CHRISTINA L. GOEBELSMANN (CA SBN 273379) 1 Assistant United States Trustee JASON BLUMBERG (CA SBN 330150) 2 Trial Attorney JARED A. DAY (CA SBN 275687) 3 Trial Attorney Office of the United States Trustee 4 450 Golden Gate Avenue, Room 05-0153 San Francisco, California 94102 5 Phone: (415) 705-3333 Facsimile: (415) 705-3379 6 Email: jason.blumberg@usdoj.gov 7 Attorneys for Tracy Hope Davis, 8 United States Trustee for Region 17 9 UNITED STATES BANKRUPTCY COURT NORTHERN DISTRICT OF CALIFORNIA 10 OAKLAND DIVISION 11 **Bankruptcy Case** In re: No. 23-40523 WJL 12 Chapter 11 13 THE ROMAN CATHOLIC BISHOP OF OAKLAND, a California corporation sole, 14 Date: April 26, 2024 Time: 10:00 a.m. 15 Place: 1300 Clay Street, Ctrm 220 Oakland, CA 16 Debtor. [In Person or via Zoom] 17 18 NOTICE OF REVISED PROPOSED ORDER FOLLOWING HEARING ON UNITED STATES TRUSTEE'S MOTION FOR ORDER APPOINTING FEE EXAMINER 19 (ECF No. 729) 20 PLEASE TAKE NOTICE THAT the United States Trustee filed a motion for the 21 appointment of a fee examiner on December 27, 2023 (ECF No. 729) (the "Motion"). 22 PLEASE TAKE FURTHER NOTICE THAT the United States Trustee filed a 23 24 Certificate of No Objection for the Motion on January 26, 2024 (ECF No. 819) (the "CNO"). 25 Exhibit A to the CNO is a revised form of proposed Order for the Motion that incorporates 26 comments provided by the Debtor and the official committee of unsecured creditors (the 27 "Committee"). 28

Case: 23-40523 Doc# 1100 Filed: 04/29/24 Entered: 04/2 234052324042900000000000

PLEASE TAKE FURTHER NOTICE THAT following hearings on April 23, 2024 and April 26, 2024, the United States Trustee has further revised the form of proposed Order on the Motion to incorporate the Court's comments during the hearings and comments provided by the Debtor and the Committee. The revised form of proposed Order is filed herewith as **Exhibit A** (the "**Revised Order**").

PLEASE TAKE FURTHER NOTICE THAT a blackline comparing the Revised Order to the proposed form of Order filed as Exhibit A to the CNO is filed herewith as **Exhibit B**.

Dated: April 29, 2024.

Respectfully submitted,

TRACY HOPE DAVIS UNITED STATES TRUSTEE

By: /s/ Jason Blumberg

JASON BLUMBERG

Trial Attorney for the United States Trustee

Exhibit A

Exhibit A

1	Christina L. Goebelsmann, Assistant United States Trustee		
2	State Bar No. CA 273379 Jason M. Blumberg, Trial Attorney		
3	State Bar No. 330150 Jared A. Day, Trial Attorney		
4	State Bar No. CA 275687		
5	UNITED STATES DEPARTMENT OF JUSTICE Office of the United States Trustee 450 Golden Gate Avenue, Room #05-0153 San Francisco, California 94102		
6			
7	Telephone: (775) 784-5530		
8	Fax: (775) 784-5531 E-mail: jared.a.day@usdoj.gov		
9	Attorneys for the U.S. Trustee for Region 17 TRACY HOPE DAVIS		
11	UNITED STATES BANKRUPTCY COURT		
12	NORTHERN DISTRICT OF CALIFORNIA OAKLAND DIVISION		
13	In re	Case No: 23-40523 WJL	
14	THE ROMAN CATHOLIC BISHOP OF	Chapter 11	
15	OAKLAND,		
16	Debtor.	Date: April 26, 2024	
17	Dector.	Time: 10:00 a.m. Location: In-Person or Via Zoom	
18		Webinar/AT&T Teleconference	
19	ORDER APPOINTING FEE EX	AMINER AND ESTABLISHING	
20	PROCEDURES FOR REVIEW OF INTERIM AND FINAL FEE APPLICATIONS FILED BY ESTATE PROFESSIONALS [ECF 729]		
21			
22	Upon consideration of the United States Trustee's Motion for Order Appointing Fee		
23	Examiner and Establishing Procedures for Requesting Professional Compensation and		
24	Reimbursement of Expenses [ECF 729] (the "Motion"); and the above captioned debtor and		
25	debtor in possession (the "Debtor") and its Official Committee of Unsecured Creditors (the		
26	"Committee") agreeing not to oppose the relief sought in the Motion; and the Debtor, the		
27			
28			

Case: 23-40523 Doc# 1100-1 Filed: 04/29/24 Entered: 04/29/24 16:26:32 Page 2 of 10

Committee and the Office of the United States Trustee for the Northern District of California (the "<u>U.S. Trustee</u>") having conferred with respect to the appointment of a fee examiner in this chapter 11 case (the "<u>Chapter 11 Case</u>") and the establishment of related procedures set forth in this Order; and the Court finding, based on the supporting declaration accompanying the Motion, that David M. Klauder, Esq. of Bielli & Klauder, LLC (the "<u>Fee Examiner</u>") is a disinterested person as defined under the Bankruptcy Code and does not hold or represent an interest adverse to the Debtor's estate; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

- 1. David M. Klauder is appointed as the fee examiner in this Chapter 11 Case effective as of the date of entry of this Order.
- 2. Unless otherwise ordered by the Court, this Order shall apply to all professionals in this Chapter 11 Case that are employed under sections 327 and 1103 and request compensation and/or reimbursement of expenses for services rendered under sections 328, 330 and 331 of the Bankruptcy Code (the "Retained Professionals"). For the avoidance of doubt, "Retained Professionals" does not include any professional whose retention is authorized pursuant to the Order (I) Authorizing the Retention and Payment, Effective as of the Petition Date, of Professionals Utilized by the Debtor in the Ordinary Course of Business; and (II) Granting Related Relief [ECF 263] (the "OCP Order"), except to the extent such professional is required, under the terms of the OCP Order, to file a fee application.
- 3. The terms and conditions of the *Order Authorizing Procedure for Interim*Compensation and Reimbursement of Expenses of Professionals [ECF 170] (the "Interim

 Compensation Order") shall not be modified by this Order, except as set forth herein.

- 4. The Fee Examiner shall review all interim and final applications for allowance of compensation and reimbursement of expenses filed by Retained Professionals in accordance with sections 328, 330 and 331 of the Bankruptcy Code (collectively, the "Applications") for compliance with (i) sections 328, 329, 330 and 331 of the Bankruptcy Code, as applicable; (ii) Fed. R. Bankr. P. 2016; (iii) the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses*, 28 C.F.R. Part 58, Appendix A and Appendix B (the "Guidelines"); and (iv) the *United States Bankruptcy Court for the NDCA Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees* (the "NDCA Guidelines"). The term "Applications" does not include Monthly Fee Statements (defined in the Interim Compensation Order), which shall not be subject to any procedures approved by this Order.
- 5. The Fee Examiner shall not review any Applications filed before entry of this Order; provided, the Fee Examiner may review all Applications seeking final approval of a Retained Professionals' fees and expenses. To the extent practicable, the Fee Examiner shall avoid duplicative review when reviewing final Applications comprising interim Applications that have already been reviewed by the Fee Examiner or, prior to the entry of this Order, the United States Trustee's Office.
- 6. Within twenty-one (21) days after a Retained Professional files an Application, the Fee Examiner shall serve an initial confidential written report (the "<u>Initial Report</u>") on the Retained Professional quantifying and presenting factual data relevant to whether the Application complies with the subsections of paragraph 4 above. With respect to the fees and expenses for which approval is sought in an Application, the Initial Report shall specify: 1) any undisputed portion of such fees and expenses (the "<u>Undisputed Amount</u>"), and 2) any disputed portion of such fees

and expenses (the "Incremental Amount").

- 7. Within fourteen (14) days after service of the Initial Report, the Fee Examiner shall communicate with each Retained Professional, the objective of which is to resolve matters raised in the Initial Report and endeavor to reach consensual resolution with each Retained Professional with respect to the Incremental Amount in each Retained Professional's Application. The Fee Examiner may also use the resolution process to revise findings contained in the Initial Report. Each Retained Professional may provide the Fee Examiner with supplemental information that the Retained Professional believes is relevant to the Initial Report.
- 8. Following communications between the Fee Examiner and the Retained Professional, and the Fee Examiner's review of any supplemental information provided by such Retained Professional in response to the Initial Report, the Fee Examiner shall file on the docket a report with respect to each Application (the "Final Report") quantifying and presenting factual data relevant to any Incremental Amount at issue in an Application within 21 days after the service of the Initial Report. The Final Report shall also inform the Court of any proposed consensual resolutions of the Incremental Amount at issue for each Retained Professional. The Fee Examiner shall serve each Final Report on counsel for the Debtor, counsel for the Committee, the United States Trustee, and each Retained Professional whose fees and expenses are addressed in the Final Report.
- 9. A Retained Professional subject to a Final Report may (i) file with the Court a response (a "Final Response") to such Final Report no later than twenty-one (21) days after the Fee Examiner's service of a Final Report and request a ruling with respect to any Incremental Amount, if any, or, in the alternative, (ii) defer filing the Final Response and request a ruling at

any subsequent hearing, so as to allow continuing discussions with the Fee Examiner. Any Final Response shall be served upon those parties served with the Final Report, and the Fee Examiner.

- 10. The Fee Examiner, the Retained Professionals, and the Debtor shall use best efforts to have the Undisputed Amount of any Application allowed by the Court and paid as soon as reasonably practicable, even if the Incremental Amount remains disputed and subject to the procedures set forth above.
- 11. Any of the periods set forth above may be extended with the consent of the Fee Examiner and the applicable Retained Professional. Should a Retained Professional fail to meet one or more deadlines set forth herein for the review of an Application, and in the reasonable discretion of the Fee Examiner, the Retained Professional's failure to meet these deadlines does not allow sufficient time for the review process to be completed, such Application shall be heard at a subsequent hearing date.
- 12. The delay or adjournment of consideration of an Application and corresponding Final Report shall not affect the timing of hearings on the Applications of other Retained Professionals.
- 13. If a Retained Professional or its client provides privileged information or information subject to the work product privilege to the Fee Examiner and identifies the nature of such information to the Fee Examiner, the Fee Examiner shall treat such information as confidential. The disclosure of such information to the Fee Examiner shall not be deemed to be a waiver by the disclosing party of any applicable work product, attorney client, or other privilege.
 - 14. The Fee Examiner may:
 - a. Consult, as he deems appropriate, with each Retained Professional

concerning its Application;

- b. Appear and be heard on any matter before the Court;
- c. File and litigate objections to the allowance of any Application;
- d. Take, defend, or appear in any appeal regarding any Application;
- e. Conduct informal or formal discovery; and
- f. Retain professionals that the Fee Examiner deems necessary to assist in the discharge of his duties. The Fee Examiner's retention of professionals shall be subject to Court approval.
- 15. The Debtor, the Committee, the United States Trustee, and all Retained Professionals shall reasonably cooperate with the Fee Examiner in the discharge of the Fee Examiner's duties and shall promptly respond to any reasonable requests for information or communications from the Fee Examiner.
- 16. The Fee Examiner and any professionals retained by the Fee Examiner shall be entitled to compensation from the Debtor's estate in the amount of \$25,000 per month for all services performed (the "Fee Examiner's Monthly Fee"). The Fee Examiner's Monthly Fee will cover the legal fees and expenses of the Fee Examiner and his firm as well as database analytics service provider, Legal Decoder, Inc. ("Legal Decoder"). The Fee Examiner may additionally request (a) reasonable and necessary travel and related expenses for anyone other than the Fee Examiner and his firm necessary for any court appearance requested by any party other than the Fee Examiner; (b) time spent by the Fee Examiner, his firm, or Legal Decoder that relates to responding to discovery requests of any type, or for any testimony, or for the preparation of either (i.e., if such activities arise in the course of the Fee Examiner's appointment, they will be charged at the affected individual's hourly rate); and (c) time and expenses of any local counsel or other

professional the Fee Examiner may hire to represent him in this matter but subject to the appropriate application being brought before the Court. Any such requests for compensation shall be made by application to the Court and shall be allowed according to the same standards and procedures that apply to the Retained Professionals. All parties' rights with respect to any application to employ or compensate any professional employed by the Fee Examiner are expressly reserved.

- 17. The Fee Examiner is appointed as an officer of the Court, and the Fee Examiner, along with those employed or paid by him with respect to this appointment, shall be given the maximum immunity permitted by law from civil actions with respect to the performance of the duties set forth herein.
- 18. If a chapter 11 trustee is appointed in this Chapter 11 Case, such appointment will not terminate or otherwise modify the duties and responsibilities of the Fee Examiner. Rather, the Fee Examiner's appointment shall only be terminated or otherwise modified by entry of an order of the Court.
- 19. It shall not be mandatory for any Retained Professional to comply with requests of the Fee Examiner unless required by the Court by separate Order. Any Retained Professional may request the Court decide any dispute with the Fee Examiner.
- 20. Notwithstanding anything herein, including reference to the Guidelines, the Court retains full authority to determine awards of fees and expenses sought in all Applications.

Notwithstanding Paragraph 14d hereof, the Court is making no determination as to 21. whether the Fee Examiner would have standing in any appeal with respect to any Application. * * END OF ORDER * *

COURT MAILING LIST:

ECF Participants Only

Doc# 1100-1 Filed: 04/29/24 of 10 Case: 23-40523 Entered: 04/29/24 16:26:32 Page 10

Exhibit B

Exhibit B

of 10

Gregory S. Powell Christina L. Goebelsmann, Assistant United States Trustee 1 State Bar No. CA 182199273379 Jason M. Blumberg, Trial Attorney 2 State Bar No. 330150 3 Jared A. Day, Trial Attorney State Bar No. CA 275687 UNITED STATES DEPARTMENT OF JUSTICE Office of the United States Trustee 5 450 Golden Gate Avenue, Room #05-0153 6 San Francisco, California 94102 Telephone: (775) 784-5530 7 Fax: (775) 784-5531 E-mail: jared.a.day@usdoj.gov 8 9 Attorneys for the U.S. Trustee for Region 17 TRACY HOPE DAVIS 10 UNITED STATES BANKRUPTCY COURT 11 NORTHERN DISTRICT OF CALIFORNIA 12 OAKLAND DIVISION 13 Case No: 23-40523 WJL In re 14 THE ROMAN CATHOLIC BISHOP OF Chapter 11 15 OAKLAND, 16 Date: January 31 April 26, 2024 Debtor. Time: 10:3000 a.m. 17 Location: In-Person or Via Zoom Webinar/AT&T Teleconference 18 19 ORDER APPOINTING FEE EXAMINER AND ESTABLISHING PROCEDURES FOR REVIEW OF INTERIM AND FINAL FEE 20 APPLICATIONS FILED BY ESTATE PROFESSIONALS [ECF 729] 21 22 Upon consideration of the United States Trustee's Motion for Order Appointing Fee 23 Examiner and Establishing Procedures for Requesting Professional Compensation and 24 Reimbursement of Expenses [ECF 729] (the "Motion"); and the above captioned debtor and Formatted: Font: Not Italic 25 debtor in possession (the "Debtor") and its Official Committee of Unsecured Creditors (the 26 27 1 28

"Committee") agreeing not to oppose the relief sought in the Motion; and the Debtor, the Committee and the Office of the United States Trustee for the Northern District of California (the "U.S. Trustee") having conferred with respect to the appointment of a fee examiner in this chapter 11 case (the "Chapter 11 Case") and the establishment of related procedures set forth in this Order; and the Court finding, based on the supporting declaration accompanying the Motion, that David M. Klauder, Esq. of Bielli & Klauder, LLC (the "Fee Examiner") is a disinterested person as defined under the Bankruptcy Code and does not hold or represent an interest adverse to the Debtor's estate; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

- David M. Klauder is appointed as the fee examiner in this Chapter 11 Case effective as of the date of entry of this Order.
- 2. Unless otherwise ordered by the Court, this Order shall apply to all professionals in this Chapter 11 Case that are employed under sections 327 and 1103 and request compensation and/or reimbursement of expenses for services rendered under sections 328, 330 and 331 of the Bankruptcy Code (the "Retained Professionals"). For the avoidance of doubt, "Retained Professionals" does not include any professional whose retention is authorized pursuant to the Order (I) Authorizing the Retention and Payment, Effective as of the Petition Date, of Professionals Utilized by the Debtor in the Ordinary Course of Business; and (II) Granting Related Relief [ECF 263] (the "OCP Order"), except to the extent such professional is required, under the terms of the OCP Order, to file a fee application.
- 3. The terms and conditions of the Order Authorizing Procedure for Interim Compensation and Reimbursement of Expenses of Professionals [ECF 170] (the "Interim"

Compensation Order") shall not be modified by this Order, except as set forth herein.

- 4. The Fee Examiner shall review all interim and final applications for allowance of compensation and reimbursement of expenses filed by Retained Professionals in accordance with sections 328, 330 and 331 of the Bankruptcy Code (collectively, the "Applications") for compliance with (i) sections 328, 329, 330 and 331 of the Bankruptcy Code, as applicable; (ii) Fed. R. Bankr. P. 2016; (iii) the *United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses*, 28 C.F.R. Part 58, Appendix A and Appendix B (the "Guidelines"); and (iv) the *United States Bankruptcy Court for the NDCA Guidelines for Compensation and Expense Reimbursement of Professionals and Trustees* (the "NDCA Guidelines"). The term "Applications" does not include Monthly Fee Statements (defined in the Interim Compensation Order), which shall not be subject to any procedures approved by this Order.
- 5. The Fee Examiner shall not review any previously filed Applications filed before entry of this Order; provided, the Fee Examiner may review all Applications seeking final approval of a Retained Professionals' fees and expenses. To the extent practicable, the Fee Examiner shall avoid duplicative review when reviewing final Applications comprising interim Applications that have already been reviewed by the Fee Examiner or, prior to the entry of this Order, the United States Trustee's Office.
- 6. Within twenty-one (21) days after a Retained Professional files an Application, the Fee Examiner shall serve an initial confidential written report (the "<u>Initial Report</u>") on the Retained Professional quantifying and presenting factual data relevant to whether the Application complies with the subsections of paragraph 4 above. With respect to the fees and expenses for which approval is sought in an Application, the Initial Report shall specify: 1) any undisputed portion

of such fees and expenses (the "<u>Undisputed Amount</u>"), and 2) any disputed portion of such fees and expenses (the "<u>Incremental Amount</u>").

- 7. Within fourteen (14) days after service of the Initial Report, the Fee Examiner shall communicate with each Retained Professional, the objective of which is to resolve matters raised in the Initial Report and endeavor to reach consensual resolution with each Retained Professional with respect to the Incremental Amount in each Retained Professional's Application. The Fee Examiner may also use the resolution process to revise findings contained in the Initial Report. Each Retained Professional may provide the Fee Examiner with supplemental information that the Retained Professional believes is relevant to the Initial Report.
- 8. Following communications between the Fee Examiner and the Retained Professional, and the Fee Examiner's review of any supplemental information provided by such Retained Professional in response to the Initial Report, the Fee Examiner shall file on the docket a report with respect to each Application (the "Final Report") quantifying and presenting factual data relevant to any Incremental Amount at issue in an Application within 21 days after the service of the Initial Report. The Final Report shall also inform the Court of any proposed consensual resolutions of the Incremental Amount at issue for each Retained Professional. The Fee Examiner shall serve each Final Report on counsel for the Debtor, counsel for the Committee, the United States Trustee, and each Retained Professional whose fees and expenses are addressed in the Final Report.
- 9. A Retained Professional subject to a Final Report may (i) file with the Court a response (a "<u>Final Response</u>") to such Final Report no later than twenty-one (21) days after the Fee Examiner's service of a Final Report and request a ruling with respect to any Incremental

Amount, if any, or, in the alternative, (ii) defer filing the Final Response and request a ruling at any subsequent hearing, so as to allow continuing discussions with the Fee Examiner. Any Final Response shall be served upon those parties served with the Final Report, and the Fee Examiner.

- 10. The Fee Examiner, the Retained Professionals, and the Debtor shall use best efforts to have the Undisputed Amount of any Application allowed by the Court and paid as soon as reasonably practicable, even if the Incremental Amount remains disputed and subject to the procedures set forth above.
- 11. Any of the periods set forth above may be extended with the consent of the Fee Examiner and the applicable Retained Professional. Should a Retained Professional fail to meet one or more deadlines set forth herein for the review of an Application, and in the reasonable discretion of the Fee Examiner, the Retained Professional's failure to meet these deadlines does not allow sufficient time for the review process to be completed, such Application shall be heard at a subsequent hearing date.
- 12. The delay or adjournment of consideration of an Application and corresponding Final Report shall not affect the timing of hearings on the Applications of other Retained Professionals.
- 13. If a Retained Professional or its client provides privileged information or information subject to the work product privilege to the Fee Examiner and identifies the nature of such information to the Fee Examiner, the Fee Examiner shall treat such information as confidential. The disclosure of such information to the Fee Examiner shall not be deemed to be a waiver by the disclosing party of any applicable work product, attorney client, or other privilege.
 - 14. The Fee Examiner may:

- a. Consult, as he deems appropriate, with each Retained Professional concerning its Application;
- b. Appear and be heard on any matter before the Court;
- c. File and litigate objections to the allowance of any Application;
- d. Take, defend, or appear in any appeal regarding any Application;
- e. Conduct informal or formal discovery; and
- f. Retain professionals that the Fee Examiner deems necessary to assist in the discharge of his duties. The Fee Examiner's retention of professionals shall be subject to Court approval.
- Professionals shall reasonably cooperate with the Fee Examiner in the discharge of the Fee Examiner's duties and shall promptly respond to any reasonable requests for information or communications from the Fee Examiner. The Fee Examiner may request that Retained Professionals provide budgets, staffing plans, or other information to the Fee Examiner. Any such budgets requested of Retained Professionals shall not constitute a limit on the amount of fees or expenses that may be allowed or restrict the extent or scope of services that a Retained Professional may, in its professional discretion, determine are necessary for such Retained Professional to fulfill its professional responsibilities.
- 16. The Fee Examiner and any professionals retained by the Fee Examiner shall be entitled to compensation from the Debtor's estate in the amount of \$25,000 per month for all services performed (the "Fee Examiner's Monthly Fee"). The Fee Examiner's Monthly Fee will cover the legal fees and expenses of the Fee Examiner and his firm as well as database analytics service provider, Legal Decoder, Inc. ("Legal Decoder"). The Fee Examiner may additionally

request (a) reasonable and necessary travel and related expenses for anyone other than the Fee Examiner and his firm necessary for any court appearance requested by any party other than the Fee Examiner; (b) time spent by the Fee Examiner, his firm, or Legal Decoder that relates to responding to discovery requests of any type, or for any testimony, or for the preparation of either (*i.e.*, if such activities arise in the course of the Fee Examiner's appointment, they will be charged at the affected individual's hourly rate); and (c) time and expenses of any local counsel or other professional the Fee Examiner may hire to represent him in this matter but subject to the appropriate application being brought before the Court. Any such requests for compensation shall be made by application to the Court and shall be allowed according to the same standards and procedures that apply to the Retained Professionals. All parties' rights with respect to any application to employ or compensate any professional employed by the Fee Examiner are expressly reserved.

- 17. The Fee Examiner is appointed as an officer of the Court, and the Fee Examiner, along with those employed or paid by him with respect to this appointment, shall be given the maximum immunity permitted by law from civil actions with respect to the performance of the duties set forth herein.
- 18. If a chapter 11 trustee is appointed in this Chapter 11 Case, such appointment will not terminate or otherwise modify the duties and responsibilities of the Fee Examiner. Rather, the Fee Examiner's appointment shall only be terminated or otherwise modified by entry of an order of the Court.
- 19. It shall not be mandatory for any Retained Professional to comply with requests of the Fee Examiner unless required by the Court by separate Order. Any Retained Professional

of 10

1	COURT MAILING LIST:	
	ECF Participants Only	
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27	9	
28		