

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF VERMONT**

In re:

Roman Catholic Diocese of Burlington,
Vermont,¹

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

Debtor.

**DEBTOR'S APPLICATION FOR ORDER UNDER 11 U.S.C. §§ 327(a) AND 329, FED. R.
BANKR. P. 2014(a), AND VT. LBR 2014-1 AUTHORIZING EMPLOYMENT AND
RETENTION OF FREDRIKSON & BYRON, P.A. AS CHAPTER 11 COUNSEL AS OF
THE PETITION DATE**

The Roman Catholic Diocese of Burlington, Vermont (the “Diocese”) hereby applies for an order under 11 U.S.C. §§ 327(a) and 329 and Fed. R. Bankr. P. 2014(a) and Vt. LBR 2014-1 authorizing the employment and retention of Fredrikson & Byron, P.A. (“Fredrikson & Byron”) as Chapter 11 bankruptcy counsel for the Diocese effective as of the Petition Date (as defined below) (the “Application”). In support of this Application, the Diocese relies on the separately filed Declaration of James L. Baillie in Support of the Debtor’s Application for Order Pursuant to 11 U.S.C. §§ 327(a) and 329, Fed. R. Bankr. P. 2014(a), and Vt. LBR 2014-1 Authorizing Employment and Retention of Fredrikson & Byron, P.A. as Chapter 11 Counsel as of the Petition Date (the “Baillie Declaration”), which is incorporated herein by reference, and respectfully represent as follows:

¹ In accordance with Fed. R. Bankr. P. 2002(n) and 1005 and 11 U.S.C. § 342(c), as applicable, the Diocese’s address is 55 Joy Drive, South Burlington, Vermont 05403, and its Employer Identification Number (EIN) is 03-0180730.

JURISDICTION AND VENUE

1. The Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of this case and this Application in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. This Application arises under 11 U.S.C. §§ 327 and 328 and Fed. R. Bankr. P. 2014. This Application is filed under Local Rules 2014-1. The Diocese seeks an order authorizing the employment of Fredrikson & Byron as its Chapter 11 counsel.

BACKGROUND

3. The Diocese filed a voluntary petition for relief on September 30, 2024 (the “Petition Date”) pursuant to Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) and requires representation in this case.

4. The Diocese continues to maintain employment and manages its properties as debtor in possession pursuant to Bankruptcy Code sections 1107 and 1108. Further background information regarding the Diocese may be found in the Affidavit of Bishop John J. McDermott in Support of Initial Pleadings and Pursuant to Local Rule 1007-1

5. The Diocese wishes to employ Fredrikson & Byron, P.A. (“Fredrikson & Byron”), including attorneys in its bankruptcy group, to represent and assist the Diocese in carrying out its duties under the Bankruptcy Code and to perform other legal services necessary to the Diocese’s continuing operations.

6. Fredrikson & Byron is a full-service law firm with over 300 attorneys and offices in Minneapolis, St. Paul, Mankato, Fargo, Bismarck, Des Moines, Ames, Madison, as well as Monterrey, Mexico and Shanghai, China. The Diocese believes the attorneys of Fredrikson & Byron are competent and experienced in Chapter 11 and related bankruptcy matters.

RELIEF REQUESTED

7. By this Application, the Diocese seeks entry of an order under sections 327(a) and 329 of the Bankruptcy Code, Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 2014-1 authorizing the employment and retention of Fredrikson & Byron effective as of the Petition Date, for the purpose of providing bankruptcy counsel services to the Debtor during this case.

8. The Diocese proposes that Fredrikson & Byron be authorized to file applications for compensation once a month after the Petition Date. *See* 11 U.S.C. § 331.

9. Under Local Rule 2014-1(b)(3) “[u]nless otherwise ordered by the Court, no hearing is necessary” on an application to employ a professional. Pursuant to Local Rule 2014-1(b)(3), the Diocese requests that the Court grant this Application without a hearing.

BASIS FOR RELIEF

10. The Diocese wishes to retain and employ Fredrikson & Byron to represent the Diocese as Chapter 11 counsel in this proceeding.

11. The attorneys of Fredrikson & Byron are duly licensed attorneys at law and experienced in bankruptcy matters.

12. The attorneys of Fredrikson & Byron are members of the bars of courts in other jurisdictions and have filed, or will file, pro hac vice applications to appear before this Court in this Chapter 11 case.

13. Fredrikson & Byron’s office address is 60 South Sixth Street, Suite 1500, Minneapolis, Minnesota, 55402 and its phone number is 612-492-7000.

14. Fredrikson & Byron has previously worked on many Chapter 11 and out-of-court restructurings, advising both debtors and creditors in various cases, with extensive experience

working with companies in distressed situations. Fredrikson & Byron routinely represents chapter 11 debtors and has experience with diocesan cases similar to this case.

15. For all of the foregoing reasons, the Diocese believes that Fredrikson & Byron is well qualified and able to represent the Diocese in a cost-effective, efficient, and timely manner.

SERVICES TO BE RENDERED

16. As described in the Baillie Declaration, the services rendered or to be rendered by Fredrikson & Byron as Chapter 11 counsel to the Diocese include the following:

- a. Analyzing the Diocese's financial situation and rendering advice and assistance in determining how to proceed, which has included advice, negotiation, and preparation of documents for a Chapter 11 filing;
- b. Assisting with the preparation and filing of the petition, exhibits, attachments, schedules, statements, lists, motions, and other documents required by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules, or the Court in the course of this bankruptcy case;
- c. Representing the Diocese at the meetings of creditors;
- d. Negotiating with creditors and other parties in interest;
- e. Making and responding to motions, applications, and other requests for relief on behalf of the Diocese;
- f. Working with the Diocese and other parties to prepare and file a plan of reorganization and disclosure statement; and
- g. Performing other services requested by the Diocese or services reasonably necessary to represent the Diocese in this case.

17. The Diocese believes that Fredrikson & Byron is well qualified and able to provide these services to the Diocese. Fredrikson & Byron has indicated a willingness to act on behalf of the Diocese, on the terms described in this Application, and subject itself to the jurisdiction of this Court. Additionally, the Diocese has been advised by Fredrikson & Byron that it will endeavor to coordinate with any other retained professionals in this bankruptcy case to eliminate unnecessary duplication or overlap of work.

PROFESSIONAL COMPENSATION

18. Pursuant to 11 U.S.C. § 328(a), the Court may approve the retention of Fredrikson & Byron on any reasonable terms and conditions.

19. The Diocese has agreed that, subject to the Court's approval, Fredrikson & Byron shall be paid its normal hourly rates for services. The Diocese proposes to pay fees on a reasonable fee basis, dependent primarily on the number of hours expended, but taking into consideration any risk that there may not be funds available to pay fees, any delay in making payments of fees, and such other factors as may be appropriate, subject to the approval of the Court.

20. As set forth more fully in the Baillie Declaration, the hourly rates for the expected timekeepers working on matters in this case are as follows: (a) \$950 per hour for James Baillie (shareholder); (b) \$575 per hour for Steven Kinsella (shareholder); (c) \$525 per hour for Samuel Andre (shareholder); (d) \$420 per hour for Katherine Nixon (associate); and (e) \$210 per hour for Shataia Stallings (paralegal). Fredrikson & Byron adjusts its rates periodically, generally on January 1 of each year, and the rates of additional shareholders, associates, and paralegals that may work on this case will vary based on their respective experience.

21. The Diocese paid Fredrikson & Byron a retainer of \$200,000 on September 3, 2024 (the "Chapter 11 Retainer"), which Fredrikson & Byron applied \$68,559 to pre-petition fees and

expenses prior to the Petition Date. The remaining balance of \$131,441 remains in the client's trust account. Fredrikson will hold the retainer in trust to be applied against fees and expenses incurred in preparation of the filing, with the remainder to be held for application against final allowed fees, filings fees, and any other unpaid fees and expenses incurred immediately prior to the Filing Date. Fredrikson & Byron will include and fully disclose any unpaid fees and filing fees in its first interim fee application.

22. It is Fredrikson & Byron's policy to charge its clients for certain expenses incurred in connection with providing client services, including without limitation, travel, lodging, photocopying, postage, vendor charges, delivery service, and other expenses and disbursements incurred in connection with the representation of the client. Fredrikson & Byron intends to seek reimbursement for expenses and disbursements incurred in connection with the representation of the Diocese in accordance with Fredrikson & Byron's policies and in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules, and any applicable order of this Court.

23. The overall compensation structure described above is consistent with, and typical of, arrangements entered into by Fredrikson & Byron and other law firms with respect to rendering similar services for clients such as the Diocese.

24. In addition, given the numerous issues Fredrikson & Byron may be required to address in the performance of its services in this case, Fredrikson & Byron's commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for Fredrikson & Byron's services for engagements of this nature in an out-of-court context, as well as in Chapter 11 cases, the Diocese agrees that the fee arrangement with Fredrikson & Byron is reasonable.

25. As set forth in the Baillie Declaration, Fredrikson & Byron has not shared or agreed to share any of its compensation from the Diocese with any other persons, other than managing directors, professionals, or other employees of Fredrikson & Byron, as permitted by section 504 of the Bankruptcy Code.

26. The Diocese wishes to employ and retain Fredrikson & Byron post-petition on the same terms and conditions the Diocese agreed to with Fredrikson & Byron pre-petition, which the Diocese believes to be reasonable based on the customary compensation charged by comparably skilled practitioners in cases under Chapter 11.

DISINTERESTEDNESS OF PROFESSIONAL

27. As more particularly described in the Baillie Declaration, Fredrikson & Byron conducted a conflicts check and due inquiry regarding its relations with the Diocese, and as identified to Fredrikson & Byron, with the Diocese's significant creditors and other material parties in interest, and the Office of the United States Trustee, to determine whether Fredrikson & Byron has any conflicts or other relationships that might bear on its retention.

28. Based upon the conflicts check and due inquiry, Fredrikson & Byron advised the Diocese that neither Fredrikson & Byron nor any professional employee of Fredrikson & Byron has any connection with, or holds any interest adverse to, the Diocese, its significant creditors, other material parties in interest, or the Office of the United States Trustee, in matters for which Fredrikson & Byron is proposed to be retained, except as disclosed in the Baillie Declaration. Fredrikson & Byron is not a creditor of the Diocese.

29. The Diocese has reviewed the Baillie Declaration and believes the attorneys selected by the Diocese do not represent any other entity in connection with this case, do not hold or represent any interest adverse to the estate, and are disinterested under 11 U.S.C. § 327. In the

event the United States Trustee, the Court, or other party asserts or is concerned that Fredrikson & Byron is not disinterested, the Diocese requests that a hearing be scheduled.

30. The Diocese submits that the appointment of Fredrikson & Byron on the terms and conditions set forth in this Application is in the best interests of the Diocese, its creditors, and all parties in interest.

NOTICE

31. Notice of this Application has been provided to the Office of the United States Trustee pursuant to Fed. R. Bankr. P. 2014 and Local Rule 2014-1. Additional noticing will be provided if and to the extent directed by the Court pursuant to Local Rule 2014-1(b).

NO PRIOR REQUEST

32. No prior application for the relief requested in this Application has been made to this Court or any other court.

WHEREFORE, the Diocese requests entry of an order approving the employment of the law firm of Fredrikson & Byron, P.A. as Chapter 11 counsel for the Diocese, authorizing Fredrikson & Byron, P.A. to file monthly fee applications, and granting such other and further relief as is just and proper.

Dated: September 30, 2024

ROMAN CATHOLIC DIOCESE OF
BURLINGTON, VERMONT



The Most Reverend John Joseph McDermott
Bishop of the Roman Catholic Diocese of
Burlington, Vermont

**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.

**UNSWORN DECLARATION OF JAMES L. BAILLIE IN SUPPORT OF THE
DEBTOR'S APPLICATION FOR ORDER PURSUANT TO 11 U.S.C. §§ 327(a) AND 329,
FED. R. BANKR. P. 2014(a), AND VT. LBR 2014-1 AUTHORIZING EMPLOYMENT
AND RETENTION OF FREDRIKSON & BYRON, P.A. AS CHAPTER 11 COUNSEL AS
OF THE PETITION DATE**

I, James L. Baillie make the following declaration in support of the application of Roman Catholic Diocese of Burlington, Vermont (the "Diocese") to employ Fredrikson & Byron, P.A. ("Fredrikson & Byron") as Chapter 11 counsel and in compliance with § 1746 of title 28 of the United States Code as follows:

1. I am a shareholder in the law firm of Fredrikson & Byron. I am authorized to practice before the courts of the State of Minnesota and the federal courts for the District of Minnesota, among others. I make this Unsworn Declaration in support of the Diocese's Application for Order Pursuant to 11 U.S.C. §§ 327(a) and 329, Fed. R. Bankr. P. 2014(a), and Vt. LBR 2014-1 Authorizing Employment and Retention of Fredrikson & Byron, P.A. as Chapter 11 Counsel as of the Petition Date (the "Application").

2. Fredrikson & Byron maintains an office at 60 South Sixth Street, Suite 1500, Minneapolis, MN 55402, and a phone number of 612-492-7000. Fredrikson & Byron is experienced in the bankruptcy arena, with the requisite expertise required by the Diocese to assist it as Chapter 11 counsel in this case.

3. No member of Fredrikson & Byron has ever been an officer or director of the Diocese, and no member of Fredrikson & Byron is an insider of the Diocese.

4. Fredrikson & Byron has completed a conflict check with the Diocese and its list of officers, directors, and creditors furnished by the Diocese as of August 30, 2024. Fredrikson & Byron is aware that the Diocese has other regular vendors that may or may not have small claims for which they have not billed the Diocese and therefore do not show up on the list of current creditors. Fredrikson & Byron will promptly supplement this Unsworn Declaration in the future when and if other creditors become known.

5. Based on the results of the above-referenced conflicts check, and to the best of my knowledge, neither I nor Fredrikson & Byron have represented or had any connection with the Diocese, its officers and directors, its creditors, the United States Trustee, or any other person employed by the Office of the United States Trustee within the meaning of Fed. R. Bankr. P. 2014, except as stated below:

a. Fredrikson & Byron currently represents Comcast, an entity who may be a creditor herein, all in matters entirely unrelated to the Diocese and this case. The Diocese is current on its obligations owed to Comcast. Comcast waived or is expected to waive any potential conflict in Fredrikson & Byron's representation of the Diocese. In the event a dispute arises involving between the Diocese and Comcast, Fredrikson & Byron will not represent either the Diocese or that entity. In the year prior to the Petition Date, the amount paid by Comcast to Fredrikson was less than 1% the total revenue for Fredrikson during that period. Fredrikson will continue to exercise due diligence, monitor the reported revenue from this entity and notify the Court if any of the above information changes through addenda to the Professional's Bankruptcy rule 2016(b) disclosure statement.

b. Fredrikson & Byron and certain of its attorneys may have in the past represented some of the creditors of the Diocese in connection with matters unrelated to the Diocese and this case. In each instance, Fredrikson & Byron's representation has concluded well over a year ago and such former representation of that creditor does not represent a current conflict.

c. Fredrikson & Byron is frequently involved in Chapter 11 cases, representing debtors and creditors. As such, Fredrikson & Byron is often adverse to the Office of the United States Trustee and is often adverse to, or allied with, other law firms and the interests of their clients and other accountants and the interests of their clients.

None of the above relationships constitute actual conflicts, but may be "connections" within the meaning of Fed. R. Bankr. P. 2014 or potential conflicts and are therefore disclosed. The Diocese has been advised of the potential conflicts and connections noted above and has waived any such conflicts.

6. There may be other persons within the scope of Fed. R. Bankr. P. 2014 that, unknown to me, Fredrikson & Byron has represented in particular matters in the past. We agree not to represent such persons who are creditors or other parties in interest in these cases while representing the Diocese, without further disclosure, and we agree to disclose any connections within the meaning of Fed. R. Bankr. P. 2014 that we may discover subsequent to the execution of this Unsworn Declaration.

7. Except as the Court may determine from the circumstances disclosed above, Fredrikson & Byron does not hold or represent any interest adverse to the estate, and Fredrikson & Byron is a "disinterested person," within the meaning of 11 U.S.C. § 327(a).

8. Prior to the Filing Date, the Diocese paid to Fredrikson & Byron a retainer of \$200,000 on September 3, 2024 (the “Chapter 11 Retainer”) and had agreed that Fredrikson will hold the retainer in trust to be applied against fees and expenses incurred in preparation of the filing, with the remainder to be held for application against final allowed fees, filings fees, and any other unpaid fees and expenses incurred immediately prior to the Filing Date. Fredrikson & Byron will include and fully disclose any unpaid fees and filing fees in its first interim fee application.

9. The Diocese has agreed to pay Fredrikson & Byron its customary hourly rates. As of the Petition Date, the hourly rates for expected timekeepers are: (a) \$950 per hour for James Baillie (shareholder); (b) \$575 per hour for Steven Kinsella (shareholder); (c) \$525 per hour for Samuel Andre (shareholder); (d) \$420 per hour for Katherine Nixon (associate); and (e) \$210 per hour for Shataia Stallings (paralegal). Fredrikson & Byron adjusts its rates periodically, generally on January 1 of each year, and the rates of additional shareholders, associates, and paralegals that may work on this case will vary based on their respective experience.

10. It is Fredrikson & Byron’s policy to charge its clients for certain expenses incurred in connection with providing client services, including without limitation, travel, lodging, photocopying, postage, vendor charges, delivery service, and other expenses and disbursements incurred in connection with the representation of the client. Fredrikson & Byron intends to seek reimbursement for expenses and disbursements incurred in connection with the representation of the Diocese in accordance with Fredrikson & Byron’s policies and in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules, and any applicable order of this Court.

11. The chapter 11 filing fee paid by Fredrikson & Byron on account of the Diocese in this case totals \$1,738, and Fredrikson & Byron was reimbursed by the Diocese prior to the Petition Date.

12. The services rendered or to be rendered by Fredrikson & Byron as Chapter 11 counsel include the following:

a. Analyzing the Diocese's financial situation and rendering advice and assistance in determining how to proceed, which has included advice, negotiation, and preparation of documents for a Chapter 11 filing;

b. Assisting with the preparation and filing of the petition, exhibits, attachments, schedules, statements, lists, motions, and other documents required by the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Local Rules, or the Court in the course of this bankruptcy case;

c. Representing the Diocese at the meetings of creditors;

d. Negotiating with creditors and other parties in interest;

e. Making and responding to motions, applications, and other requests for relief on behalf of the Diocese;

f. Working with the Diocese and other parties to prepare and file a plan of reorganization and disclosure statement; and

g. Performing other services requested by the Diocese or services reasonably necessary to represent the Diocese in this case.

13. The source of all payments to Fredrikson & Byron will be from earnings, or other current income or receipts of the Diocese. During the bankruptcy case, Fredrikson & Byron will

not receive a transfer of property other than such payments made to Fredrikson & Byron by the Diocese.

14. Fredrikson & Byron has not shared or agreed to share with any other person, other than with members of the firm, any compensation paid or to be paid.

15. Fredrikson & Byron requests that it be authorized to file applications for compensation once a month after the Petition Date. *See* 11 U.S.C. § 331.

16. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: September 30, 2024

/e/ James L Baillie

James L. Baillie

**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.

**ORDER APPROVING EMPLOYMENT OF FREDRIKSON & BYRON, P.A. AS
DIOCESE'S CHAPTER 11 COUNSEL**

Upon the application (the "Application") of the above-captioned debtor and debtors-in-possession, the Roman Catholic Diocese of Burlington, Vermont (the "Diocese"), for an order under sections 327(a) and 329 of the Bankruptcy Code authorizing the Diocese to employ and retain the law firm of Fredrikson & Byron, P.A. as the Diocese's Chapter 11 counsel effective as of the Petition Date; and upon the Declaration filed in support of the Application; and the Court being satisfied with the representations made in the Application and the Declaration that said attorney represents no interest adverse to the Diocese's estate, that they are "disinterested persons" in respect of the Diocese's estate as that term is defined under section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and that Fredrikson & Byron, P.A.'s employment as Chapter 11 counsel by the Diocese is necessary and would be in the best interests of its estate; and it appearing that proper and adequate notice of the Application has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby:

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Application is **GRANTED**.

2. Pursuant to sections 327(a) and 329 of the Bankruptcy Code, the Diocese is authorized to employ and retain Fredrikson & Byron, P.A. as its Chapter 11 counsel in carrying out its duties under the Bankruptcy Code.

3. Pursuant to section 331 of the Bankruptcy Code, Fredrikson & Byron, P.A. is authorized to file monthly applications for compensation following the date of the filing of the petition.

4. Within ten business days prior to any increases of Fredrikson & Byron, P.A.'s rates for any individual employed by Fredrikson & Byron, P.A. and retained by the Diocese pursuant to this Order, Fredrikson & Byron, P.A. shall file a supplemental affidavit or declaration with the Court setting forth the requested rate increase pursuant to 11 U.S.C. § 330(a)(3)(F). Parties in interest, including the Office of the United States Trustee, retain all rights to object to, or otherwise respond to, any rate increase on any and all grounds, including, but not limited to, the reasonableness standard under 11 U.S.C. § 330.

5. Fredrikson & Byron, P.A. is authorized to retain the balance of any remaining retainer funds for payment of allowed post-petition fees and expenses as provided by order of this Court.

6. All payments of professional fees and the reimbursements of expenses to Fredrikson & Byron, P.A. are subject to Court approval based upon application to the Court and the submission of contemporaneous time records, pursuant to the Bankruptcy Rules and the Local Rules or in accordance with another Order of this Court.

BY THE COURT:

Dated:
Rutland, Vermont

Honorable Heather Z. Cooper
United States Bankruptcy Judge