



UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF VERMONT

In re:

Roman Catholic Diocese of Burlington,
Vermont,

Case No.: 24-10205-HZC
Chapter 11 Case

Debtor.



**INTERIM ORDER (I) GRANTING EMERGENCY RELIEF; (II) AUTHORIZING
CONTINUED USE OF EXISTING BUSINESS BOOKS, RECORDS, BANK ACCOUNTS,
AND CHECK STOCK; (III) AUTHORIZING BANKS AND FINANCIAL
INSTITUTIONS TO HONOR AND PROCESS CHECKS AND TRANSFERS; (IV)
AUTHORIZING ELECTRONIC FUNDS TRANSFERS AND AUTOMATED
CLEARING HOUSE TRANSFERS; (V) AUTHORIZING MAINTENANCE OF
INVESTMENT ACCOUNTS; AND (VI) GRANTING LIMITED RELIEF FROM THE
REQUIREMENTS OF 11 U.S.C. § 345(b)**

This matter came before the Court on Debtor's Emergency Motion for Order (I) Authorizing Continued Use of Existing Business Books, Records, Bank Accounts, and Check Stock; (II) Authorizing Banks and Financial Institutions to Honor and Process Checks and Transfers; and (III) Authorizing Electronic Funds Transfers and Automated Clearing House Transfers; (IV) Authorizing Maintenance of Investment Accounts; and (V) Granting Limited Relief from the Requirements of 11 U.S.C. § 345(b) (doc. # 9) (the "Motion"), the Affidavit of Bishop John J. McDermott (doc. # 13), and the statements of counsel and evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"). The Court finds that (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); (iv) due and proper notice of the Motion was provided to the Notice Parties pursuant to Local Bankruptcy Rule 9013-3; (v) notice of the Motion and the Hearing was sufficient under the circumstances; and (vi) there is good cause to waive the 14-day stay imposed by Bankruptcy Rule



6004(h) to the extent it is applicable. After due consideration, the Court finds that the relief, on an interim basis, as requested in the Motion is in the best interests of the Debtor, its estate, and its creditors and is necessary to prevent immediate and irreparable harm to the Debtor and its estate.

Therefore, for good cause shown, **IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** on an interim basis as set forth in this Order.
2. The final hearing (the “Final Hearing”) to consider entry of the Final Order on the Motion is scheduled for November 26, 2024 at 10:30 a.m. (prevailing Eastern time) before this Court at the following location: Federal Building, 11 Elmwood Avenue, Burlington, Vermont, 05401.
3. The Diocese’s request for emergency relief is granted.
4. Pursuant to 11 U.S.C. §§ 105(a), 345(b), and 363(c), the Diocese is authorized, on an interim basis until the Final Hearing on the Motion (the “Interim Period”), to:
 - a. continue using its existing books and records and cash management system;
 - b. designate, maintain, and continue to use, in the same manner with the same account numbers, the following bank accounts:

Account No.	Account Type	Purpose
*0976	Checking Account	Lock Box Sweep Account
*9911	Checking Account	Operating Account

(collectively, the “Bank Accounts”)

- c. use its existing check stock with a “debtor in possession” notation added to each check and corresponding case number on existing checks; and
- d. continue to make disbursements by electronic funds transfer or automatic clearinghouse transactions.



5. TD Bank (the “Bank”) is authorized to continue to service and administer the Bank Accounts as accounts of the Diocese as a debtor in possession without interruption and in the usual and ordinary course during the Interim Period. The Bank is authorized to service and administer the Bank Accounts in compliance with the requirements set forth in 11 U.S.C. § 345 during the Interim Period.

6. During the Interim Period, the Bank is authorized to receive, process, honor, and pay any and all checks and drafts drawn on the Bank Accounts after September 30, 2024 (the “Petition Date”) by the holders or makers thereof; provided, however, that the Bank may not honor and pay any check drawn or used by the Diocese before the Petition Date, for which the Diocese has placed a stop payment in writing.

7. During the Interim Period, the Bank is further authorized to debit the Diocese’s Bank Accounts in the ordinary course of business without need for further order of this Court for: (a) all checks, items, and other payment orders drawn on the Bank Accounts which are cashed at the Bank’s counters or exchanged for cashier’s checks by the payees thereof prior to the Bank’s receipt of notice of filing of the petition; (b) all checks, automated clearing house entries, and other items deposited or credited to one of the Diocese’s Bank Accounts with the Bank prior to filing of the petition which have been dishonored, reversed, or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Diocese was responsible for such items prior to filing of the petition; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to the Bank as service charges for the maintenance of the cash management system and Bank Accounts.

8. During the Interim Period, the Bank may rely on the representations of the Diocese with respect to whether any check, item, or other payment order drawn or issued by the Diocese



prior to the Petition Date should be honored pursuant any order of this Court, and the Bank will not have any liability to any party for relying on such representations by the Diocese.

9. During the Interim Period, the Debtor is authorized to maintain the following investment accounts:

Bank or Financial Institution	Account No.	Account Name	Purpose
Charles Schwab	*9336	Roman Catholic Diocese of Burlington, Vermont, Inc.	Supporting Rice Memorial High School
Charles Schwab	*5777	Roman Catholic Diocese of Burlington, Vermont, Inc.	CRUT to establish endowment fund for Rice Memorial High School
Charles Schwab	*9166	Roman Catholic Diocese of Burlington, Vermont, Inc.	Stock donation account
TD Wealth	*1008	Roman Catholic Diocese - PBF Retirement Plan - Main	Supporting care of elderly priests

(collectively, the “Investment Accounts”).

Solely on an interim basis, cause exists to waive the requirements of 11 U.S.C. § 345(b) as to the Investment Accounts and, therefore, such requirements are waived during the Interim Period. Prior to the Final Hearing, the Debtor shall share with the Office of the United States Trustee (the “UST”) information related to the Investment Accounts that may be reasonably requested by the UST pertaining to the objections raised by the UST to the section 345(b) waiver to promote consensual resolution of those objections.

10. This Order does not make, and shall not be deemed to make, a determination regarding whether or to what extent the Investment Accounts are property of the Diocese’s bankruptcy estate.

11. The Diocese is authorized to take such actions and to execute such documents as may be necessary to implement the provisions of this Order. The Debtor shall maintain accurate records of all transfers within the Bank Accounts and Investment Accounts so that all postpetition



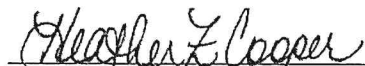
transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, its books and records.

12. To the extent Fed. R. Bankr. P. 6004(h) applies, this Order is deemed effective and immediately enforceable upon its entry.

13. On or before October 11, 2024, the Debtor shall serve, by United States mail, first-class postage prepaid, notice of the entry of this Interim Order and of the Final Hearing (the "Final Hearing Notice"), together with copies of this Interim Order and the Motion, on: (a) the parties having been given notice of the Interim Hearing, (b) any party which has filed prior to such date a request for notices with this Court, and (c) the 20 largest unsecured creditors in this chapter 11 case or counsel for the official committee of unsecured creditors (the "Committee"), if one has been appointed. The Final Hearing Notice shall state that any party in interest objecting to the entry of the proposed Final Order shall file written objections with the Clerk of Court no later than November 19, 2024, which objections shall be served to be received on or before such date by: (a) proposed counsel to the Debtor, Fredrikson & Byron, P.A., Attn: James L. Ballie, Steven R. Kinsella, Samuel M. Andre, Katherine A. Nixon, 60 South Sixth Street, Suite 1500, Minneapolis, MN 55402-4400; proposed co-counsel to the Debtor, Obuchowski Law Office, Attn: Raymond J. Obuchowski, 1542 Route 107, PO Box 60, Bethel, VT 05032; (c) the Office of the United States Trustee, Attn: Lisa M. Penpraze, lisa.penpraze@usdoj.gov; and (d) counsel for the Committee, if one has been appointed.

14. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Interim Order.

October 7, 2024
Burlington, Vermont


Heather Z. Cooper
United States Bankruptcy Judge



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