



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) AUTHORIZING THE DEBTOR TO PAY ACCRUED AND
OUTSTANDING PREPETITION EMPLOYEE COMPENSATION, BENEFITS, AND
RELATED AMOUNTS AND (II) AUTHORIZING THE DEBTOR TO MAINTAIN
EXISTING PAYROLL SERVICES**

This matter comes before the Court on Debtor's Emergency Motion for an Order (I) Authorizing the Debtor to Pay Accrued and Outstanding Prepetition Employee Compensation, Benefits, and Related Amounts and (II) Authorizing the Debtor to Maintain Existing Payroll Services (doc. # 8) (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 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, Room 200, Burlington, VT 05401.
3. Subject to the requirements of section 507 (a)(4) and (a)(5) of the Bankruptcy Code, the Debtor is authorized to and shall pay when due the accrued but unpaid Prepetition Compensation as described and defined in the Motion totaling approximately \$94,000.00;
4. Through the Final Hearing the Debtor is authorized to and shall pay the appropriate recipients the payroll taxes and deduction the Diocese deducted prepetition or will deduct on account of prepetition obligations, on a final basis.
5. Through the Final Hearing the Debtor is authorized to and shall (a) continue administering the Benefit Plans in the ordinary course of business; (b) continue making all payments on account of such benefits; (c) continue to pay any claims and administrative fees related thereto; and (d) pay any and all such amounts to the extent they remain unpaid on the Petition Date subject to the limit set forth in Section 507(a)(4) of the Bankruptcy Code.
6. The Debtor is authorized to and shall pay all prepetition amounts due under the Reimbursement Programs in the ordinary course of business through the Final Hearing subject to a per person cap of \$700.00.
7. The Debtor is authorized to and shall honor its PTO policies in the ordinary course of business, and to honor and pay, in its sole discretion, all prepetition amounts related thereto subject to the statutory cap set forth in section 507(a)(4) of the Bankruptcy Code.



8. All applicable banks and other financial institutions are authorized, when requested by the Debtor, to receive, process, honor, and pay all checks, drafts, wires, check transfer requests or automated clearing house transfers evidencing amounts paid by the Diocese pursuant to the Motion whether presented prior to or after September 30, 2024, provided that sufficient funds are available in the applicable accounts to make the payments. The banks and other financial institutions are authorized to rely on the Debtor's designation of any check or funds transfer as approved by this Order. Any bank or financial institution that honors a prepetition check or other item drawn on any account that is the subject of this Order: (a) at the direction of the Debtor; (b) in a good-faith belief that the Court has authorized such prepetition check or item to be honored; or (c) as a result of an innocent mistake made despite the above-described protective measures, shall not be liable to the Debtor or its estate on account of such prepetition check or other item being honored postpetition.

9. At least seven (7) business days prior to the Final Hearing, the Debtor shall notify the United States Trustee regarding any outstanding checks relating to the categories described above in paragraphs 3, 6 and 7 and shall notify the United States Trustee if any such checks cleared postpetition.

10. Notwithstanding the payments authorized by this Order, all payments made to or on behalf of the Debtor's employees shall not, in the aggregate per employee, exceed the limit set forth in Section 507(a)(4) and (a)(5) of the Bankruptcy Code.

11. The Debtor is hereby authorized to take such actions and to execute such documents as may be necessary to implement the relief granted by this Order.

12. The requirements of Bankruptcy Rule 6004(a) and (h) are waived; this Order shall be immediately effective and enforceable upon its entry.

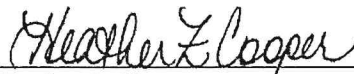


13. At least ten (10) business days prior to the Final Hearing, the Debtor shall provide the United States Trustee a list of all pre-petition amounts remitted pursuant to this Order.

14. 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.

15. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation and/or interpretation of this Order.

October 7, 2024
Burlington, Vermont


Heather Z. Cooper
United States Bankruptcy Judge