

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF LOUISIANA**

IN RE:	§	CASE NO. 20-10846
	§	
THE ROMAN CATHOLIC CHURCH OF	§	CHAPTER 11
THE ARCHDIOCESE OF NEW	§	
ORLEANS,	§	SECTION A
	§	
DEBTOR.	§	COMPLEX CASE

**ORDER APPOINTING AN EXPERT WITNESS
UNDER FEDERAL RULE OF EVIDENCE 706**

For the reasons stated on the record on August 15, 2024, and August 20, 2024, and pursuant to the *Order To Show Cause* issued by this Court on August 15, 2024, [ECF Doc. 3266], the Court has determined that it requires an independent, disinterested analysis of where this case stands in order to resolve pending matters before this Court. Those matters include:

- (i) the *Eleventh Interim Application of Jones Walker LLP for Allowance of Compensation and Reimbursement of Expenses, as Counsel to the Debtor and the Debtor in Possession, for the Period from November 1, 2023 Through February 29, 2024*, [ECF Doc. 2927], and the objection thereto, [ECF Doc. 2943] (the “Fee Dispute”);
- (ii) *U.S. Fire Insurance Company’s and International Insurance Company’s (I) Statement in Connection with the Court’s Order on the Continuance of the Hearing on Jones Walker, LLP’s Eleventh Interim Application for Allowance of Compensation and Reimbursement (Dkt.2927) and Gisleson’s Objection (Dkt. 2943), and (III) Motion for (A) Implementation of Fee Holdback for Estate Professional Interim Fee Applications and (B) Granting Related Relief*, [ECF Doc. 3168], and the responses to that motion, [ECF Docs. 3234, 3236, 3244, 3245, 3253 & 3258] (the “Holdback Dispute”);
- (iii) *Motion To Consider Whether the Materials in Question Should Be Sealed Pursuant to Local Rule 5.3(D)(2)*, [ECF Doc. 3248], and the response thereto, [ECF Doc. 3260] (the “Motion To Unseal Docs”); and
- (iv) *Certain Abuse Survivors’ Motion To Appoint a Chapter 11 Trustee and Fee Examiner Pursuant to 11 U.S.C. § 1104* (the “Trustee Motion”), [ECF Doc. 3246].

Additionally, the Debtor and the Official Committee of Unsecured Creditors have represented that one or more proposed plans of reorganization will be filed on or before September 16, 2024.

The Court believes that the appointment of a qualified and unbiased expert witness with turnaround and restructuring experience who is willing to serve and provide a fresh perspective on the status of this case may be highly beneficial to the Court and all parties in interest in this case in the trial(s) on the pending matters before the Court. Given the unique nature of this Debtor and potential limitations available to it under the Bankruptcy Code, the Court requires an independent and unvarnished assessment of the status of this case and the Debtor's ability to move forward in chapter 11. Accordingly,

IT IS ORDERED that the Court appoints Mohsin Meghji of M3 Partners (<https://m3-partners.com/>) as a court-appointed expert witness under Federal Rule of Evidence 706.

IT IS FURTHER ORDERED that the Court appoints Mr. Meghji's legal counsel, Latham & Watkins LLP, to assist him in fulfilling his duties in this case.

IT IS FURTHER ORDERED that, in the interest of transparency, Mr. Meghji, M3 Partners, and Latham & Watkins shall file into the record standard disclosures under Rule 2014(a) of the Federal Rules of Bankruptcy Procedure on or before **Thursday, August 22, 2024, at 5:00 p.m.** and will continue to supplement those disclosures as needed.

IT IS FURTHER ORDERED that, without the necessity of further action, Mr. Meghji, all employees of M3 Partners, and all employees of Latham & Watkins are bound by the Protective Order governing disclosure of confidential information in this case. [ECF Docs. 729, 885 & 1120].

IT IS FURTHER ORDERED that Mr. Meghji will assess where this case stands and provide a public report regarding:

- The existence and status of a plan structure(s) and available alternatives;
- The structure, functioning, and capabilities of Debtor's management;
- A review of administrative costs incurred in the context of the record in this case and an assessment of ongoing resources required to bring this case to conclusion; and
- Considering the Debtor's current tort liability, the financial wherewithal of the Debtor to reorganize and proceed as a going concern, including the availability of insurance proceeds and contributions from non-debtor affiliates, as well as implementation of non-monetary remedies to attempt to prevent and/or respond to any future tort liability.

Mr. Meghji's expert report will state the facts he relied upon and assumptions he made, and will provide recommendations to the Court identifying any obstacles to and opportunities for successful resolution of this case. Pursuant to Rule 706(b), Mr. Meghji "may be deposed by any party; may be called to testify by the court or any party; and may be cross-examined by any party, including the party that called the expert."

IT IS FURTHER ORDERED that, because time is of the essence, Mr. Meghji and his team will complete an assessment of the status of this case within the parameters described above on or before **Wednesday, October 9, 2024**, and will issue a final report to the Court on or before **Wednesday, October 23, 2024**, which the Court will file into the record in this case.

IT IS FURTHER ORDERED that all parties in interest, including but not limited to those listed below, will cooperate fully and timely with any request from Mr. Meghji and his team as he fulfills his duties as this Court's appointed expert; parties in interest are encouraged to speak candidly with Mr. Meghji and his team.

- All principals and employees of the Debtor and the Debtor's bankruptcy professionals, including Jones Walker LLP, Blank Rome LLP, BRT Energy Advisors LLC, Carr Riggs & Ingram LLC, Connick & Connick LLC, Donlin Recano & Company Inc., Keegan Linscott & Associates PC, Talbot Carmouche & Marcello, and TMC Realty LLC;
- The Debtor's ordinary-course professionals, including Arthur J. Gallagher & Co., Berrigan Litchfield LLC, Bourgeois Bennet, Bradley Murchison Kelly & Shea LLC,

- Capitelli & Wicker, Caraway LeBlanc LLC, Dalton Architects Inc., Denechaud and Denechaud LLC, DeShazo Adams LLC, Dupont-LeCorgne Construction Consultants, LLC, EAG Gulf Coast LLC, EGL Consultants LLC, Gaudry Ranson Higgins & Gremillion LLC, Hammonds Sills Adkins Guice Noah & Perkins, Jones Fussell LLP, Juge Napolitano Guilbeau Ruli & Frieman, Kinney Ellinhausen Richard & DeShazo, Law Offices of Malvern C Burnett APLC, LCG LLC, Malcolm M. Dienes LLC, P&N Technologies LLC, Post & Schell P.C., Roedel Parsons Koch Blache Balhoff & McCollister, The Ehrhardt Group, The McEnery Company, White Oak Consulting, and Willis Towers Watson US LLC;
- The non-debtor affiliate group known as the “Apostolates,” including Saint Joseph Abbey and Seminary College, represented by the law firm of Heller Draper;
 - The members of the Official Committee of Unsecured Creditors and the Committee’s professionals, including Actuarial Value LLC, Berkeley Research Group LLP, Kinsella Media LLC, Locke Lord, Pachulski Stang Ziehl & Jones LLP, Rock Creek Advisors, Stegall Benton Melancon & Associates LLC, and Zobrio Inc.;
 - The members of the Official Committee of Unsecured Commercial Creditors and that Committee’s professionals, including Dundon Advisors LLC, H. Kent Aguiard, Stewart Robbins Brown & Altazan LLC, and Stout Risius Ross LLC;
 - Counsel for Individual Abuse Survivors, including Craig Robinson of Robinson Law Offices LLC, David Winston Ardoin of Ardoin McKowen & Ory LLC, Felecia Y. Peavy, Frank Elliot III & Robert Salim of Salim-Beasley LLC, Gerald Meunier & Brittany Wolf-Freeman of Gainsburgh Benjamin David Meunier & Warshauer LLC, John Denenea Jr. of Sherman-Denenea LLC, Lamothe Law Firm LLC, Reagan Charleson Thomas of Aylstock Witkin Kreis & Overholtz PLLC, Richard Trahan of Trahan Law Office, Scott Delacroix of Delacroix & Delacroix LLC, Soren Gisleson & Joseph Cain of Herman Herman & Katz LLC, Stephen Huber & Logan Schonekas of Huber Tomas & Marcelle LP, Thomas Madigan & Ryan Luminais of Sher Garner Cahill Richter Klein & Hilbert LLC;
 - Bienvenu Foster Ryan & O’Bannon LLC on behalf of Catholic Mutual Relief Society;
 - Argent Institutional Trustee Company as indenture trustee;
 - O’Melveny & Myers LLP and Geiger Laborde & Laperouse LLC on behalf of U.S. Fire Insurance Company and International Insurance Company;
 - Carver Darden Koretzky Tessier Finn Blossman Areaux LLC on behalf of Hancock Whitney Bank (petitioner lender);
 - Dentons US LLP on behalf of Fidelity & Guaranty Insurance Underwriters Inc.;

- Baker Donelson Bearman Caldwell & Berkowitz PC on behalf of Second Harvest Food Bank of Greater New Orleans and Acadiana; and
- Larzelere Picou Wells Simpson Lonero LLC on behalf of First State Insurance Company and Twin City Fire Insurance Company;

IT IS FURTHER ORDERED that Mr. Meghji will have no *ex parte* communications with this Court during his and his team's appointment in this case. Should Mr. Meghji have questions or encounter issues to be resolved in fulfilling his duties as a court-appointed expert, he may file letter briefs into the record and the Court will respond accordingly.

IT IS FURTHER ORDERED that, pursuant to Rule 706(c) of the Federal Rules of Evidence, as compensation for the assessment of the status of this case and production of an expert report, Mr. Meghji will be compensated by the Debtor in the total capped amount of \$350,000.00, with \$100,000.00 to be paid on or before **Friday, August 30, 2024**, and the remaining balance to be paid upon issuance and publication of Mr. Meghji's final expert report. Mr. Meghji and M3 Partners may allocate a portion of that fee to Latham & Watkins as Mr. Meghji sees fit as compensation for legal services rendered in this case.

IT IS FURTHER ORDERED that, to the extent any party notices Meghji's deposition or any party or the Court calls upon Mr. Meghji to testify at a trial(s) in this case, the Court reserves its right to assess further fees and expenses against the appropriate party or parties.

IT IS FURTHER ORDERED that, to allow Mr. Meghji and his team to fulfill their duties with the cooperation of all parties in interest and to conserve administrative costs in this case, any and all further discovery associated with the Fee Dispute, the Holdback Dispute, the Motion To Unseal Docs, and the Trustee Motion is hereby **STAYED** pending further Order of this Court with the following caveat. Considering the potential constitutional and justiciability issues presented by the Trustee Motion as discussed at the hearings on August 15 and August 20, including whether the First Amendment to the United States Constitution prohibits the

appointment of a trustee under 11 U.S.C. § 1104 to replace the Archbishop in this case, the parties may, if they so choose, properly file, serve, and notice for hearing motion(s) to present those gatekeeping issues for the Court to resolve.

IT IS FURTHER ORDERED that nothing in this Order shall prevent the Debtor or any party in interest from preparing and filing a proposed plan of reorganization and disclosure statement.

IT IS FURTHER ORDERED that, notwithstanding any Order limiting notice in this case, counsel for the Debtor, in cooperation with counsel for the Official Committee of Unsecured Creditors, shall serve this Order via first-class mail on **ALL** parties in interest not receiving electronic notice via this Court's CM/ECF system pursuant to the Federal Rules of Bankruptcy Procedure and this Court's Local Rules and shall file a certificate of service to that effect within three days.

New Orleans, Louisiana, August 21, 2024.



MEREDITH S. GRABILL
UNITED STATES BANKRUPTCY JUDGE