, CA 91367</p>	<p><u>If by overnight courier or hand delivery:</u> The Norwich Roman Catholic Diocesan Corporation c/o Omni Agent Solutions, Inc. 5955 De Soto Avenue, Suite 100 Woodland Hills, CA 91367</p>
<p><u>If by electronic, online submission:</u> Please visit <a href="https://omniagentsolutions.com/Norwich-Ballots">https://omniagentsolutions.com/Norwich-Ballots</a>. Scroll down to the “Submit a Ballot Online” section of the Diocese’s website and follow the directions to submit your Ballot. If you choose to submit your Ballot via Omni’s Voting Upload system, you should not return a hard copy of your Ballot.</p>	

**IMPORTANT NOTE:**

Please complete and submit a Ballot promptly by mail or by online submission. If your Ballot is not received by the Voting Agent on or before the Voting Deadline, and such Voting Deadline is not extended by the Court or the Plan Proponents as noted above, your vote will not be counted. If you have any questions regarding this document, need a return envelope or another copy of the Disclosure Statement, the Plan, or this document, please contact the Voting Agent by e-mailing [NorwichInquiries@OmniAgnt.com](mailto:NorwichInquiries@OmniAgnt.com). Please do not direct any inquiries to the Bankruptcy Court. The Voting Agent is not authorized to, and will not, provide legal advice.

**CLASS 2 BALLOT FOR ACCEPTING OR REJECTING PLAN**

**PLEASE READ THE ENTIRE BALLOT BEFORE COMPLETING IT**

**By signing this Ballot, I certify under penalty of perjury pursuant to 28 U.S.C. § 1746 that I have been provided a copy or access to a copy of the Disclosure Statement and the exhibits thereto.**

**YOU MUST COMPLETE THIS BALLOT IN ORDER FOR YOUR VOTE TO COUNT. IF YOUR BALLOT IS NOT RECEIVED IN COMPLIANCE WITH THE INSTRUCTIONS BY 5:00 P.M., EASTERN TIME, ON \_\_\_\_\_ 2024, IT WILL NOT BE COUNTED.**

**This Ballot is for voting purposes only and is not a Proof of Claim.**

*Claimant:* \_\_\_\_\_

The undersigned, a Holder of a Class 2 Claim, votes (check one box only):

<input type="checkbox"/> to <b>ACCEPT</b> the Plan	<input type="checkbox"/> to <b>REJECT</b> the Plan
--	--

For purposes of voting to accept or reject the Plan, the undersigned certifies that as of the Voting Record Date, the undersigned holds a Class 2 Claim in the amount set forth below:

**Amount of Your Claim for Voting Purposes Only: \$ \_\_\_\_\_.**

By signing this Class 2 Ballot, the undersigned certifies to the Bankruptcy Court and to the Plan Proponents:

- (a) That, as of the Voting Record Date, either: (i) the undersigned is the Holder of a Class 2 Claim or (ii) the undersigned is an individual competent to act with a specific, written power of attorney directing such individual to vote to accept or reject the Plan as directed by such individual claimant provided that a copy of the power of attorney is attached to this Class 2 Ballot;
- (b) That the Holder of the Class 2 Claim has received a copy of the Confirmation Hearing Notice, the order approving the Disclosure Statement, the approved Disclosure Statement, and the Plan and acknowledges that this solicitation is being made pursuant to the terms and conditions set forth in the Plan and Disclosure Statement;
- (c) That the undersigned has read and understands, the undersigned's lawyer has read and explained to the undersigned, or the undersigned has voluntarily chosen not to read, the provisions of the Plan; and
- (d) That no other Class 2 Ballot with respect to the Class 2 Claim identified in this Ballot have been cast or, if any other Class 2 Ballots have been cast with respect to such Class 2 Claim, then any such earlier Class 2 Ballots are hereby revoked.

TO BE COMPLETED BY CLASS 2 CLAIMANT:

Print or Type Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date Completed: \_\_\_\_\_

**Schedule 2-2**

Form of Class 4 Ballot

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION**

In re:

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION,

Debtor.

Chapter 11

Case No: 21-20687 (JJT)

**CLASS 4 BALLOT, CERTIFICATION, AND ABUSE CLAIM RELEASE**

The Ballot included with this document is provided to you to solicit your vote to accept or reject the Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors (the “Plan”). All capitalized terms used but not defined herein have the meanings ascribed to such terms in the Plan.

The Bankruptcy Court has approved the Fifth Amended Joint Disclosure Statement for Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors (the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot. The Bankruptcy Court’s approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court. **You should review the Disclosure Statement and the Plan in their entirety before you vote your Ballot. You may wish to seek independent legal advice concerning the Plan and the classification and treatment of your Claim under the Plan.**

Copies of the Disclosure Statement and Plan have been provided to you with this document and will also be on file with the Clerk of the Bankruptcy Court for review during normal business hours (a fee may be charged) and are also available free of charge on the website maintained by the Diocese’s claims agent at <https://omniagentsolutions.com/Norwich>.

This document also includes the required form of Abuse Claim Release. **In order for you to receive a Distribution from the Trust under the Plan, you must sign and return the Abuse Claim Release.** As explained in the Disclosure Statement, this requirement is an essential condition to the global resolution reached as set forth in the Plan and the contribution of the settlement funds to be paid to the Trust for the benefit of all Abuse Claimants.

**You can sign the Abuse Claim Release and receive a Distribution even if you do not vote to accept the Plan.** The Plan Proponents urge you to sign and return the Abuse Claim Release with your Ballot to the Voting Agent before the Voting Deadline. This will let the Plan Proponents and the Bankruptcy Court know at the confirmation hearing whether all Abuse Claimants have voluntarily consented to the Abuse Claims Release.

Please note that all information you provide in this document will be treated as confidential pursuant to the Bankruptcy Court’s order. Only parties authorized by the Bankruptcy Court’s order will be permitted to review the information that you provide.

**If the Plan is confirmed by the Bankruptcy Court, the terms of the Plan, including, without limitation, the Exculpation and Limitation of Liability, Channeling Injunction and the Supplemental Settled Insurer Injunction set forth in Section XIII of the Plan will be binding on you whether or not you vote to accept or reject the Plan. You will relinquish your rights to a jury trial and alternate recoveries from the Debtor and/or the Participating Parties.**

**Specific Instructions for Completing and Returning Ballot:**

The Ballot is submitted to you to solicit your vote to accept or reject the Plan. The terms of the Plan are described in the Disclosure Statement, including all exhibits thereto. **Please read the Plan and the Disclosure Statement carefully before completing the Ballot.**

In order for your vote to be counted, the Ballot must be properly completed, signed, and returned to Omni Agent Solutions, Inc. (the “Voting Agent”) so that it is actually received no later than 5:00 p.m. (Prevailing Eastern Time) on \_\_\_\_\_, 2024 (the “Voting Deadline”), unless such time is extended by the Bankruptcy Court or the Plan Proponents. If your Ballot is not received by the Voting Agent on or before the Voting Deadline, and such Voting Deadline is not extended by the Court or Plan Proponents as noted above, your vote will not be counted.

Please use the Ballot to cast your vote to accept or reject the Plan if you hold, as of \_\_\_\_\_, 2024 (the “Voting Record Date”), an Abuse Claim (other than an Unknown Abuse Claim) against the Diocese that arose before the Petition Date (July 15, 2021).

The Ballot must be delivered to the Voting Agent (i) at an appropriate address as listed below; or (ii) via the Voting Agent’s Voting Upload platform by visiting <https://omniagentsolutions.com/Norwich-Ballots>, scrolling down to the “Submit a Ballot Online” section and following the instructions set forth on the website. Holders are encouraged to submit their Ballots via the Voting Upload platform. If you choose to submit your Ballot via the Voting Upload platform, you should NOT submit your hard copy Ballot as well.

**Please choose only one of the following methods of return for your Ballot; these are the only ways to submit your Ballot:**

**If by Electronic Online Submission:**

Please visit <https://omniagentsolutions.com/Norwich-Ballots>. Scroll down to the “Submit a Ballot Online” section of the Diocese’s website and follow the directions to submit your Ballot. If you choose to submit your Ballot via Omni’s Voting Upload system, you should not return a hard copy of your Ballot.

If by Overnight Courier, Hand-Delivery or U.S. Postal Service First Class Mail:

The Norwich Roman Catholic Diocesan Corporation  
c/o Omni Agent Solutions, Inc.  
5955 De Soto Avenue, Suite 100  
Woodland Hills, CA 91367

If you have any questions regarding this document, or need a return envelope or another copy of the Disclosure Statement, the Plan, or this document, please contact the Voting Agent at by e-mailing [NorwichInquiries@OmniAgnt.com](mailto:NorwichInquiries@OmniAgnt.com). Please be advised that the Voting Agent is not authorized to and will not provide legal advice.

**CLASS 4 BALLOT FOR ACCEPTING OR REJECTING PLAN**

**Item 1. Amount of Claim.** For purposes of voting to accept or reject the Plan, the undersigned certifies that as of the Voting Record Date, the undersigned holds a Class 4 Claim against the Diocese. For voting purposes only, each Class 4 Claim is valued at \$1.00. This amount shall have no effect on the amount of any distribution a Class 4 Claim may receive from the Trust or in any other judicial or administrative case, claim or proceeding.

**Item 2. Vote on the Plan.** Please take note that if you submit this Ballot to the Voting Agent and either: (a) fail to indicate whether you are accepting or rejecting the Plan, or (b) check both boxes indicating that you are both accepting and rejecting the Plan, your ballot will not be counted in determining the acceptance or rejection of the Plan.

*The undersigned, a holder of an Abuse Claim other than an Unknown Abuse Claim, votes (check one box only):*

<input type="checkbox"/> to <b>ACCEPT</b> the Plan	<input type="checkbox"/> to <b>REJECT</b> the Plan
--	--

**Item 3. Late-Filed Abuse Claim.** For any Abuse Claimant holding a Late-Filed Abuse Claim, pursuant Section 5.4(d)3 of the Plan, the Abuse Claimant may elect to be treated exclusively as a Holder of an Unknown Abuse Claim pursuant to the Plan and the Unknown Abuse Claims Trust Distribution Plan, by so indicating such election by checking the following box:

Pursuant to Section 5.4(d)3 of the Plan, as a Holder of a Late-Filed Abuse Claim, I hereby elect to be treated as a Holder of an Unknown Abuse Claim, and waive my right to assert, litigate and have the Bankruptcy Court adjudicate whether to allow my Late-Filed Abuse Claim in Class 4 Claim under the Plan.

**Item 4. Ballot Certifications and Agreements.** By signing this Ballot below, the undersigned certifies to the Bankruptcy Court, the Plan Proponents and the Trustee of the Trust that:

- a. As of the Voting Record Date: (i) the undersigned is the Holder of a Class 4 Claim or (ii) the undersigned is an individual competent to act with a specific, written power of attorney directing such individual to vote to accept or reject the Plan as directed by such individual claimant provided that a copy of the power of attorney is attached to this Class 4 Ballot;
- b. The Holder of the Class 4 Abuse Claim has received a copy of the Disclosure Statement, the Plan and other applicable solicitation materials, and had the opportunity to consult with an attorney regarding their contents; and
- c. The Holder of the Class 4 Claim feely and voluntarily consents to the determination of their Abuse Claim and the Distributions under the Plan based on the allocation protocol provided in the Trust Distribution Plan and that the decisions by the Trustee and the Abuse Claims Reviewer are final and that there is no review of that allocation decision

by any court or other party. **I hereby waive my right to a jury trial in the determination of my Abuse Claim for the purpose of the Plan and Distributions under the Plan and against the Reorganized Debtor, the Settled Insurers and Participating Parties.**

- d. The Holder of the Class 4 Claim hereby agrees to provide to the Trustee, and consents to the release to the Trustee by CMS and the Social Security Administration (the “Agencies”) and their agents of any information needed by Trustee to comply with reporting and payment obligations arising under the Medicare Secondary Payer Act or Medicare, Medicaid, and SCHIP Extension Act of 2007 relating to his or her Abuse Claim or Distribution from the Trust. The Holder of the Class 4 Claim hereby authorizes the Trustee to request all such information from the Agencies and agrees that the Trustee may withhold from any Distribution otherwise payable the amount of any payment that the Trustee calculates is owed or potentially owed to the Agencies under the MSPA relating to such Distribution.

Print or Type Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

*(if different than the Claimant)*

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date Completed: \_\_\_\_\_

**ABUSE CLAIM RELEASE**

This Abuse Claim Release (this “Release”) is executed this \_\_\_ day of \_\_\_\_\_, 2024, by \_\_\_\_\_ in connection with the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by The Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_] (the “Plan”) filed by The Norwich Roman Catholic Diocesan Corporation (the “Diocese”), in the Diocese’s Bankruptcy Case pending before the United States Bankruptcy Court for the District of Connecticut (the “Bankruptcy Court”), which is case number 21-20687 (JJT) (the “Bankruptcy Case”).

**TO BE ENTITLED TO RECEIVE ANY DISTRIBUTION UNDER THE PLAN,  
YOU MUST SIGN AND RETURN THIS RELEASE**

1. All capitalized terms in this Release are defined in the Plan and have the meanings in the Plan and shall be interpreted in accordance with the terms of the Plan.

2. After having received and had the opportunity to review a copy of the Disclosure Statement, the Plan, this Ballot and Abuse Claim Release, and each of the exhibits and schedules of the foregoing documents, and to consult with counsel of my choice regarding those documents, and fully understanding that I may choose not to sign this Release, I freely and voluntarily enter into this Release.

3. In consideration of the treatment under the Plan and the associated Trust agreement and distribution procedures, and other valuable consideration, and subject to the express limitations and exceptions set forth in the Plan, I, for myself and my heirs, successors, assigns, agents, and representatives fully, finally, and completely release, remise, acquit, and forever discharge the Participating Parties and Settled Insurer Parties (including the Catholic Mutual Parties) from any and all (i) Abuse Claims; (ii) Abuse Related Contribution Claims; (iii) Direct Action Claims; (iv) Related Insurance Claims; and (v) Claims that relate, directly or indirectly, to the Settled Insurer Policies (including the Catholic Mutual Certificates) (collectively, the “Released Claims”). The definition of each type Released Claim identified in the preceding sentence is set forth in Section I of the Plan and Schedule 1 appended to this Release. The Participating Parties and Settled Insurer Parties are specifically identified in Schedule 2 appended to this Release.

4. With respect to any and all Released Claims, I covenant:
- (i) not to sue or seek recovery or relief of any kind from the Participating Parties or the Settled Insurer Parties (including the Catholic Mutual Parties);
  - (ii) forever and irrevocably to discharge that fraction, portion or percentage of damages I claim to have suffered in connection with the Abuse which is by trial or other disposition determined to be the causal fault or responsibility, if any, of any Participating Party with respect to Released Claims;
  - (iii) to reduce voluntarily any judgment that I may ever obtain against any Person relating to the same Abuse at issue in the Released Claims in an amount reflecting that fraction, portion or percentage of damage or injury that I suffered due to the causal fault or responsibility, if any, of any Participating Party;
  - (iv) that filing of this Release with any court by any Participating Party or Settled Insurer Party (including any Catholic Mutual Party) will satisfy that fraction, portion or percentage of any judgment that may be rendered in my favor attributable

to any Participating Party’s causal fault or responsibility relating to the Abuse at issue in the Released Claims;

- (v) that I will not seek a reallocation of the causal fault or causal responsibility of any Participating Party to any other Person, whether assessed by reason of judgment or settlement, relating to the Abuse at issue in the Released Claims; and
- (vi) that I understand the Plan extinguishes any potential liability of any Participating Party or Settled Insurer Party (including any Catholic Mutual Party) for contribution or indemnity to any Person who may be held liable to me for any Released Claim.

5. I freely and voluntarily consent to, and agree to be bound by, the exculpations and injunctions set forth in the Plan, including those exculpations and injunctions contained in Section XIII of the Plan for the benefit of the Participating Parties and the Settled Insurer Parties (including the Catholic Mutual Parties).

6. I represent and warrant that I have not assigned or otherwise transferred any interest in my Released Claims.

7. This Release is conditioned upon the occurrence of the Effective Date of the Plan and on and after such Effective Date this Release shall be effective and binding.

By signing this Release, I make the certifications herein and agree to the other terms herein and further certify all of the foregoing under the penalty of perjury.

TO BE COMPLETED BY THE ABUSE CLAIMANT:

Print or Type Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date Completed: \_\_\_\_\_

## Schedule 1

### Definitions of Terms Incorporated from Plan

The following definitions contained in the Plan are incorporated into the Abuse Claim Release. Please refer to the Plan for the definitions of terms contained within the following defined terms.

- (i) “Abuse” means any actual or alleged (i) sexual conduct, misconduct, abuse, or molestation as defined in any statute or common law; (ii) indecent assault or battery, rape, lascivious behavior, undue familiarity, pedophilia, ephebophilia, or sexually-related physical, psychological, or emotional harm; (iii) contacts or interactions of a sexual nature; or (iv) assault, battery, corporal punishment, or other act of physical, psychological, or emotional abuse, humiliation, intimidation, or misconduct, or as such term is otherwise defined at <https://portal.ct.gov/DCF/1-DCF/Child-Abuse-and-Neglect-Definitions>. Abuse may occur whether or not this activity involves explicit force, whether or not it involves genital or other physical contact, and whether or not there is physical, psychological, or emotional harm to the Person.
  
- (ii) “Abuse Claim” means any Claim, including, but not limited to, any Late-Filed Abuse Claim or any Unknown Abuse Claim, against the Debtor or against any Participating Party for which the Debtor’s conduct is a legal cause or a legally relevant factor, resulting or arising in whole or in part, directly or indirectly, from Abuse the first occurrence of which against such Abuse Claimant was committed by any Person before the Effective Date, 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 Debtor, a Participating Party or any other Person, regardless of whether such Abuse Claim has been asserted prior to the Effective Date. “Abuse Claim” does not include any Related Insurance Claims or Medicare Claims.
  
- (iii) “Abuse Related Contribution Claim” means any Person’s Claim against any other Person for contribution, indemnity, equitable indemnity, subrogation, or equitable subrogation, or reimbursement, or any other indirect or derivative recovery, arising because of such Person having paid or defended against any Abuse Claim including but not limited to a joint tortfeasor or the like. To avoid doubt, an Abuse Related Contribution Claim is not an Abuse Claim.
  
- (iv) “Catholic Mutual Certificates” means all binders, certificates, or other evidence of coverage issued or allegedly issued by Catholic Mutual to the Diocese and certain other Persons including, at various times, the Catholic Entities. All Catholic Mutual Certificates are identified in Exhibit C appended to the Plan.

- (v) “Catholic Mutual Parties” means Catholic Mutual and, solely in the capacity as such, (i) each of its past and present parents, subsidiaries, Affiliates, holding companies, merged companies, related companies, reinsurers, retrocessionaires and divisions ; (ii) each of the foregoing Persons’ respective past and present directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators in their capacity as such; and (iii) each of the foregoing Person’s respective predecessors, heirs, successors, assignors, and assigns, whether known or unknown, and all Persons acting on behalf of, by, through or in concert with them. A “Catholic Mutual Party” does not include a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.
  
- (vi) “Claim” shall have the meaning as that term is defined in Section 101(5) of the Bankruptcy Code, and regardless of the application of any statute of limitations defense.
  
- (vii) “Direct Action Claims” means the same as “Abuse Claims”, except that they are asserted against any Settled Insurer Party, instead of any Participating Party or the Trust, for the recovery of insurance proceeds.
  
- (viii) “Participating Party” means any Person providing consideration in exchange for: (a) the release of any Abuse Related Contribution Claim by the Debtor against such Participating Party; (b) the benefit of the Channeling Injunction; and/or (c) any other benefits for Participating Parties under the Plan. For clarity, the Persons listed on Exhibit F, as may be amended from time to time—including, but not limited to, the Diocese Parties, the Catholic Entity Parties, the ACA, Xavier and Oceania—are Participating Parties, and (i) each of their respective past, present subsidiaries, Affiliates, holding companies, merged companies, related companies, and divisions; (ii) each of the foregoing Persons’ respective past and present directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives in their capacity as such, and (iii) each of the foregoing Person’s respective predecessors, successors, assignors, and assigns, whether known or unknown, and all Persons acting on behalf of, by, through or in concert with them. Upon the consent of the Trustee, at his sole and absolute discretion, a Person may become a Participating Party after the Effective Date if the Bankruptcy Court approves the agreement between the Person and the Trustee under its retained jurisdiction. Upon the Bankruptcy Court’s final approval of such an agreement, Exhibit F will be amended by the Trustee to include such Person. For the purposes of defining a Participating Party, the Persons on Exhibit F to the Plan shall include their respective predecessors, successors, assigns, employees, officers, agents, attorneys, representatives, and directors. A Participating Party does not include any Settled Insurer, the Holy See or any Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.

- (ix) “Related Insurance Claim” means (i) any Claim against any Settled Insurer for defense, indemnity, reimbursement, contribution, subrogation, or similar relief that, directly or indirectly, relates to an Abuse Claim; (ii) any Extra-Contractual Claim that, directly or indirectly, relates to any Abuse Claim; (iii) any Direct Action Claim; (iv) any Medicare Claim; and (v) any Abuse Related Contribution Claim.
  
- (x) “Settled Insurer Parties” means each and every Settled Insurer and, solely in the capacity as such, (i) each of its past and present parents, subsidiaries, Affiliates, holding companies, merged companies, related companies, reinsurers, retrocessionaires, and divisions; (ii) each of the foregoing Persons’ respective past and present directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators in their capacity as such; and (iii) each of the foregoing Person’s respective predecessors, heirs, successors, assignors, and assigns, whether known or unknown, and all Persons acting on behalf of, by, through or in concert with them. A “Settled Insurer Party” does not include a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.
  
- (xi) “Settled Insurer Policies” means, collectively, all Insurance Policies that are the subject of an Insurance Settlement Agreement(s) with the Settled Insurers.

## Schedule 2

### **A. Participating Parties**

ACA<sup>1</sup>

Catholic Entity Parties (as identified on **Exhibit D** annexed to the Plan, including but not limited to St. Bernard, Mercy, and Mount St. John Parties)

Diocese Parties

Oceania

Xavier

Parishes (as defined in the Plan and as identified herein):

1. All Saints' Church, of Somersville (Parish Name: All Saints Parish, Somersville)
2. Blessed Sacrament Parish (Parish Name: Blessed Sacrament Parish) (Individually, and d/b/a St. Bernard School, Rockville, and as successor to (i) St. Bernard's Society Rockville Connecticut; and (ii) The Saint Matthew Church Corporation)
3. Corporation of the Sacred Heart of Jesus, Taftville, Connecticut. (Parish Name: Sacred Heart Parish, Taftville) (Individually, and d/b/a Sacred Heart School, Taftville)
4. Corpus Christi Catholic Parish (Parish Name: Corpus Christi Catholic Parish) (Individually, and d/b/a St. Mary School-St. Joseph School and d/b/a St. Joseph Cemetery, Willimantic, and as successor to (i) Sagrado Corazon de Jesus, Inc., of Windham; (ii) St. Joseph's Cath. Congregation, Willimantic, Connecticut; and (iii) The Roman Catholic Church of St. Mary)
5. Our Lady of Lourdes of Hampton, Connecticut (Parish Name: Our Lady of Lourdes, Hampton)
6. Our Lady of Mercy Parish (Parish Name: Our Lady of Mercy Parish, Durham) (Individually, and as successor to (i) The Saint Colman Church Corporation; and (ii) The Notre Dame Church Corporation)
7. Our Lady Queen of Peace Parish (Parish Name: Our Lady Queen of Peace Parish) (Individually, and as successor to (i) The St. Mary's Church Corporation of South

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<sup>1</sup> Any capitalized terms not expressly defined herein shall have the meaning ascribed to them in the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_].

- Coventry; (ii) The St. Thomas Aquinas Chapel Corporation; and (iii) St. John Berchmans Catholic Society Connecticut)
8. Saint Mary's Church Portland Connecticut (Parish Name: St. Mary Parish, Portland)
  9. St. Andre Bessette Parish (Parish Name: St. Andre Bessette Parish) (Individually, and d/b/a St. John School, Plainfield and All Hallows School, and as successor to (i) St. Augustine Church Corporation, Town of Canterbury; (ii) All Hallows' Church, Moosup, Connecticut; and (iii) The St. John's Church of Plainfield)
  10. St. Andrew's Catholic Church, Colchester, Connecticut (Parish Name: Guardian Angels Parish) (Individually, and as successor to Saint Francis of Assisi Church Corporation of Lebanon)
  11. St. Anne's Catholic Church Corporation. (Parish Name: St. Anne, Griswold/Glasgo)
  12. St. Edward's Catholic Society, Stafford Springs Connecticut (Parish Name: St. Edward, Stafford Springs) (Individually, and d/b/a St. Edward School, Stafford Spring)
  13. St. James Catholic Church of Danielsonville Connecticut (Parish Name: St. James, Danielson) (Individually, and d/b/a St. James School, Danielson and St. Joseph Cemetery, Dayville)
  14. St. John's Corporation, of Cromwell Connecticut (Parish Name: St. John, Cromwell)
  15. St. John's Roman Catholic Church, Montville, Connecticut (Parish Name: Divine Mercy Parish) (Individually, and as successor to (i) The Our Lady of the Lakes Church Corporation; and (ii) The Church of Our Lady of Perpetual Help)
  16. St. Joseph Catholic Society Connecticut (Parish Name: St. Joseph, Occum)
  17. St. Lawrence Church Corporation of Killingworth. (Parish Name: St. Lawrence, Killingworth)
  18. St. Mary's Catholic Church, Sprague, Connecticut (Parish Name: St. Mary, Baltic) (Individually, and d/b/a St. Mary Immaculate Conception, Baltic; and St. Joseph School, Baltic)
  19. St. Mary's Church Corporation, Connecticut (1); St. Mary's Parish Connecticut (2) (Parish Name: St. Mary's, Norwich)
  20. St. Mary's Society (Parish Name: St. Mary, Clinton) (Individually, and d/b/a St. Mary Cemetery, Clinton)

21. St. Michael's Church, Pawcatuck Connecticut (Parish Name: St. Michael Parish, Pawcatuck) (Individually, and d/b/a St. Michael School, Pawcatuck, and as successor to (i) St. Mary's Church Stonington Connecticut; and (ii) St. Thomas More Church)
22. St. Patrick's Church Corporation of Norwich Connecticut (Parish Name: St. Patrick Cathedral, Norwich) (Individually, and d/b/a St. Patrick School, Norwich)
23. St. Patrick's Church, Mystic Bridge Connecticut (Parish Name: St. Patrick, Mystic)
24. St. Patricks Church, East Hampton Connecticut (Parish Name: St. John Paul II Parish) (Individually, and as successor to St. Bridgets Church Corporation of Moodus, Connecticut)
25. St. Philip's Church Corporation of Warrenville (Parish Name: St. Philip, Warrenville)
26. St. Pio Parish (Parish Name: St. Pio Parish) (Individually, and d/b/a St. John School, Saybrook, and as successor to (i) St. John's Church Corporation, Saybrook, Connecticut; and (ii) St. Mark's Roman Catholic Church Corporation)
27. St. Teresa of Calcutta Parish (Parish Name: St. Teresa of Calcutta Parish, Essex) (Individually, and d/b/a St. Joseph Church, Essex, and as successor to (i) Our Lady of Sorrows Corporation, Essex Connecticut; and (ii) St. Joseph's Church Corporation of Chester, Connecticut)
28. St. Therese of Lisieux (Parish Name: St. Therese of Lisieux, Putnam) (Individually, and d/b/a St. Joseph School, N. Grosvenor Dale, and as successor to (i) St. Joseph's Catholic Society, Grosvenor Dale Connecticut; (ii) St. Stephen's Church, Quinebaug Connecticut; (iii) The Most Holy Trinity Church; and (iv) St. Mary's Church Putnam Connecticut)
29. St. Thomas' Corporation of Voluntown, Connecticut (Parish Name: St. Thomas, Voluntown) (Individually, and d/b/a St. Anne Mission, Glasgo and St. Thomas Cemetery, Voluntown)
30. The Church of Christ the King, Old Lyme, Incorporated (Parish Name: Christ the King, Old Lyme)
31. The Church of Saint Sebastian, Middletown (Parish Name: St. Sebastian, Middletown) (Individually, and d/b/a St. Sebastian Cemetery, Middletown)
32. The Church of St. Francis of Assisi (Parish Name: St. Francis, Middletown)

33. The Our Lady of LaSalette Church Corporation (Parish Name: Our Lady of LaSalette, Brooklyn)
34. The Our Lady of Lourdes Corporation (Parish Name: Our Lady of Lourdes, Gales Ferry)
35. The Polish Roman Catholic Church of St. Mary's of Czenstochowa (Parish Name: St. Mary, Middletown)
36. The Roman Catholic Church of Jewett City, Connecticut (Parish Name: St. Mary Parish, Jewett City) (Individually, and d/b/a St. Mary School, Jewett City and St. Mary Cemetery, Jewett City)
37. The Roman Catholic Church of Our Lady of Grace, at Fishers Island, in the County of Suffolk in the State of New York (Parish Name: St. Brendan the Navigator)
38. The Sacred Heart Church Corporation (Parish Name: Sacred Heart, Groton) (Individually, and d/b/a Sacred Heart School, Groton)
39. The Sacred Heart Church of Norwich Connecticut (Parish Name: Sacred Heart, Norwich) (Individually, and d/b/a St. John Mission, Fitchville)
40. The Saint Catherine of Siena Church Corporation (Parish Name: St. Catherine, Preston)
41. The Saint Columba Church Corporation (Parish Name: The Good Shepherd Parish) (Individually, and as successor to Church of the Holy Family of Hebron Incorporated)
42. The Saint John's Church Corporation, Middletown Connecticut (Parish Name: St. John, Middletown) (Individually, and d/b/a St. John School, Middletown)
43. The Saint Mary Church Corporation (Parish Name: St. Mary, Groton)
44. The Saint Peter Church Corporation (1); The Roman Catholic Church of St. Peter (2) (Parish Name: St. Peter Parish, Higganum)
45. The Saint Pius X Church Corporation (Parish Name: St. Pius X, Middletown)
46. The SS. Peter and Paul Church Corporation (Parish Name: SS Peter & Paul, Norwich)
47. The St. Agnes Church Corporation (Parish Name: St. Agnes, Niantic) (Individually, and d/b/a St. Francis Chapel, Crescent Beach)

48. The St. Joseph's Church of Rockville (Parish Name: St. Joseph, Rockville) (Individually, and d/b/a St. Joseph School, Rockville)
49. The St. Joseph's Polish Roman Catholic Congregation (Parish Name: St. Joseph, Norwich)
50. The St. Josephs Church Corporation of New London (Parish Name: St. Brendan the Navigator) (Individually, and d/b/a St. Joseph School, New London; and d/b/a St. Mary Star of the Sea School, New London, and as successor to (i) St. Mary's Roman Catholic Church Corp.; and (ii) The St. Paul Catholic Church Corporation)
51. The St. Luke's Roman Catholic Church Corporation (Parish Name: St. Luke, Ellington)
52. The St. Matthias' Church Corporation (Parish Name: St. Matthias, East Lyme)
53. The St. Maurice Church Corporation (Parish Name: St. Maurice, Bolton)

**B. Settled Insurer Parties**

Catholic Mutual Parties

**Schedule 2-3**

Form of Class 5 Ballot

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION**

In re:

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION,

Debtor.

Chapter 11

Case No: 21-20687 (JJT)

**CLASS 5 BALLOT, CERTIFICATION, AND ABUSE CLAIM RELEASE**

The Ballot included with this document is provided to you to solicit your vote to accept or reject the Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors (the “Plan”). All capitalized terms used but not defined herein have the meanings ascribed to such terms in the Plan.

The Bankruptcy Court has approved the Fifth Amended Joint Disclosure Statement for Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors (the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot. The Bankruptcy Court’s approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court. **You should review the Disclosure Statement and the Plan in their entirety before you vote your Ballot.**

Copies of the Disclosure Statement and Plan have been provided to you with this document and will also be on file with the Clerk of the Bankruptcy Court for review during normal business hours (a fee may be charged) and are also available free of charge on the website maintained by the Diocese’s claims agent at <https://omniagentsolutions.com/Norwich>.

**Specific Instructions for Completing and Returning Ballot:**

The Ballot is submitted to you to solicit your vote to accept or reject the Plan. The terms of the Plan are described in the Disclosure Statement, including all exhibits thereto. **Please read the Plan and the Disclosure Statement carefully before completing the Ballot.**

In order for your vote to be counted, the Ballot must be properly completed, signed, and returned to Omni Agent Solutions, Inc. (the “Voting Agent”) so that it is actually received no later than 5:00 p.m. (Prevailing Eastern Time) on \_\_\_\_\_, 2024 (the “Voting Deadline”), unless such time is extended by the Bankruptcy Court or the Plan Proponents. If your Ballot is not received by the Voting Agent on or before the Voting Deadline, and such Voting Deadline is not extended by the Court or Plan Proponents as noted above, your vote will not be counted.

Please use the Ballot to cast your vote to accept or reject the Plan if you hold, as of \_\_\_\_\_, 2024 (the “Voting Record Date”), an Unknown Abuse Claim against the Diocese.

The Ballot must be delivered to the Voting Agent (i) at an appropriate address as listed below; or (ii) via the Voting Agent’s Voting Upload platform by visiting <https://omniagentsolutions.com/Norwich-Ballots>, scrolling down to the “Submit a Ballot Online” section and following the instructions set forth on the website. Holders are encouraged to submit their Ballots via the Voting Upload platform. If you choose to submit your Ballot via the Voting Upload platform, you should NOT submit your hard copy Ballot as well.

**Please choose only one of the following methods of return for your Ballot; these are the only ways to submit your Ballot:**

If by Electronic Online Submission:

Please visit <https://omniagentsolutions.com/Norwich-Ballots>. Scroll down to the “Submit a Ballot Online” section of the Diocese’s website and follow the directions to submit your Ballot. If you choose to submit your Ballot via Omni’s Voting Upload system, you should not return a hard copy of your Ballot.

If by Overnight Courier, Hand-Delivery or U.S. Postal Service First Class Mail:

The Norwich Roman Catholic Diocesan Corporation  
c/o Omni Agent Solutions, Inc.  
5955 De Soto Avenue, Suite 100  
Woodland Hills, CA 91367

**If the Plan is confirmed by the Bankruptcy Court, the terms of the Plan, including, without limitation, the Exculpation and Limitation of Liability, Channeling Injunction and the Supplemental Settled Insurer Injunction set forth in Section XIII of the Plan will be binding on Unknown Abuse Claimants whether or not the Plan is accepted or rejected.**

If you have any questions regarding this document, or need a return envelope or another copy of the Disclosure Statement, the Plan, or this document, please contact the Voting Agent at by e-mailing [NorwichInquiries@OmniAgnt.com](mailto:NorwichInquiries@OmniAgnt.com). Please be advised that the Voting Agent is not authorized to and will not provide legal advice.

**CLASS 5 BALLOT FOR ACCEPTING OR REJECTING PLAN**

**Item 1. Amount of Claim.** Pursuant to the Disclosure Statement and the Plan, for voting purposes only, the Class 5 Claim is valued at \$1.00. This amount shall have no effect on the amount of any distribution a Class 5 Claim may receive from the Unknown Abuse Claims Trust or in any other judicial or administrative case, claim or proceeding.

**Item 2. Vote on the Plan.** Please take note that if you submit this Ballot to the Voting Agent and either: (a) fail to indicate whether you are accepting or rejecting the Plan, or (b) check both boxes indicating that you are both accepting and rejecting the Plan, your ballot will not be counted in determining the acceptance or rejection of the Plan.

*The undersigned, a holder of an Unknown Abuse Claim, votes (check one box only):*

<input type="checkbox"/> to <b>ACCEPT</b> the Plan	<input type="checkbox"/> to <b>REJECT</b> the Plan
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**Item 3. Ballot Certifications and Agreements.** By signing this Ballot below, the undersigned certifies to the Bankruptcy Court, the Plan Proponents and the Unknown Abuse Claims Trustee of the Unknown Abuse Claims Trust that:

- a. As of the Voting Record Date, the undersigned is:
  - The Unknown Abuse Claims Representative entitled to vote on behalf of all Class 5 Claimants.
- b. The undersigned has received a copy of the Disclosure Statement, the Plan and other applicable solicitation materials, and had the opportunity to consult with an attorney regarding their contents, if necessary.

Print or Type Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Name and Title of Signatory: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date Completed: \_\_\_\_\_

**ABUSE CLAIM RELEASE**

This Abuse Claim Release (this “Release”) is executed this \_\_\_ day of \_\_\_\_\_, 2024, by \_\_\_\_\_ in connection with the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by The Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_] (the “Plan”) filed by The Norwich Roman Catholic Diocesan Corporation (the “Diocese”), in the Diocese’s Bankruptcy Case pending before the United States Bankruptcy Court for the District of Connecticut (the “Bankruptcy Court”), which is case number 21-20687 (JJT) (the “Bankruptcy Case”).

**TO BE ENTITLED TO RECEIVE ANY DISTRIBUTION UNDER THE PLAN,  
YOU MUST SIGN AND RETURN THIS RELEASE**

1. All capitalized terms in this Release are defined in the Plan and have the meanings in the Plan and shall be interpreted in accordance with the terms of the Plan.
2. After having received and had the opportunity to review a copy of the Disclosure Statement, the Plan, this Ballot and Abuse Claim Release, and each of the exhibits and schedules of the foregoing documents, and to consult with counsel of my choice regarding those documents, and fully understanding that I may choose not to sign this Release, I freely and voluntarily enter into this Release.
3. In consideration of the treatment under the Plan and the associated Trust agreement and distribution procedures, and other valuable consideration, and subject to the express limitations and exceptions set forth in the Plan, I, for myself and my heirs, successors, assigns, agents, and representatives fully, finally, and completely release, remise, acquit, and forever discharge the Participating Parties and Settled Insurer Parties (including the Catholic Mutual Parties) from any and all (i) Abuse Claims; (ii) Abuse Related Contribution Claims; (iii) Direct Action Claims; (iv) Related Insurance Claims; and (v) Claims that relate, directly or indirectly, to the Settled Insurer Policies (including the Catholic Mutual Certificates) (collectively, the “Released Claims”). The definition of each type Released Claim identified in the preceding sentence is set forth in Section I of the Plan and Schedule 1 appended to this Release. The Participating Parties and Settled Insurer Parties are specifically identified in Schedule 2 appended to this Release.
4. With respect to any and all Released Claims, I covenant:
  - (i) not to sue or seek recovery or relief of any kind from the Participating Parties or the Settled Insurer Parties (including the Catholic Mutual Parties);
  - (ii) forever and irrevocably to discharge that fraction, portion or percentage of damages I claim to have suffered in connection with the Abuse which is by trial or other disposition determined to be the causal fault or responsibility, if any, of any Participating Party with respect to Released Claims;
  - (iii) to reduce voluntarily any judgment that I may ever obtain against any Person relating to the same Abuse at issue in the Released Claims in an amount reflecting that fraction, portion or percentage of damage or injury that I suffered due to the causal fault or responsibility, if any, of any Participating Party;
  - (iv) that filing of this Release with any court by any Participating Party or Settled Insurer Party (including any Catholic Mutual Party) will satisfy that fraction, portion or percentage of any judgment that may be rendered in my favor attributable

to any Participating Party's causal fault or responsibility relating to the Abuse at issue in the Released Claims;

(v) that I will not seek a reallocation of the causal fault or causal responsibility of any Participating Party to any other Person, whether assessed by reason of judgment or settlement, relating to the Abuse at issue in the Released Claims; and

(vi) that I understand the Plan extinguishes any potential liability of any Participating Party or Settled Insurer Party (including any Catholic Mutual Party) for contribution or indemnity to any Person who may be held liable to me for any Released Claim.

5. I freely and voluntarily consent to, and agree to be bound by, the exculpations and injunctions set forth in the Plan, including those exculpations and injunctions contained in Section XIII of the Plan for the benefit of the Participating Parties and the Settled Insurer Parties (including the Catholic Mutual Parties).

6. I represent and warrant that I have not assigned or otherwise transferred any interest in my Released Claims.

7. This Release is conditioned upon the occurrence of the Effective Date of the Plan and on and after such Effective Date this Release shall be effective and binding.

By signing this Release, I make the certifications herein and agree to the other terms herein and further certify all of the foregoing under the penalty of perjury.

TO BE COMPLETED BY THE ABUSE CLAIMANT:

Print or Type Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date Completed: \_\_\_\_\_

## **Schedule 1**

### **Definitions of Terms Incorporated from Plan**

The following definitions contained in the Plan are incorporated into the Abuse Claim Release. Please refer to the Plan for the definitions of terms contained within the following defined terms.

- (i) “Abuse” means any actual or alleged (i) sexual conduct, misconduct, abuse, or molestation as defined in any statute or common law; (ii) indecent assault or battery, rape, lascivious behavior, undue familiarity, pedophilia, ephebophilia, or sexually-related physical, psychological, or emotional harm; (iii) contacts or interactions of a sexual nature; or (iv) assault, battery, corporal punishment, or other act of physical, psychological, or emotional abuse, humiliation, intimidation, or misconduct, or as such term is otherwise defined at <https://portal.ct.gov/DCF/1-DCF/Child-Abuse-and-Neglect-Definitions>. Abuse may occur whether or not this activity involves explicit force, whether or not it involves genital or other physical contact, and whether or not there is physical, psychological, or emotional harm to the Person.
  
- (ii) “Abuse Claim” means any Claim, including, but not limited to, any Late-Filed Abuse Claim or any Unknown Abuse Claim, against the Debtor or against any Participating Party for which the Debtor’s conduct is a legal cause or a legally relevant factor, resulting or arising in whole or in part, directly or indirectly, from Abuse the first occurrence of which against such Abuse Claimant was committed by any Person before the Effective Date, 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 Debtor, a Participating Party or any other Person, regardless of whether such Abuse Claim has been asserted prior to the Effective Date. “Abuse Claim” does not include any Related Insurance Claims or Medicare Claims.
  
- (iii) “Abuse Related Contribution Claim” means any Person’s Claim against any other Person for contribution, indemnity, equitable indemnity, subrogation, or equitable subrogation, or reimbursement, or any other indirect or derivative recovery, arising because of such Person having paid or defended against any Abuse Claim including but not limited to a joint tortfeasor or the like. To avoid doubt, an Abuse Related Contribution Claim is not an Abuse Claim.
  
- (iv) “Catholic Mutual Certificates” means all binders, certificates, or other evidence of coverage issued or allegedly issued by Catholic Mutual to the Diocese and certain other Persons including, at various times, the Catholic Entities. All Catholic Mutual Certificates are identified in Exhibit C appended to the Plan.

- (v) “Catholic Mutual Parties” means Catholic Mutual and, solely in the capacity as such, (i) each of its past and present parents, subsidiaries, Affiliates, holding companies, merged companies, related companies, reinsurers, retrocessionaires and divisions ; (ii) each of the foregoing Persons’ respective past and present directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators in their capacity as such; and (iii) each of the foregoing Person’s respective predecessors, heirs, successors, assignors, and assigns, whether known or unknown, and all Persons acting on behalf of, by, through or in concert with them. A “Catholic Mutual Party” does not include a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.
  
- (vi) “Claim” shall have the meaning as that term is defined in Section 101(5) of the Bankruptcy Code, and regardless of the application of any statute of limitations defense.
  
- (vii) “Direct Action Claims” means the same as “Abuse Claims”, except that they are asserted against any Settled Insurer Party, instead of any Participating Party or the Trust, for the recovery of insurance proceeds.
  
- (viii) “Participating Party” means any Person providing consideration in exchange for: (a) the release of any Abuse Related Contribution Claim by the Debtor against such Participating Party; (b) the benefit of the Channeling Injunction; and/or (c) any other benefits for Participating Parties under the Plan. For clarity, the Persons listed on Exhibit F, as may be amended from time to time—including, but not limited to, the Diocese Parties, the Catholic Entity Parties, the ACA, Xavier and Oceania—are Participating Parties, and (i) each of their respective past, present subsidiaries, Affiliates, holding companies, merged companies, related companies, and divisions; (ii) each of the foregoing Persons’ respective past and present directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives in their capacity as such, and (iii) each of the foregoing Person’s respective predecessors, successors, assignors, and assigns, whether known or unknown, and all Persons acting on behalf of, by, through or in concert with them. Upon the consent of the Trustee, at his sole and absolute discretion, a Person may become a Participating Party after the Effective Date if the Bankruptcy Court approves the agreement between the Person and the Trustee under its retained jurisdiction. Upon the Bankruptcy Court’s final approval of such an agreement, Exhibit F will be amended by the Trustee to include such Person. For the purposes of defining a Participating Party, the Persons on Exhibit F to the Plan shall include their respective predecessors, successors, assigns, employees, officers, agents, attorneys, representatives, and directors. A Participating Party does not include any Settled Insurer, the Holy See or any Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.

- (ix) “Related Insurance Claim” means (i) any Claim against any Settled Insurer for defense, indemnity, reimbursement, contribution, subrogation, or similar relief that, directly or indirectly, relates to an Abuse Claim; (ii) any Extra-Contractual Claim that, directly or indirectly, relates to any Abuse Claim; (iii) any Direct Action Claim; (iv) any Medicare Claim; and (v) any Abuse Related Contribution Claim.
  
- (x) “Settled Insurer Parties” means each and every Settled Insurer and, solely in the capacity as such, (i) each of its past and present parents, subsidiaries, Affiliates, holding companies, merged companies, related companies, reinsurers, retrocessionaires, and divisions; (ii) each of the foregoing Persons’ respective past and present directors, officers, shareholders, employees, subrogees, partners, principals, agents, attorneys, joint ventures, joint venturers, representatives, and claims handling administrators in their capacity as such; and (iii) each of the foregoing Person’s respective predecessors, heirs, successors, assignors, and assigns, whether known or unknown, and all Persons acting on behalf of, by, through or in concert with them. A “Settled Insurer Party” does not include a Person having personally committed an act or acts of Abuse resulting in a Claim against the Debtor or a Participating Party.
  
- (xi) “Settled Insurer Policies” means, collectively, all Insurance Policies that are the subject of an Insurance Settlement Agreement(s) with the Settled Insurers.

## Schedule 2

### **A. Participating Parties**

ACA<sup>1</sup>

Catholic Entity Parties (as identified on **Exhibit D** annexed to the Plan, including but not limited to St. Bernard, Mercy, and Mount St. John Parties)

Diocese Parties

Oceania

Xavier

Parishes (as defined in the Plan and as identified herein):

1. All Saints' Church, of Somersville (Parish Name: All Saints Parish, Somersville)
2. Blessed Sacrament Parish (Parish Name: Blessed Sacrament Parish) (Individually, and d/b/a St. Bernard School, Rockville, and as successor to (i) St. Bernard's Society Rockville Connecticut; and (ii) The Saint Matthew Church Corporation)
3. Corporation of the Sacred Heart of Jesus, Taftville, Connecticut. (Parish Name: Sacred Heart Parish, Taftville) (Individually, and d/b/a Sacred Heart School, Taftville)
4. Corpus Christi Catholic Parish (Parish Name: Corpus Christi Catholic Parish) (Individually, and d/b/a St. Mary School-St. Joseph School and d/b/a St. Joseph Cemetery, Willimantic, and as successor to (i) Sagrado Corazon de Jesus, Inc., of Windham; (ii) St. Joseph's Cath. Congregation, Willimantic, Connecticut; and (iii) The Roman Catholic Church of St. Mary)
5. Our Lady of Lourdes of Hampton, Connecticut (Parish Name: Our Lady of Lourdes, Hampton)
6. Our Lady of Mercy Parish (Parish Name: Our Lady of Mercy Parish, Durham) (Individually, and as successor to (i) The Saint Colman Church Corporation; and (ii) The Notre Dame Church Corporation)
7. Our Lady Queen of Peace Parish (Parish Name: Our Lady Queen of Peace Parish) (Individually, and as successor to (i) The St. Mary's Church Corporation of South

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<sup>1</sup> Any capitalized terms not expressly defined herein shall have the meaning ascribed to them in the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_].

Coventry; (ii) The St. Thomas Aquinas Chapel Corporation; and (iii) St. John Berchmans Catholic Society Connecticut)

8. Saint Mary's Church Portland Connecticut (Parish Name: St. Mary Parish, Portland)
9. St. Andre Bessette Parish (Parish Name: St. Andre Bessette Parish) (Individually, and d/b/a St. John School, Plainfield and All Hallows School, and as successor to (i) St. Augustine Church Corporation, Town of Canterbury; (ii) All Hallows' Church, Moosup, Connecticut; and (iii) The St. John's Church of Plainfield)
10. St. Andrew's Catholic Church, Colchester, Connecticut (Parish Name: Guardian Angels Parish) (Individually, and as successor to Saint Francis of Assisi Church Corporation of Lebanon)
11. St. Anne's Catholic Church Corporation. (Parish Name: St. Anne, Griswold/Glasgo)
12. St. Edward's Catholic Society, Stafford Springs Connecticut (Parish Name: St. Edward, Stafford Springs) (Individually, and d/b/a St. Edward School, Stafford Spring)
13. St. James Catholic Church of Danielsonville Connecticut (Parish Name: St. James, Danielson) (Individually, and d/b/a St. James School, Danielson and St. Joseph Cemetery, Dayville)
14. St. John's Corporation, of Cromwell Connecticut (Parish Name: St. John, Cromwell)
15. St. John's Roman Catholic Church, Montville, Connecticut (Parish Name: Divine Mercy Parish) (Individually, and as successor to (i) The Our Lady of the Lakes Church Corporation; and (ii) The Church of Our Lady of Perpetual Help)
16. St. Joseph Catholic Society Connecticut (Parish Name: St. Joseph, Occum)
17. St. Lawrence Church Corporation of Killingworth. (Parish Name: St. Lawrence, Killingworth)
18. St. Mary's Catholic Church, Sprague, Connecticut (Parish Name: St. Mary, Baltic) (Individually, and d/b/a St. Mary Immaculate Conception, Baltic; and St. Joseph School, Baltic)
19. St. Mary's Church Corporation, Connecticut (1); St. Mary's Parish Connecticut (2) (Parish Name: St. Mary's, Norwich)
20. St. Mary's Society (Parish Name: St. Mary, Clinton) (Individually, and d/b/a St. Mary Cemetery, Clinton)

21. St. Michael's Church, Pawcatuck Connecticut (Parish Name: St. Michael Parish, Pawcatuck) (Individually, and d/b/a St. Michael School, Pawcatuck, and as successor to (i) St. Mary's Church Stonington Connecticut; and (ii) St. Thomas More Church)
22. St. Patrick's Church Corporation of Norwich Connecticut (Parish Name: St. Patrick Cathedral, Norwich) (Individually, and d/b/a St. Patrick School, Norwich)
23. St. Patrick's Church, Mystic Bridge Connecticut (Parish Name: St. Patrick, Mystic)
24. St. Patricks Church, East Hampton Connecticut (Parish Name: St. John Paul II Parish) (Individually, and as successor to St. Bridgets Church Corporation of Moodus, Connecticut)
25. St. Philip's Church Corporation of Warrenville (Parish Name: St. Philip, Warrenville)
26. St. Pio Parish (Parish Name: St. Pio Parish) (Individually, and d/b/a St. John School, Saybrook, and as successor to (i) St. John's Church Corporation, Saybrook, Connecticut; and (ii) St. Mark's Roman Catholic Church Corporation)
27. St. Teresa of Calcutta Parish (Parish Name: St. Teresa of Calcutta Parish, Essex) (Individually, and d/b/a St. Joseph Church, Essex, and as successor to (i) Our Lady of Sorrows Corporation, Essex Connecticut; and (ii) St. Joseph's Church Corporation of Chester, Connecticut)
28. St. Therese of Lisieux (Parish Name: St. Therese of Lisieux, Putnam) (Individually, and d/b/a St. Joseph School, N. Grosvenor Dale, and as successor to (i) St. Joseph's Catholic Society, Grosvenor Dale Connecticut; (ii) St. Stephen's Church, Quinebaug Connecticut; (iii) The Most Holy Trinity Church; and (iv) St. Mary's Church Putnam Connecticut)
29. St. Thomas' Corporation of Voluntown, Connecticut (Parish Name: St. Thomas, Voluntown) (Individually, and d/b/a St. Anne Mission, Glasgo and St. Thomas Cemetery, Voluntown)
30. The Church of Christ the King, Old Lyme, Incorporated (Parish Name: Christ the King, Old Lyme)
31. The Church of Saint Sebastian, Middletown (Parish Name: St. Sebastian, Middletown) (Individually, and d/b/a St. Sebastian Cemetery, Middletown)
32. The Church of St. Francis of Assisi (Parish Name: St. Francis, Middletown)

33. The Our Lady of LaSalette Church Corporation (Parish Name: Our Lady of LaSalette, Brooklyn)
34. The Our Lady of Lourdes Corporation (Parish Name: Our Lady of Lourdes, Gales Ferry)
35. The Polish Roman Catholic Church of St. Mary's of Czenstochowa (Parish Name: St. Mary, Middletown)
36. The Roman Catholic Church of Jewett City, Connecticut (Parish Name: St. Mary Parish, Jewett City) (Individually, and d/b/a St. Mary School, Jewett City and St. Mary Cemetery, Jewett City)
37. The Roman Catholic Church of Our Lady of Grace, at Fishers Island, in the County of Suffolk in the State of New York (Parish Name: St. Brendan the Navigator)
38. The Sacred Heart Church Corporation (Parish Name: Sacred Heart, Groton) (Individually, and d/b/a Sacred Heart School, Groton)
39. The Sacred Heart Church of Norwich Connecticut (Parish Name: Sacred Heart, Norwich) (Individually, and d/b/a St. John Mission, Fitchville)
40. The Saint Catherine of Siena Church Corporation (Parish Name: St. Catherine, Preston)
41. The Saint Columba Church Corporation (Parish Name: The Good Shepherd Parish) (Individually, and as successor to Church of the Holy Family of Hebron Incorporated)
42. The Saint John's Church Corporation, Middletown Connecticut (Parish Name: St. John, Middletown) (Individually, and d/b/a St. John School, Middletown)
43. The Saint Mary Church Corporation (Parish Name: St. Mary, Groton)
44. The Saint Peter Church Corporation (1); The Roman Catholic Church of St. Peter (2) (Parish Name: St. Peter Parish, Higganum)
45. The Saint Pius X Church Corporation (Parish Name: St. Pius X, Middletown)
46. The SS. Peter and Paul Church Corporation (Parish Name: SS Peter & Paul, Norwich)
47. The St. Agnes Church Corporation (Parish Name: St. Agnes, Niantic) (Individually, and d/b/a St. Francis Chapel, Crescent Beach)

48. The St. Joseph's Church of Rockville (Parish Name: St. Joseph, Rockville) (Individually, and d/b/a St. Joseph School, Rockville)
49. The St. Joseph's Polish Roman Catholic Congregation (Parish Name: St. Joseph, Norwich)
50. The St. Josephs Church Corporation of New London (Parish Name: St. Brendan the Navigator) (Individually, and d/b/a St. Joseph School, New London; and d/b/a St. Mary Star of the Sea School, New London, and as successor to (i) St. Mary's Roman Catholic Church Corp.; and (ii) The St. Paul Catholic Church Corporation)
51. The St. Luke's Roman Catholic Church Corporation (Parish Name: St. Luke, Ellington)
52. The St. Matthias' Church Corporation (Parish Name: St. Matthias, East Lyme)
53. The St. Maurice Church Corporation (Parish Name: St. Maurice, Bolton)

**B. Settled Insurer Parties**

Catholic Mutual Parties

**Schedule 2-4**

Form of Class 8 Ballot

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION

<p>In re:</p> <p>THE NORWICH ROMAN CATHOLIC DIOCESAN CORPORATION,<sup>1</sup></p> <p style="text-align: center;">Debtor.</p>	<p>Chapter 11</p> <p>Case No: 21-20687 (JJT)</p>
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**CLASS 8 BALLOT**

The Bankruptcy Court has approved the Fifth Amended Joint Disclosure Statement for Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors (the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot. Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors (the “Plan”) by the Bankruptcy Court.

You should review the Disclosure Statement and the Plan before you vote. If you are not represented by an attorney, you may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan.

In order for your vote to be counted, this Ballot must be properly completed, signed, and returned to Omni Agent Solutions, Inc. (the “Voting Agent”) so that it is actually received no later than 5:00 p.m. (Prevailing Eastern Time) on \_\_\_\_\_, 2024 (the “Voting Deadline”), unless such time is extended by the Court or the Plan Proponents. If the plan is confirmed by the Bankruptcy Court, it will be binding on you whether or not you vote or if you vote to reject the Plan.

Copies of the Disclosure Statement and Plan are provided to you with this Ballot and will also be on file with the Office of the Clerk of the Court for review during normal business hours (a fee may be charged) and are also available free of charge on the website maintained by the Diocese’s claims agent at <https://omniagentsolutions.com/Norwich>.

<sup>1</sup> The Debtor in this chapter 11 case is The Norwich Roman Catholic Diocesan Corporation, a/k/a The Roman Catholic Diocese of Norwich. The last four digits of the Debtor’s federal tax identification number are 7373.

**INSTRUCTIONS FOR FILLING OUT AND SUBMITTING THIS BALLOT**

To have your vote counted, please complete, sign, and date this Ballot and return it so that it is received by the Voting Agent no later than the Voting Deadline, unless such time is extended by the Court or the Plan Proponents. Ballots must be delivered to the Voting Agent (i) at an appropriate address as listed below; or (ii) via the Voting Agent’s Voting Upload platform at: <https://omniagentsolutions.com/Norwich-Ballots>.

<p><u>If by U.S. Postal Service First Class mail:</u> The Norwich Roman Catholic Diocesan Corporation c/o Omni Agent Solutions, Inc. 5955 De Soto Avenue, Suite 100 Woodland Hills, CA 91367</p>	<p><u>If by overnight courier or hand delivery:</u> The Norwich Roman Catholic Diocesan Corporation c/o Omni Agent Solutions, Inc. 5955 De Soto Avenue, Suite 100 Woodland Hills, CA 91367</p>
<p><u>If by electronic, online submission:</u> Please visit <a href="https://omniagentsolutions.com/Norwich-Ballots">https://omniagentsolutions.com/Norwich-Ballots</a>. Scroll down to the “Submit a Ballot Online” section of the Diocese’s website and follow the directions to submit your Ballot. If you choose to submit your Ballot via Omni’s Voting Upload system, you should not return a hard copy of your Ballot.</p>	

**IMPORTANT NOTE:**

Please complete and submit a Ballot promptly by mail or by online submission. If your Ballot is not received by the Voting Agent on or before the Voting Deadline, and such Voting Deadline is not extended by the Court or the Plan Proponents as noted above, your vote will not be counted. If you have any questions regarding this document, need a return envelope or another copy of the Disclosure Statement, the Plan, or this document, please contact the Voting Agent by e-mailing [NorwichInquiries@OmniAgnt.com](mailto:NorwichInquiries@OmniAgnt.com). Please do not direct any inquiries to the Bankruptcy Court. The Voting Agent is not authorized to, and will not, provide legal advice.

**CLASS 8 BALLOT FOR ACCEPTING OR REJECTING PLAN**

**PLEASE READ THE ENTIRE BALLOT BEFORE COMPLETING IT**

**By signing this Ballot, I certify under penalty of perjury pursuant to 28 U.S.C. § 1746 that I have been provided a copy or access to a copy of the Disclosure Statement and the exhibits thereto.**

**YOU MUST COMPLETE THIS BALLOT IN ORDER FOR YOUR VOTE TO COUNT. IF YOUR BALLOT IS NOT RECEIVED IN COMPLIANCE WITH THE INSTRUCTIONS BY 5:00 P.M., EASTERN TIME, ON \_\_\_\_\_ 2024, IT WILL NOT BE COUNTED.**

**This Ballot is for voting purposes only and is not a Proof of Claim.**

*Claimant:* \_\_\_\_\_

The undersigned, a Holder of a Class 8 Claim, votes (check one box only):

<input type="checkbox"/> to <b>ACCEPT</b> the Plan	<input type="checkbox"/> to <b>REJECT</b> the Plan
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For purposes of voting to accept or reject the Plan, the undersigned certifies that as of the Voting Record Date, the undersigned holds a Class 8 Claim in the amount set forth below:

**Amount of Your Claim for Voting Purposes Only: \$ \_\_\_\_\_.**

By signing this Class 8 Ballot, the undersigned certifies to the Bankruptcy Court and to the Plan Proponents:

- (a) That, as of the Voting Record Date, either: (i) the undersigned is the Holder of a Class 8 Claim or (ii) the undersigned is an individual competent to act with a specific, written power of attorney directing such individual to vote to accept or reject the Plan as directed by such individual claimant provided that a copy of the power of attorney is attached to this Class 8 Ballot;
- (b) That the Holder of the Class 8 Claim has received a copy of the Confirmation Hearing Notice, the order approving the Disclosure Statement, the approved Disclosure Statement, and the Plan and acknowledges that this solicitation is being made pursuant to the terms and conditions set forth in the Plan and Disclosure Statement;
- (c) That the undersigned has read and understands, the undersigned's lawyer has read and explained to the undersigned, or the undersigned has voluntarily chosen not to read, the provisions of the Plan;
- (d) That, in particular, without limitation, the undersigned consents to the provisions contained in Section 13.13 to the Plan providing for the release of Claims between each and every Participating Party and Settled Insurer, as those terms are defined in the Plan; and
- (e) That no other Class 8 Ballot with respect to the Class 8 Claim identified in this Ballot have been cast or, if any other Class 8 Ballots have been cast with respect to such Class 8 Claim, then any such earlier Class 8 Ballots are hereby revoked.

TO BE COMPLETED BY CLASS 8 CLAIMANT:

Print or Type Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date Completed: \_\_\_\_\_

**Schedule 3**

Notice of Unimpaired Non-Voting Status

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION

In re:

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION,<sup>1</sup>

Debtor.

Chapter 11

Case No: 21-20687 (JJT)

**NOTICE OF NON-VOTING STATUS TO HOLDERS OF UNCLASSIFIED CLAIMS  
AND HOLDERS OF UNIMPAIRED CLAIMS CONCLUSIVELY PRESUMED TO  
ACCEPT THE FIFTH AMENDED JOINT CHAPTER 11 PLAN OF  
REORGANIZATION PROPOSED BY THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION AND THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS**

*To: All Holders of Unclassified Claims and Classes 1 (Other Priority Claims); 3(3A – M&T Secured Revolving Loan and 3B – M&T Secured Guaranty Claim); and 6 (General Unsecured Claims)*

**IMPORTANT NOTICE REGARDING RELEASES FOR HOLDERS OF  
ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS**

**YOUR CLAIM IS UNCLASSIFIED UNDER THE PLAN AND YOU ARE NOT ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN. NEVERTHELESS, YOU ARE CONCLUSIVELY PRESUMED TO CONSENT TO CERTAIN INJUNCTIVE RELIEF TO THE EXTENT PROVIDED IN SECTION XIII OF THE PLAN, UNLESS YOU FILE AN OBJECTION TO THE INJUNCTIVE RELIEF PROVIDED IN THE PLAN NO LATER THAN [ ] AT 5:00 PM ET (THE “PLAN OBJECTION DEADLINE”).**

<sup>1</sup> The Debtor in this chapter 11 case is The Norwich Roman Catholic Diocesan Corporation, a/k/a The Roman Catholic Diocese of Norwich. The last four digits of the Debtor’s federal tax identification number are 7373.

**IMPORTANT NOTICE REGARDING RELEASES FOR HOLDERS OF CLAIMS IN CLASSES 1 (OTHER PRIORITY CLAIMS); 3 (3A – M&T SECURED REVOLVING LOAN AND 3B – M&T SECURED GUARANTY CLAIM); AND 6 (GENERAL UNSECURED CLAIMS)**

**AS THE HOLDER OF A CLAIM THAT IS UNIMPAIRED UNDER THE PLAN, YOU ARE PRESUMED TO ACCEPT THE PLAN. YOU ARE ALSO CONCLUSIVELY PRESUMED TO CONSENT TO CERTAIN INJUNCTIVE RELIEF TO THE EXTENT PROVIDED IN SECTION XIII OF THE PLAN, UNLESS YOU FILE AN OBJECTION TO THE INJUNCTIVE RELIEF PROVIDED IN THE PLAN NO LATER THAN THE PLAN OBJECTION DEADLINE.**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

On July 15, 2021 (the “Petition Date”), The Norwich Roman Catholic Diocesan Corporation (the “Diocese”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

On \_\_\_\_\_, 2024, the United States Bankruptcy Court for the District of Connecticut (the “Bankruptcy Court”) entered an Order (the “Disclosure Statement Order”) approving the *Fifth Amended Joint Disclosure Statement for Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_] (the “Disclosure Statement”) in connection with the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_] (the “Plan”). The Disclosure Statement Order authorizes the Debtor to solicit votes to accept or reject the Plan.

**UNDER THE TERMS OF THE PLAN, YOUR CLAIM(S) AGAINST THE DIOCESE IS/ARE NOT IMPAIRED, AND THEREFORE, PURSUANT TO SECTION 1126(f) OF THE BANKRUPTCY CODE, YOU ARE (I) DEEMED TO HAVE ACCEPTED THE PLAN, AND (II) NOT ENTITLED TO VOTE ON THE PLAN. IF YOU HAVE ANY QUESTIONS ABOUT THE STATUS OF YOUR CLAIM(S), OR YOU WISH TO OBTAIN A COPY OF EITHER THE DISCLOSURE STATEMENT OR THE PLAN, PLEASE MAKE A SPECIFIC WRITTEN REQUEST TO (A) THE NORWICH ROMAN CATHOLIC DIOCESAN CORPORATION, C/O OMNIAGENT SOLUTIONS, INC., 5955 DE SOTO AVE., SUITE 100, WOODLAND HILLS, CA 91367 OR (B) BY EMAIL AT NORWICHINQUIRIES@OMNIAGNT.COM.**

**NOTWITHSTANDING THIS NOTICE OF NON-VOTING STATUS, YOU HAVE THE RIGHT (I) TO CONTEST YOUR NON-VOTING STATUS AND (II) TO OBJECT TO CONFIRMATION OF THE PLAN.**

**PROCEDURES FOR CONTESTING YOUR STATUS, FILING AN OBJECTION TO THE PLAN, AND FOR INFORMATION RELATED TO CERTAIN INJUNCTION AND EXCULPATION CONTAINED IN THE PLAN MAY BE FOUND IN THE NOTICE**

**OF: (A) APPROVAL OF DISCLOSURE STATEMENT, (B) VOTING PROCEDURES FOR THE PLAN, (C) SCHEDULING OF THE CONFIRMATION HEARING, AND (D) PROCEDURES FOR FILING OBJECTIONS AND RESPONSES TO CONFIRMATION OF THE PLAN.**

**IF YOU HAVE QUESTIONS WITH RESPECT TO YOUR RIGHTS UNDER THE PLAN OR ABOUT ANYTHING STATED HEREIN YOU SHOULD SPEAK TO YOUR ATTORNEY.**

Dated at Hartford, Connecticut, this 2nd day of February, 2024.

THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS FOR THE  
NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION, DEBTOR  
AND DEBTOR-IN-POSSESSION

By: /s/ Stephen M. Kindseth

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*Its attorneys*

**Schedule 4**

Notice of Impaired Non-Voting Status

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION

In re:

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION,<sup>1</sup>

Debtor.

Chapter 11

Case No: 21-20687 (JJT)

**NOTICE OF NON-VOTING STATUS TO HOLDERS OF IMPAIRED CLAIMS  
CONCLUSIVELY PRESUMED TO REJECT THE FIFTH AMENDED JOINT  
CHAPTER 11 PLAN OF REORGANIZATION PROPOSED BY THE NORWICH  
ROMAN CATHOLIC DIOCESAN CORPORATION AND THE OFFICIAL  
COMMITTEE OF UNSECURED CREDITORS**

*To: All Holders of Claims in Class 7*

**IMPORTANT NOTICE REGARDING RELEASES FOR  
HOLDERS OF CLAIMS IN CLASS 7  
(ABUSE RELATED CONTRIBUTION CLAIMS)**

**AS THE HOLDER OF A CLAIM THAT IS IMPAIRED BUT WILL NOT RECEIVE ANY RECOVERY UNDER THE PLAN, YOU ARE PRESUMED TO REJECT THE PLAN. YOU ARE ALSO CONCLUSIVELY PRESUMED TO CONSENT TO CERTAIN INJUNCTIVE RELIEF TO THE EXTENT PROVIDED IN SECTION XIII OF THE PLAN, UNLESS YOU FILE AN OBJECTION TO THE RELEASES AND OTHER INJUNCTIVE RELIEF PROVIDED IN THE PLAN NO LATER THAN [\_\_\_\_] AT 5:00 PM (THE “PLAN OBJECTION DEADLINE”).**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

On July 15, 2021 (the “Petition Date”), The Norwich Roman Catholic Diocesan Corporation (the “Diocese”) filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

<sup>1</sup> The Debtor in this chapter 11 case is The Norwich Roman Catholic Diocesan Corporation, a/k/a The Roman Catholic Diocese of Norwich. The last four digits of the Debtor’s federal tax identification number are 7373.

On \_\_\_\_\_, 2024, the United States Bankruptcy Court for the District of Connecticut (the “Bankruptcy Court”) entered an Order (the “Disclosure Statement Order”) approving the *Fifth Amended Joint Disclosure Statement for Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_] (the “Disclosure Statement”) in connection with the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_] (the “Plan”). The Disclosure Statement Order authorizes the Debtor to solicit votes to accept or reject the Plan.

**UNDER THE TERMS OF THE PLAN, YOUR CLAIM(S) AGAINST THE DIOCESE IS/ARE IMPAIRED, AND THEREFORE, PURSUANT TO SECTION 1126(g) OF THE BANKRUPTCY CODE, YOU ARE (I) DEEMED TO HAVE REJECTED THE PLAN, AND (II) ARE NOT ENTITLED TO VOTE ON THE PLAN. IF YOU HAVE ANY QUESTIONS ABOUT THE STATUS OF YOUR CLAIM(S), OR YOU WISH TO OBTAIN A COPY OF EITHER THE DISCLOSURE STATEMENT OR THE PLAN, PLEASE MAKE A SPECIFIC WRITTEN REQUEST TO (A) THE NORWICH ROMAN CATHOLIC DIOCESAN CORPORATION, C/O OMNI AGENT SOLUTIONS, INC., 5955 DE SOTO AVE., SUITE 100, WOODLAND HILLS, CA 91367 OR (B) BY EMAIL AT NORWICHINQUIRIES@OMNIAGNT.COM.**

**NOTWITHSTANDING THIS NOTICE OF NON-VOTING STATUS, YOU HAVE THE RIGHT (I) TO CONTEST YOUR NONVOTING STATUS AND (II) TO OBJECT TO CONFIRMATION OF THE PLAN. PROCEDURES FOR CONTESTING YOUR STATUS, FILING AN OBJECTION TO THE PLAN, AND FOR INFORMATION RELATED TO CERTAIN RELEASE, INJUNCTION, AND EXCULPATION CONTAINED IN THE PLAN MAY BE FOUND IN THE NOTICE OF: (A) APPROVAL OF DISCLOSURE STATEMENT, (B) VOTING PROCEDURES FOR THE PLAN, (C) SCHEDULING OF THE CONFIRMATION HEARING, AND (D) PROCEDURES FOR FILING OBJECTIONS AND RESPONSES TO CONFIRMATION OF THE PLAN.**

**IF YOU HAVE QUESTIONS WITH RESPECT TO YOUR RIGHTS UNDER THE PLAN OR ABOUT ANYTHING STATED HEREIN YOU SHOULD SPEAK TO YOUR ATTORNEY.**

Dated at Hartford, Connecticut, this 2nd day of February, 2024.

THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS FOR THE  
NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION, DEBTOR  
AND DEBTOR-IN-POSSESSION

By: /s/ Stephen M. Kindseth

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- and -

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*Its attorneys*

**Schedule 5**

Confirmation Hearing Notice

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION

In re:

THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION,<sup>1</sup>

Debtor.

Chapter 11

Case No: 21-20687 (JJT)

**NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT;  
(II) ESTABLISHMENT OF VOTING RECORD DATE;  
(III) ESTABLISHMENT OF PROCEDURES AND DEADLINE  
FOR VOTING ON CHAPTER 11 PLAN;  
AND (IV) HEARING ON CONFIRMATION OF  
CHAPTER 11 PLAN AND PROCEDURES FOR OBJECTIONS**

**PLEASE TAKE NOTICE THAT:**

1. **Approval of Disclosure Statement.** On \_\_\_\_\_, 2024, the United States Bankruptcy Court for the District of Connecticut (the “Bankruptcy Court”) entered an order (the “Disclosure Statement Order”) approving the *Fifth Amended Joint Disclosure Statement for Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_] (as it may be amended, the “Disclosure Statement”) in connection with the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_] (as it may be amended, the “Plan”).<sup>2</sup> The Disclosure Statement Order authorizes the Diocese to solicit votes to accept or reject the Plan pursuant to chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

2. **Confirmation Hearing.** The hearing (the “Confirmation Hearing”) to consider the confirmation of the Plan shall commence at **10:00 a.m. (Eastern Time)** on [\_\_] **2024** before the Honorable James J. Tancredi, United States Bankruptcy Judge, at the Abraham A. Ribicoff Federal Building and Courthouse, United States Bankruptcy Court, 450 Main Street, 7th Floor, Hartford, CT 06103. The Confirmation Hearing may be continued from time to time. The Diocese and the Official Committee of Unsecured Creditors (the “Committee”) (together with the Diocese, the “Plan Proponents”) may modify the Plan, if necessary, prior to, during, or

<sup>1</sup> The Debtor in this chapter 11 case is The Norwich Roman Catholic Diocesan Corporation, a/k/a The Roman Catholic Diocese of Norwich. The last four digits of the Debtor’s federal tax identification number are 7373.

<sup>2</sup> All capitalized terms used but not defined herein or in the enclosed voting instructions have the meanings ascribed to such terms in the Plan. The Disclosure Statement provides information to assist you in deciding how to vote on the Plan.

as a result of the Confirmation Hearing in accordance with the terms of the Plan without further notice.

**3. Channeling, Injunction and Release.** As more fully explained in the Plan and Disclosure Statement, the Plan provides that all Abuse Claims and related Claims against the Participating Parties and the Settled Insurers will be channeled to either the Trust or the Unknown Abuse Claims Trust, meaning that either of these trusts will be the sole and exclusive source of payment for any such Claims against the Participating Parties and Settled Insurers. The Participating Parties and the Settled Insurers include, but are not limited to, the Diocese Parties, the Catholic Entity Parties (which includes various parishes, schools and other catholic missions within the Diocese), Catholic Mutual, Xavier and/or Oceania, all as defined in the Plan. The Confirmation Order confirming the Plan will include releases and injunctions which will, subject to limited exceptions, permanently enjoin and bar all Persons from asserting or pursuing certain Claims relating to sexual abuse or related misconduct, and insurance coverage for such Claims against the Participating Parties and Settled Insurers, and will release the Participating Parties and the Settled Insurer Parties from any further liability relating to such Claims. In particular, Section XIII of the Plan provides for these releases and injunctions. If you hold Claims against any of the Participating Parties and/or Settled Insurers, including but not limited to, the Diocese Parties, Catholic Entity Parties, Catholic Mutual, Xavier, and/or Oceania, your rights may be affected. **If you believe your rights are or may be affected, you should promptly consult with an attorney regarding your rights and options. Please not that the information contained herein is not a substitute for reviewing the Plan and Disclosure Statement.**

**4. Record Date for Voting Purposes.** Holders of Claims in Class 2 (Secured Claims of Citizens Bank, N.A.); Class 4 (Abuse Claims Other Than Unknown Abuse Claims); Class 5 (Unknown Abuse Claims); and Class 8 (Claims Held by Catholic Entities, Xavier, and Oceania) (collectively, the "Voting Classes") on \_\_\_\_\_, 2024 (the "Voting Record Date") are entitled to vote on the Plan.

**5. Voting Procedures.** If you are entitled to vote you will receive a Solicitation Package which shall include a copy of (a) the Disclosure Statement Order, (b) this Notice, (c) the Disclosure Statement, attached to which is the Plan, and (d) a ballot (the "Ballot").

Please review the Ballot for specific instructions as to how to vote. Failure to follow the voting instructions may disqualify your vote. If your attorney has elected to record your vote on the Plan, your attorney may reach out to you to collect or record your vote to accept or reject the Plan in advance of the Voting Deadline (as defined herein) and you should respond promptly to any communications from your attorney. If you are a Holder of an Abuse Claim represented by an attorney but have received your Ballot and Solicitation Package from the Voting Agent, you must return your completed Ballot to the Voting Agent by the Voting Deadline in order for your vote to count.

**6. Voting Deadline.** The deadline to vote on the Plan is **5:00 p.m. (Eastern Time)** on \_\_\_\_\_, 2024 (the "Voting Deadline"). Ballots must be completed, signed, dated, and returned by only one of the following return methods:

If by U.S. Postal Service First Class mail:

The Norwich Roman Catholic Diocesan Corporation  
c/o Omni Agent Solutions, Inc.  
5955 De Soto Ave, Suite 100  
Woodland Hills, CA 91367

If by overnight courier or hand delivery:

The Norwich Roman Catholic Diocesan Corporation,  
c/o Omni Agent Solutions, Inc.  
5955 De Soto Ave, Suite 100  
Woodland Hills, CA 91367

By electronic, online submission:

<https://omniagentsolutions.com/Norwich-Ballots>

If you choose to submit your Ballot via Omni's Voting Upload Portal, you should not also return a hard copy of your Ballot.

7. **Parties in Interest Not Entitled to Vote.** Holders of Claims in Class 1 (Other Priority Claims); Class 3 (Secured Revolving Loan and Secured Guaranty Claims of M&T); Class 6 (General Unsecured Claims); and Class 7 (Abuse Related Contribution Claims); (collectively, the "Non-Voting Classes") are not entitled to vote on the Plan. Such Holders will receive an appropriate Notice of Non-Voting Status instead of a Ballot. If you have timely filed a Proof of Claim and disagree with the Plan Proponents' classification of, objection to, or request for estimation of, your Claim and believe that you should be entitled to vote on the Plan, then you must serve the Diocese and attorneys for the Official Committee of Unsecured Creditors, and file with the Court (with a copy to Chambers) a motion (a "Rule 3018(a) Motion") for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") temporarily allowing your Claim in a different amount or in a different Class for purposes of voting to accept or reject the Plan. All Rule 3018(a) Motions must be filed on or before the 10th day after the later of (i) service of this Notice and (ii) service of notice of an objection or request for estimation, if any, as to your Claim or Interest. As to any Creditor filing a Rule 3018(a) Motion, such Creditor's Ballot will not be counted except as may be otherwise ordered by the Court. Creditors shall make a written request to (a) The Norwich Roman Catholic Diocesan Corporation, c/o Omni Agent Solutions, Inc., 5955 De Soto Ave, Suite 100, Woodland Hills, CA 91367 or (b) by email at [NorwichInquiries@OmniAgnt.com](mailto:NorwichInquiries@OmniAgnt.com) to receive an appropriate Ballot for any Claim for which a Proof of Claim has been timely filed and a Rule 3018(a) Motion has been granted. Rule 3018(a) Motions that are not timely filed and served in the manner set forth above shall not be considered.

8. **Executory Contracts and Unexpired Leases.** Pursuant to Section XIV of the Plan and Exhibit P thereto, all executory contracts of the Debtor not rejected by order of the Bankruptcy Court or that are not the subject of a motion to reject pending on the Confirmation Date will be deemed assumed by the Reorganized Debtor on the Effective Date.

**9. Objections to Confirmation.** Objections or responses to confirmation of the Plan, if any, must (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Rules for the United States Bankruptcy Court for the District of Connecticut; (c) set forth the name and address of the objecting party and the amount and nature of the Claim or Interest of such party; and (d) state the basis for the objection, and the specific grounds therefor. All objections must be filed and served no later than **5:00 p.m. (Eastern Time)** on \_\_\_\_\_, 2024 on (i) counsel for the Diocese, (ii) counsel for the Committee, and (iii) the United States Trustee for the District of Connecticut. Failure to file and serve any objection to the Plan in conformity with the foregoing procedures may result in the objecting party not being heard at the hearing.

**PLEASE TAKE NOTICE THAT OBJECTIONS NOT TIMELY FILED AND SERVED AS PRESCRIBED IN THIS NOTICE MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND MAY BE DEEMED OVERRULED WITHOUT FURTHER NOTICE.**

**10. Additional Information.** For more information about the solicitation procedures, or for copies of the Disclosure Statement or the Plan, parties should contact the Diocese’s claims and voting agent by email at [NorwichInquiries@OmniAgnt.com](mailto:NorwichInquiries@OmniAgnt.com) or review such information free-of-charge on the website maintained by the Diocese’s claims and voting agent at <https://omniagentsolutions.com/Norwich>.

**11. Key Events.** The Bankruptcy Court has approved the following dates and deadlines in connection with solicitation of votes to accept or reject the Plan, which dates may be extended pursuant to the solicitation procedures and order approving the Disclosure Statement.

Key Event	Date
Voting Record Date	_____, 2024
Solicitation Date	_____, 2024 <i>[Approximately one week after approval of the Disclosure Statement]</i>
Voting Deadline	_____, 2024 at 5:00 p.m. (ET) <i>[28 days after Solicitation Date, Fed. R. Bankr. P. 3017(d)(3)]</i>
Confirmation Objection Deadline	_____, 2024 at 5:00 p.m. (ET) <i>[28 days’ notice from approval of Disclosure Statement, Fed. R. Bankr. P. 3017(d) and 2002(b)]</i>
Deadline to File the Voting Certification	_____, 2024 at 5:00 p.m. (ET) <i>[2 days prior to Confirmation Hearing, Local Bankruptcy Rule 3018-1]</i>
Deadline for Plan Proponents to Reply to Confirmation Objections	_____, 2024 at 5:00 p.m. (ET)
Confirmation Hearing	_____, 2024 at __:00 a.m. (ET)

**THIS NOTICE IS BEING SENT TO YOU FOR INFORMATIONAL PURPOSES ONLY. IF YOU HAVE QUESTIONS WITH RESPECT TO YOUR RIGHTS UNDER THE PLAN OR ABOUT ANYTHING STATED IN THIS NOTICE, OR IF YOU WOULD LIKE TO OBTAIN ADDITIONAL INFORMATION, PLEASE CONTACT THE VOTING AGENT VIA ONE OF THE METHODS SPECIFIED IN THIS NOTICE. PLEASE NOTE THAT THE VOTING AGENT MAY NOT PROVIDE LEGAL ADVICE. IF YOU NEED LEGAL ADVICE, PLEASE CONSULT WITH YOUR ATTORNEY.**

*[Remainder of Page Left Intentionally Blank; Signature Page Follows]*

Dated at Bridgeport, Connecticut, this 2nd day of February, 2024.

THE OFFICIAL COMMITTEE OF  
UNSECURED CREDITORS FOR THE  
NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION

By: /s/ Stephen M. Kindseth  
Eric A. Henzy (ct12849)  
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THE NORWICH ROMAN CATHOLIC  
DIOCESAN CORPORATION, DEBTOR AND  
DEBTOR-IN-POSSESSION.

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**Schedule 6**

Publication Notice

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF CONNECTICUT  
HARTFORD DIVISION**

***In re: The Norwich Roman Catholic Diocesan Corporation  
Case No. 21-20687***

Please take notice that on February 2, 2024, The Norwich Roman Catholic Diocesan Corporation (the “Diocese”) and the Official Committee of Unsecured Creditors (the “Committee”) (together with the Diocese, the “Plan Proponents”) filed the *Fifth Amended Joint Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_] (the “Plan”). On February 2, 2024, the Plan Proponents filed the accompanying *Fifth Amended Joint Disclosure Statement for Chapter 11 Plan of Reorganization Proposed by the Norwich Roman Catholic Diocesan Corporation and the Official Committee of Unsecured Creditors* [Docket No. \_\_\_\_] (the “Disclosure Statement”). The bankruptcy court approved the Disclosure Statement on \_\_\_\_\_, 2024.

If you hold claims against any of the Participating Parties and/or Settled Insurer Parties, including, but not limited to, the Diocese Parties, the Catholic Entity Parties (which includes various parishes, schools, and other Catholic Missions within the Diocese), Catholic Mutual, Xavier and/or Oceania, your rights may be affected.<sup>1</sup>

As more fully explained in the Plan and Disclosure Statement, the Plan provides that all Sexual Abuse Claims and related claims against the Participating Parties and the Settled Insurer Parties will be channeled to either the Trust or the Unknown Abuse Claims Trust, meaning that either of these trusts will be the sole and exclusive source of payment for any such claims against the Participating Parties and Settled Insurers. The order confirming the Plan will, subject to limited exceptions, permanently enjoin and bar all persons from asserting or pursuing certain claims relating to sexual abuse or related misconduct, and insurance coverage for such claims against the Participating Parties and Settled Insurers, and will release the Participating Parties and the Settled Insurers from any further liability relating to such claims.

Those entitled to vote on the plan must complete, sign, and return a ballot to Omni Agent Solutions, Inc. so that it is actually received no later than 5:00 p.m. (prevailing Eastern Time) on \_\_\_\_\_, 2024.

The hearing at which the Court will consider confirmation of the Plan will commence on \_\_\_\_\_, 2024 at \_\_:00 \_\_.m. (prevailing Eastern Time). Objections to confirmation of the Plan must be filed with the Court and served no later than \_\_\_\_\_, 2024 at \_\_:00 \_\_.m. (prevailing Eastern Time).

Abuse Claimants<sup>2</sup> have a right to attend the Confirmation Hearing live in-person, to monitor or participate in the proceedings via Zoom, or to monitor the proceedings anonymously and remotely via Zoom. For remote access, contact calendarconnect\_hfd.@ctb.uscourts.gov and indicate if you desire confidentiality.

If you believe your rights are or may be affected, you should promptly consult with an attorney regarding your rights and options. Please note that the information contained in this notice is not a substitute for reviewing the Plan the Disclosure Statement.

The Disclosure Statement, Plan, and additional documents relating to the confirmation of the Plan are posted on the reorganization pages of Omni Agent Solutions, Inc. (“Omni”) at <https://omniagentsolutions.com/Norwich>.

For diocesan information, please visit: <https://www.norwichdiocese.org/>

For U.S. Bankruptcy Court for the District of Connecticut information: <https://www.ctb.uscourts.gov/>

<sup>1</sup> All of the capitalized terms used in this paragraph are defined in Section I of the Plan.

<sup>2</sup> “Abuse Claimants” is defined in Section I, ¶ 3 of the Plan.

**Exhibit 4**

Cashflow Projections

**The Norwich Roman Catholic Diocesan Corporation****Cash Flow Forecast through June 2024**

Description	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
	Forecast <sup>4</sup>	Forecast	Forecast	Forecast	Forecast	Forecast
Beginning Cash Balance (Unrestricted) <sup>1</sup> -1.1.24	\$ 10,911,903	\$ 10,871,724	\$ 10,856,546	\$ 966,492	\$ 826,313	\$ 811,135
Total Receipts	\$ 899,000	\$ 899,000	\$ 899,000	\$ 899,000	\$ 899,000	\$ 899,000
Total Operating Disbursements	(914,179)	(914,179)	(914,179)	(914,179)	(914,179)	(914,179)
Net Operating Cash Flow (Before Plan Transactions)	(15,179)	(15,179)	(15,179)	(15,179)	(15,179)	(15,179)
<b>Plan Transactions:</b>						
St. Bernard's & 31 Perkins Sale Proceeds to Trust (incl. accrued interest)			(6,817,029)			
Recovery from ACA			500,000			
Payment to Trust using funds received from ACA			(500,000)			
Settlement Payment to Trust			(720,000)			
Payment to Unknown Abuse Claims Trust			(500,000)			
Professional Fees <sup>2</sup>			(1,428,846)			
Net Epiq Recovery to Estate <sup>3</sup>			-			
UST Fees	(25,000)			(125,000)		-
<b>Total Plan Transactions:</b>	(25,000)	-	(9,465,875)	(125,000)	-	-
Net Cash Flow (Incl. Plan Transactions)	\$ (40,179)	\$ (15,179)	\$ (9,481,054)	\$ (140,179)	\$ (15,179)	\$ (15,179)
Ending Cash Balance	\$ 10,871,724	\$ 10,856,546	\$ 1,375,492	\$ 826,313	\$ 811,135	\$ 795,956
Note Payable to Trust <sup>5</sup>						<b>Note 4</b>
Payment to Trust in lieu of Epiq (see note #2)			\$ (409,000)			
Cash Balance After Additional Payments	\$ 10,871,724	\$ 10,856,546	\$ 966,492	\$ 826,313	\$ 811,135	\$ 795,956

**Notes:**

- [1] Balance as of 1/1/24 and includes St. Bernard's sale proceeds  
[2] Estimated professional fees through March 2024 (includes payments made in Dec 2023)  
[3] Received by Debtor in December 2023  
[4] Assumes March 2024 Confirmation and Effective Date  
[5] \$800k note payable to Trust to be paid 1 year from effective date (estimate of March 2025)

**Exhibit 5**

List of Credibly Accused

**LIST OF CLERGY WITH ALLEGATIONS OF SUBSTANCE OF SEXUAL ABUSE OF A MINOR****INCARDINATED PRIESTS OF THE DIOCESE OF NORWICH**

Robert W. Barnes	Ordained 02-23-1980	Removed from ministry in 2002; Deceased 2008
Norbert E. Belliveau	Ordained May 10, 1956	Deceased 1989
Bernard W. Bissonnette	Ordained 05-15-1958	Dismissed from the clerical state 2005; Deceased 2008
Normand R. Boulanger	Ordained May 31, 1957	Left Diocese 1972; Dismissed from the clerical state 1973; Deceased 1996.
Richard T. Buongiorno	Ordained 05-26-1984	Removed from ministry in 1998; Dismissed from the clerical state 2005
Salvatore L. Busca	Ordained 06-04-1955	Removed from ministry in 1961; Excardinated from the Diocese of Norwich 1969; Perpetually professed into the Servants of the Paraclete; Deceased 2006
Dennis G. Carey	Ordained 05-30-1998	Arrested and removed from ministry in 2012; Deceased 2013
Anthony R. Caron	Ordained 07-14-1935	Removed from ministry in 1959; Deceased 1969
Santino A. Casimano	Ordained 08-16-1975	Removed from ministry in 2004; Deceased 2005
Roger M. Comtois	Ordained 06-05-1955	Resigned; Leave of Absence 1988; In Residence 1992; Deceased 1998
James A. Curry	Ordained 05-26-1949	Removed from ministry in 1981; Deceased 1986
Edward F. Frigault	Ordained 05-26-1949	Removed from ministry in 2002; Deceased 2008
Denis Galipeau	Ordained 05-27-1961	Removed from ministry in 1964; Excardinated from Diocese of Norwich 1970; Incardinated into Archdiocese of Montreal

**LIST OF CLERGY WITH ALLEGATIONS OF SUBSTANCE OF SEXUAL ABUSE OF A MINOR**

Roman S. Gromala	Ordained 05-18-1950	Left diocesan ministry 1955; Excardinated from Diocese of Norwich 1972; Incardinated into Diocese of St. Petersburg; Deceased 1991
Paul L. Hebert	Ordained 05-23-1959	Removed from ministry 2004; Deceased in 2010
Raymond J. Jean	Ordained 07-13-1957	Removed from ministry in 1990; Deceased in 2001
John A. Kozon	Ordained 05-26-1949	Removed from ministry 2005; Deceased 2013
Vincent F. Marino	Ordained 05-28-1983	Excardinated from Diocese of Norwich 1989; Incardinated into Archdiocese of Siracusa, Italy, prior to receiving allegation
R. Thomas McConaghy	Ordained 05-30-1981	Removed from ministry in 2005
Joseph P. Murphy	Ordained 09-24-1988	Removed from ministry in 1998; Deceased 2015
John C. Nash	Ordained 05-10-1975	Removed from ministry in 2002; Petitioned for removal from the clerical state 2002; Deceased 2010
J. Lawrence Ouimet	Ordained 06-15-1974	Resigned; Appointed Parochial Vicar with restricted ministry 1999; Deceased 2002
John B. Ramsay	Ordained 05-10-1956	Retired 1977 before any allegations received; Deceased 1994
Thomas W. Shea	Ordained 06-29-1946	Removed from ministry 1984; Deceased 2006

**PRIESTS INCARDINATED IN ANOTHER DIOCESE WHO SERVED IN THE DIOCESE OF NORWICH**

Louis Paturzo	Ordained 05-26-73	Removed from ministry 2002; Dismissed from the clerical state 2008
Bruno Primavera	Ordained 1973	Removed from ministry 1980; Deceased 2006

**LIST OF CLERGY WITH ALLEGATIONS OF SUBSTANCE OF SEXUAL ABUSE OF A MINOR****PRIESTS BELONGING TO A RELIGIOUS ORDER WHO SERVED IN THE DIOCESE OF NORWICH**

Thomas J. Doyle, SM	Ordained 10-06-1974 (Society of Mary)	Removed from ministry in 1992; Deceased 2007
Charles Many, SSE	Ordained 01-26-1974 (Society of St. Edmund)	Assigned in Diocese by Religious Order 1978; Reassigned by Religious Order 1981 before allegation received
Eugene Orteneau, SJ	Ordained 06-19-1982 (Society of Jesus)	Reassigned by Religious Order 1981; Deceased 2009
Robert Leo Pelkington, OP	Ordained 1968 (Dominican)	Removed from ministry; Dismissed from the clerical state 2011; Deceased 2015
Patrick Sullivan, OCSO	Ordained 06-12-1954 (Trappist)	Dismissed from the clerical state 1970
Thomas Paschal, OSB	Order of St. Benedict	Reassigned by Religious Order 1993

**PRIESTS WHO SERVED IN THE DIOCESE OF NORWICH WHO HAD ALLEGATIONS IN OTHER PLACES BUT NOT IN THE DIOCESE OF NORWICH**

Kenneth P. Bonadies	Ordained 5-21-1965	Priest of Diocese of Steubenville, OH, Retired, December 31, 2004, before any claims against him were received. Removed from ministry September 11, 2018.
Joseph Buckley	Ordained 05-21-1932 (Hartford)	Deceased 1975
William J. Cullen, SJ	Ordained 1965 (Society of Jesus)	Removed from ministry in 2005; Deceased 2010

**LIST OF CLERGY WITH ALLEGATIONS OF SUBSTANCE OF SEXUAL ABUSE OF A MINOR**

John	F.	Dority, OFM	Ordained 02-18-1967 (Order of Friars Minor)	Granted an Indult of Departure from Religious Order and returned to the Lay State-1980; Resides in the Diocese of Norwich but has never been affiliated with the Diocese in any capacity.
Ivan		Ferguson	Ordained 05/06/1970 (Auxiliary Priest-Missionaries of the Holy Apostles)	Incardinated into the Archdiocese of Hartford 02/09/1979; Removed from Ministry 03/04/1993; Deceased 12/16/2002; Diocese has no other information.
Joseph		Gorecky	Ordained 1959 (Bridgeport)	Deceased 1988
Michael		Krol	Ordained 1945 (Austin, TX)	Left diocese 1963; Deceased 1996
Stephan		Johnson, CSP	Ordained 05-16-1981 (Paulist Fathers)	Left diocese 1987; Left Religious Order 07/12/1996
Felix		Maguire	Ordained 05-18-1950 (Hartford)	Removed from ministry 1992; Deceased 2008
Edward	P.	McGrath, SDB	Ordained 06-29-1969 (Salesians Don Bosco)	Deceased 1998
Frank	J.	McManus, SJ	Ordained 06-09-1973 (Society of Jesus)	Deceased 2015
Peter		Mitchell	Ordained 05-03-1951 (Hartford)	Removed from ministry 2001
Joseph		Owens, SJ	Ordained 1971 (Society of Jesus)	Resided in the Diocese, assigned by religious superiors to work not affiliated with the Diocese of Norwich. Diocese has no other information.
Paul		Pinard, SSE	Ordained 05-22-1959 (Society of St. Edmund)	Removed from diocesan ministry 2004; Deceased 2017

**LIST OF CLERGY WITH ALLEGATIONS OF SUBSTANCE OF SEXUAL ABUSE OF A MINOR**

Edward	Reardon	Ordained 05-14-1931 (Hartford)	Deceased 1991
Robert	E. Shea	Ordained 05-22-1941 (Hartford)	Deceased 1995
George	St. Jean, OMI	Date of Ordination Unknown (Oblates of Mary Immaculate)	Left Diocese in 1962; Deceased 1982
Felix	Werpechowski	Ordained 05-25-1929 (Hartford)	Deceased 1972