

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT

IN RE:	)	
	)	
Roman Catholic Diocese of Burlington,	)	Case No. 24-10205- <i>hzc</i>
Vermont <sup>1</sup>	)	<i>Chapter 11 Case</i>
Debtor in Possession	)	

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**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 OBUCHOWSKI LAW OFFICE AS LOCAL  
BANKRUPTCY COUNSEL TO DEBTOR-IN-POSSESSION  
AS OF PETITION DATE**

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Roman Catholic Diocese of Burlington, Vermont, debtor-in-possession, in the above-captioned case (the "Debtor"), 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 Obuchowski Law Office as local bankruptcy counsel, effective as of the date of commencement of this case (the "Application"). In support of this Application, the Debtor relies on the separately filed Declaration of Raymond J. Obuchowski in Support of Debtor's Application for Order Pursuant to 11 U.S.C. §§ 327(a) and 329 and Fed. R. Bankr. P. 2014(a) and Vt. LBR 2014-1 Authorizing Employment and Retention of Obuchowski Law Office as Local Bankruptcy Counsel as of the Petition Date (the "Declaration"), which is incorporated herein by reference, and respectfully represent as follows:

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<sup>1</sup> 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 Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.
2. The statutory predicate for the relief requested herein is Bankruptcy Code section 105(a), Bankruptcy Rule 1007(c) and Local Rule 1007-1(j).

### **BACKGROUND**

3. On September 30, 2024, (the "Petition Date"), the Debtor voluntarily filed its case in this Court to a case seeking relief under Chapter 11 of the Bankruptcy Code. The factual background regarding the Debtor, and the events leading to the filing of this Chapter 11 case, is set forth in detail in the 1007 Affidavit and Declaration.
4. The Debtor continues to maintain employment and manages its properties as debtor in possession pursuant to Bankruptcy Code sections 1107 and 1108.

### **RELIEF REQUESTED**

5. By this Application, the Debtor seeks entry of an order under sections 327(a) and 329 of the Bankruptcy Code, Rule 2014(a) of the Bankruptcy Rules, and Rule 2014-1 of the Local Rules authorizing the employment and retention of Obuchowski Law Office effective as of the Petition Date, for the purpose of providing local bankruptcy counsel services to the Debtor during this chapter 11 case, all in accordance with the terms of the engagement letter executed September 11 2024 between the Debtor and Obuchowski Law Office (the "Engagement Letter"), a copy of which is attached hereto as **Exhibit A**.

### **BASIS FOR RELIEF**

6. The Debtor wishes to retain and employ Obuchowski Law Office to represent the Debtor as local bankruptcy counsel in this proceeding, and Raymond J. Obuchowski, Esq. is a duly licensed Attorney at Law and member of the Bar of this Court, experienced in bankruptcy matters, whose office address is P. O. Box 60, 1542 Route 107, Bethel, Vermont 05032 with a phone number of (802) 234-6244.

- Raymond J. Obuchowski has previously worked on many chapter 11 and out-of-court restructurings, advising both debtors and creditors in various cases, with extensive experience working on companies in distressed situations. The office has handled a significant portion of the Chapter 11 proceedings filed in the District of Vermont.

For all of the foregoing reasons, the Debtor believes that the Obuchowski Law Office is well qualified and able to represent the Debtor in a cost-effective, efficient, and timely manner.

### **SERVICES TO BE RENDERED**

7. The parties have entered into the Engagement Letter, which governs the relationship between Obuchowski Law Office and the Debtor with respect to the case under Chapter 11 and the need for Court approval for certain additional services. Obuchowski Law Office will provide such professional counseling services as local counsel, and assist general bankruptcy counsel, James L. Baillie and Steven Kinsella of the law firm of Fredrikson & Byron, P.A. of Minneapolis, Minnesota, hereinafter "Fredrikson"), to assist them with the requirements, regulations and nuances specific to a proceeding in the District of Vermont, (the "Services") as Obuchowski Law Office and the Debtor shall deem appropriate and feasible in order to advise the Debtor as local counsel in the course of the chapter 11 case. Obuchowski Law Office

will advise the Debtor as to local procedures, advise substantively on motions and strategies where appropriate and prepare, review and file pleadings with the Court, attending Court hearings when necessary, and seeking to minimize duplicative services at all times. Obuchowski Law Office will advise as necessary as Local Counsel, the Debtor as to its duties and operations as debtor-in-possession, will take all actions necessary to preserve the estate, prepare all necessary motions and other papers in the ordinary administration of the estate and assist in the formulation, negotiation and confirmation of the Plan, as Local Counsel. Obuchowski Law Office will perform any and all other legal services for the Debtor that the Debtor determines are necessary and appropriate after advice and consultation with Fredrikson.

8. The Debtor believes that Obuchowski Law Office is well qualified and able to provide the Services to the Debtor. Obuchowski Law Office has indicated a willingness to act on behalf of the Debtor, on the terms described above, and to subject itself to the jurisdiction of this Court. Additionally, the Debtor has been advised by Obuchowski Law Office that it will endeavor to coordinate with any other retained professionals<sup>2</sup> in this bankruptcy case to eliminate unnecessary duplication or overlap of work.

### **PROFESSIONAL COMPENSATION**

9. As more fully described in the Engagement Letter, the Debtor has agreed, subject to court approval, to pay the fees and expenses for the services rendered in these cases as follows:

- a. Obuchowski Law Office will be provided compensation at its current hourly rates as follows: \$350.00 per hour for Raymond J. Obuchowski.

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<sup>2</sup> As set forth in the Retainer Agreement, the Diocese has historically retained Thomas McCormick, Esq. to represent it in its corporate affairs and in all matters outside the scope of the employment. Obuchowski Law Office is relying on the availability of Thomas McCormick, Esq. to handle those matters. It is a condition of the OLO employment that the Diocese continues to retain competent general counsel to handle matters beyond the scope of the local bankruptcy representation. The Diocese will also be retaining the law firm of Dinse of Burlington, Vermont to assist and provide legal representation on matters other than the conduct of the bankruptcy case.

- b. Obuchowski Law Office has received a pre-petition retainer, against which time and expenses will be billed on a periodic basis, based upon the rates cited above. Expenses will also be charged, as further described in the retainer letter. Counsel received a \$50,000.00 Chapter 11 retainer and applied \$3,750 prior to the Petition Date, leaving a balance of \$46,250.
- c. Fee applications to the Court may be made on a periodic basis, allowing Obuchowski Law Office to draw against its retainer or otherwise receive payment as approved by the Court.

10. The overall compensation structure described above is consistent with and typical of arrangements entered into by Obuchowski Law Office and other law firms with respect to rendering similar services for clients such as the Debtor.

11. In addition, given the numerous issues which Obuchowski Law Office may be required to address in the performance of its services hereunder, Obuchowski Law Office's commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for Obuchowski Law Office's services for engagements of this nature in an out-of-court context, as well as in chapter 11, the Debtor agrees that the fee arrangements in the Engagement Letter are reasonable.

12. As set forth in the Declaration, Obuchowski Law Office has not shared or agreed to share any of its compensation from the Debtor with any other persons, other than managing directors, professionals or other employees of Obuchowski Law Office, as permitted by section 504 of the Bankruptcy Code.

13. The Debtor wishes to continue to employ and retain Obuchowski Law Office post-petition on the same terms and conditions as those set forth in the Engagement Letter, which the

Debtor believes to be reasonable based on the customary compensation charged by comparably skilled practitioners in cases under chapter 11.

#### **DISINTERESTEDNESS OF PROFESSIONAL**

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

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

16. To the best of the Debtor's knowledge, information and belief, and in reliance on the Obuchowski Law Office Declaration, Obuchowski Law Office is a "disinterested person," as such term is defined in section 101(14) of the Bankruptcy Code and as required under section 327(a) of the Bankruptcy Code.

17. The Debtor submits that the appointment of Obuchowski Law Office on the terms and conditions set forth herein is in the best interests of the Debtor, its creditors and all parties in

interest.

**NOTICE**

18. Notice of this Application has been provided to the Office of the United States Trustee in accordance with Rule 2014-1(b) of the Local Rules. Additional noticing will be provided if and to the extent directed by the Court pursuant to such Rule 2014-1(b).


**NO PRIOR REQUEST**

19. No prior application for the relief requested herein has been made to this or any other Court.

WHEREFORE, the Debtor respectfully requests that the Court enter an order (i) authorizing the Debtor to employ and retain Obuchowski Law Office as its local bankruptcy legal counsel pursuant to the terms of the Engagement Letter, effective as of the Petition Date, as described herein, and (ii) granting the Debtor such other and further relief as is just and proper.

Dated: September 30, 2024.

ROMAN CATHOLIC DIOCESE OF  
BURLINGTON, VERMONT

By:   
The Most Reverend Bishop John J. McDermott  
Bishop of the Roman Catholic Diocese of  
Burlington, Vermont

# Exhibit A

[Engagement Letter]



# Obuchowski Law Office

ATTORNEYS AT LAW

Mailing: P.O. Box 60, Bethel, VT 05032  
Physical: 1542 Route 107, Royalton, VT  
Telephone: (802) 234-6244  
Telefax: (802) 234-6245

Website: [www.oeblaw.com](http://www.oeblaw.com)

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Raymond J. Obuchowski  
*ray@oeblaw.com*

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September 11, 2024

Bishop John J. McDermott  
Roman Catholic Diocese of Burlington, Vermont  
55 Joy Drive  
South Burlington, VT 05403

RE: Retention for Chapter 11 Filing – Local/Vermont Bankruptcy Counsel

Dear Bishop McDermott:

We are pleased to confirm the availability of Obuchowski Law Office to provide legal representation as local counsel to the Roman Catholic Diocese of Burlington, Vermont, with respect to the filing of a Chapter 11 case in the District of Vermont. I will serve as your primary contact with my firm as I currently am a solo practice. Although I may obtain the assistance of other attorneys in the firm, in the event added, in connection with this representation.

The purpose of this letter is to establish our agreement with regard to the nature and scope of our retention and to provide to you and the corporations a summary of the obligations in connection with our retention.

## SCOPE OF REPRESENTATION

Our office will serve as your local Vermont counsel with respect to the filing of the Chapter 11 proceedings in the District of Vermont. We will be working closely with your bankruptcy counsel, James L. Baillie of the law firm of Fredrikson & Byron, P.A. of Minneapolis, Minnesota, hereinafter “Fredrikson”), to assist them with the requirements, regulations and nuances specific to a proceeding in the District of Vermont. Admission to the local bar and registration for the electronic filing system will be essential to the smooth handling of the cases. While we will be required to assist when requested in any legal aspects of the bankruptcy proceedings, we will seek to avoid duplicative time with Fredrikson wherever and whenever possible. You understand that our office, limited by its size, cannot advise you as to every aspect of the bankruptcy proceeding, and it is a condition of our employment that you continue to seek counsel from Fredrikson with respect to the bankruptcy proceedings.

With your assistance, and the assistance of other employees of the corporation and that of Fredrikson, we shall assist with the preparation and filing with the Bankruptcy Court all necessary and appropriate documents required by applicable law in connection with the initiation and operation of Chapter 11 bankruptcy cases for all three companies. Our retention includes representation of the corporation as required under applicable bankruptcy law and rules in the capacity of local counsel. We will appear at all hearings where the attorney for the debtor is required to appear and we will keep you advised as to all events that take place or that we anticipate taking place in the Bankruptcy Court with regard to the pendency of the Chapter 11 case.

For all purposes of this bankruptcy case, and otherwise, the client shall be the Roman Catholic Diocese of Vermont (the “Diocese” “you” or “Client”). All duties and responsibilities created and imposed by this Agreement shall be owed to the Diocese and not to any officer, agent, partnership, other Diocese, trustee, employee or third party as individuals, unless expressly otherwise agreed, and then only after full and accurate disclosure to the court and other necessary parties. The parties to this agreement will immediately disclose any contemplated relationship to the United States Bankruptcy Court, the United States Trustee, all parties in interest, and all other parties entitled to receive notice.

The Diocese, by its authorized agent, has authorized and empowered Raymond J. Obuchowski, and Obuchowski Law Office to handle, as local counsel, a Chapter 11 bankruptcy case in the United States Bankruptcy Court, utilizing such legal means as are available under the Bankruptcy Rules and the United States Bankruptcy Code, and other applicable statutes and case authorities. The Diocese has prepared a resolution authorizing the retention of Obuchowski Law Office and Fredrikson, and the filing of a Chapter 11 bankruptcy case. The Diocese also warrants that the Diocese is in good standing with the State of Vermont.

Although we understand that Fredrikson has advised you and consulted with you regarding the legal aspects of the creditor situation, including an initial review of relevant documents and counseling with regard to insolvency alternatives and negotiating with the representatives of the creditor body, Obuchowski Law Office will act as the Diocese's Vermont bankruptcy counsel to advise and consult when necessary.

The retainer described below does not include representations of the Diocese in connection with non-bankruptcy related negotiations with its creditors and/or any other bankruptcy case which might be filed by or against it. If the Diocese requires such representation, additional financial arrangements will be necessary. Obuchowski Law Office's employment as Diocese's bankruptcy counsel does not include the following: appearances before any court or agency, or the provision of advice outside the insolvency area, in areas such as corporations, taxation, securities, torts, environmental, labor, criminal, employee benefit and pensions, or real estate law. Further, the limited scope of our employment does not include giving attention to, forming professional opinions as to, or advising you with respect to, your disclosure obligations under federal securities or other nonbankruptcy laws or agreements. Finally, if any officers or directors require representation as debtor in possession in one or more bankruptcy cases, such officers and directors and Obuchowski Law Office will have to consider whether Law Firm's continued joint representation of both of them would be appropriate.

You have represented to us that the Diocese has historically retained Thomas McCormick, Esq. to represent it in its corporate affairs and in all matters outside the scope of our employment. Obuchowski Law Office is relying on the availability of Thomas McCormick, Esq. to handle those matters. Indeed, it is a condition of our employment that the Diocese continues to retain competent general counsel to handle matters beyond the scope of our representation.

Our representation of you in this matter is limited to legal matters only. We are not qualified to give advice on non-legal matters such as accounting matters, investment prospects or other business advice, and we suggest you obtain professionals in those fields if you wish advice in those areas. Further, we remind you that litigation is by its nature uncertain and we have made no representation to you that you will prevail in this matter.

The parties agree that the following categories of persons or entities as defined under the Bankruptcy Code are excluded from this representation: (a) officers, directors, stockholders, or other "controlling persons" in connection with any personal liability arising from any failure of the Diocese. to pay withholding and other taxes; (b) the filing of any proofs of claim or interest by such "controlling persons" in the bankruptcy case; (c) the defense of any claims asserted by a creditor, party in interest, creditors' committee or trustee against such "controlling persons" for the recovery of excess compensation, insider preferences, fraudulent transfers, setoffs, or for the equitable subordination of claims; (d) the assertion or right to assert that any property in the possession of Diocese is the personal property of such "controlling persons"; (e) any effort on the part of such "controlling persons," either directly or through another person or entity, to purchase any of the property of the estate from the debtor-in-possession or Trustee if a sale not in the ordinary course of business is authorized by the Court; (f) the assertion by any "controlling persons" of any privilege against self-incrimination; and (g) any other matters which in the exercise of the professional judgment of counsel may create a conflict of interest, an appearance of impropriety, or a legal or moral position not otherwise approved by the Rules of Professional Conduct. In the event such conflict appears, Obuchowski Law Office will notify the Court and the United States Trustee as soon as practicable.

In the course of our representation, we will be asked to give advice on numerous matters. Advice falls into two categories: (i) advice based on the general knowledge of law and experience of the attorney involved; and (ii) advice, referred to as an opinion, expressed in a formal way after conducting as much research as we feel necessary to assure that the advice is based on a sound factual basis and reflects the most recent legal authority in the field. The

former should not be relied upon as the position of the firm and does not provide the same level of assurance as the latter.

For years, Obuchowski Law Office has maintained a policy that it does not provide opinion letters to its clients or to others who might wish to rely on such letters. We do not alter this policy except under very unusual circumstances.

Fredrikson has discussed with you various legal and factual considerations involved in the Diocese's representation in this Chapter 11 case. It is our goal to assist the Diocese, acting as local counsel, in its reorganization efforts and to file and have approved a disclosure statement in connection with a plan of reorganization. It is our further goal that such plan of reorganization be approved by the requisite number of creditors and by the Bankruptcy Court, and that the plan of reorganization, so approved, be fully consummated. However, we cannot provide to you any guarantee of the results that may eventually occur. Furthermore, because of the various uncertainties involved in Chapter 11 proceedings, we cannot guarantee to you any maximum fee that may be incurred by our firm as a result of our representation of the Diocese in this Chapter 11 case. We have discussed with you the various uncertainties related to Chapter 11 proceedings and you have acknowledged your understanding of the existence of those uncertainties.

We will at all times act on your behalf to the best of our ability. Any advice concerning the outcome of your legal matters are expressions of our best professional judgment, but they are not guarantees. Such advice is necessarily limited by our knowledge of the facts and is based upon the state of the law at the time it is expressed.

We understand that we will be authorized to employ, on your behalf, those experts, consultants, court reporters, investigators, and other persons that we may believe are necessary in the course of this representation.

#### FEES AND EXPENSES

The Bankruptcy Code allows the attorney for the debtor to take a retainer prior to the filing of the case but typically does not allow the debtor's attorney to be paid again until the expiration of the initial 120-day period after the case is filed. While we may submit a request for a monthly draw-down of a percentage of our earned fees, that request may or may not be granted. We also expect a significant amount in expenses at the onset of the case. Accordingly, it is necessary for us to obtain a retainer that we believe will be sufficient to cover the fees and expenses that we expect to incur within the first several months of the case. We have determined that the retainer with respect to a Chapter 11 filing for the Diocese would be in the amount of approximately Fifty Thousand Dollars (\$50,000). The \$50,000.00 would have to be paid in full prior to the filing of any case under Chapter 11 by our firm. Out of the \$50,000.00 received, we will apply such portion of the retainer to cover our billing between the date of this retainer through the date of filing, as necessary, to insure that there is no pre-petition amount owing at the time of filing. We expect that our pre-petition legal fees and expenses will approximate \$10,000.00. A detailed billing to approximately the time of filing will be provided as soon as possible. The balance that remains at the time of filing will serve as the office's legal retainer. Said retainer amount will include the fees for the filing fees of \$1,738.00.

The retainer is held in trust by my firm and is billed against during the course of the case. Billings are made on a monthly or periodic basis based upon our normal hourly rates for attorneys performing the services. My current hourly rate is \$350.00. Although I would be the partner primarily in charge of your case, I would delegate matters which can be properly handled by other members of the firm including associates when, or if, available. I currently work alone, and there are no associates employed by the firm at the current time. All expenses which we incur in the representation of the Diocese in the Chapter 11 would be charged against the retainer as well. These would include, but would not be limited to, any postage or copying charges for any large or out of the ordinary mailings, delivery charges when hand deliveries are necessary and/or federal express charges when overnight delivery is necessary, telecopying charges when it is necessary to telecopy items in order to expedite the handling of the case, long distance telephone charges, mileage for any out of town travel and any and all necessary and related expenses. To the extent possible and practical, I will have you directly undertake the handling and payment for large mailings or publications of legal notices.

All attorney fees and expenses must be approved by the Bankruptcy Court based upon fee applications which we file periodically, which includes any ability to draw down upon our retainer. Those applications contain a complete description of all of the services performed and the time spent performing same, in accordance with the United States Trustee guidelines. All items are itemized in the fee application. Once the retainer has been used, we would seek authority under the Bankruptcy Code for authority to draw against our retainer and for you to pay such additional retainers and/or fees as are necessary to fully compensate our firm for its services in the Chapter 11 proceeding.

The parties agree that Obuchowski Law Office may, in its discretion, increase the scheduled hourly rates and costs of reimbursable expenses as necessary during the course of the engagement, subject to bankruptcy approval. Additionally, in the event that Obuchowski Law Office increases its rates or the costs of its reimbursable expenses to its other commercial clients, the higher rates shall be deemed substituted for the initial rates described in this agreement, subject to Bankruptcy Court approval.

The parties agree that Obuchowski Law Office is not prohibited from seeking approval from the Bankruptcy Court for additional compensation from the debtor's estate beyond the retainer amount and for enhancement of its compensation at rates higher than those scheduled in the agreement or in greater aggregate amount, whether on an hourly basis or a percentage basis as circumstances warrant.

The parties agree that the retainer/case advance is deemed a trust fund, to be deposited in Obuchowski Law Office special attorney trust account. Any interest accrued on the retainer/case advance shall be added to the retainer. If either Diocese or Obuchowski Law Office notifies the other in writing of its decision to terminate this representation, the balance of the retainer/case advance may be applied to all accrued but unpaid fees and expenses for the period before the effective date of termination, with the same type of accounting to the client and judicial review as provided for herein. The balance, of the retainer/case advance, if any, will be promptly returned to Diocese, the debtor-in-possession, or the Trustee, as appropriate.

#### TRAVEL EXPENSES

Travel expenses are charged by Attorneys as a cost. Travel time is charged on a fee basis. The reason that travel time is charged on a fee basis is that the lawyer is traveling on your business and not his. If the lawyer were not traveling he could be in his office performing other work for clients, or in the case of overnight travel, when a lawyer is out of town on clients' business and is not at his home where he can attend to his personal business. Time charges begin at the time the lawyer leaves the office and continue until he returns, with the exception of time spent out of town for his own personal use or enjoyment. Pursuant to the local bankruptcy practice, travel time is charged at one-half (1/2) the normal hourly rate.

As an example: The attorney departs Rutland on the 7:00 p.m. plane to New York, to attend court at 11:00 a.m. the following day. The attorney arrives in New York at 8:00 p.m. and has checked into his hotel by 9:00 p.m. He meets with the clients' witness in the hotel coffee shop for dinner at 9:00 p.m. and concludes that meeting at 10:00 p.m. At 10:00 p.m. he returns to his room to watch the late movie, and retires for the evening at midnight. He rises in the morning and meets with the clients' witness at 8:00 a.m. in the coffee shop, concludes that meeting at 9:00 a.m. He returns to his room and prepares for the hearing from 9:00 a.m. until 10:45 a.m. at which point he departs for the hearing at the courthouse. During this particular sequence the only time not billed to the Client is the time used for the lawyer's personal benefit i.e., the time he watched the movie and slept.

It is frequently the case that this firm sends a lawyer out of town on the business of more than one client. In fact it has been the policy of this firm, in order to save Clients travel fees and travel time to have one lawyer from the office handle all hearings involved that can be made in one out of town trip and to divide the travel time and travel costs of that trip between all clients whose matters were handled. This is always done unless a particular matter is too complex and necessitates the making of a separate trip by separate lawyers. This effects quite a reduction in travel time and expense. In connection with any out of town trip, Attorneys will compare travel time and travel costs via commercial transportation as opposed to private trips being made by air and by non-scheduled airplane.

We typically incur and pay on behalf of our clients a variety of out-of-pocket costs arising in connection with legal services. These include charges made by government agencies and service vendors as well as clerical charges. Whenever such costs are incurred, we will carefully itemize and bill them. Typical of such costs are long distance telephone charges, messenger, courier, and express delivery charges, telecopy and telex charges, printing and reproduction costs, filing fees, deposition and transcript costs, witness fees, travel expenses, charges made by outside experts and consultants, including accountants, appraisers, and other legal counsel (unless arrangements for direct billing have been made), and charges for automated document production (word processing). We incur outside costs as agents for our clients and incur internal expenses on behalf of our clients, who agree that these costs will always be paid on a regular basis.

The retainer that has been provided to us will be deposited into a case designated trust account. Periodically, we will file applications with the Bankruptcy Court seeking approval of fees and cost earned and authorization to be paid such fees and costs as may be incurred. Those applications will be filed in accordance with applicable Bankruptcy Law and Rules and will include complete recapitulations of all time expended together with narrative discussions as well as diary billings in one-tenth of an hour increments with respect to all matters for which fees and costs are applied for.

We reserve the right to make at your expense and retain copies of all documents generated or received by us in the course of our representation. When you request documents from us, copies that we generate shall also be made at your expense, including both professional fees for time expended in reviewing files to be copied and reproduction costs.

Our customary procedure is to bill promptly after the first of the month for services rendered and costs incurred during the previous month, however, because services will be rendered to Diocese in the context of a Chapter 11 case, fees and expenses will be applied for and approved by the Bankruptcy Court before being billed to and paid by Diocese. The Diocese will be asked to sign the fee application acknowledging your consent to the amount and to the payment of the fees. If you disagree with the amount of our fee, do not sign the fee application and please take up the question with me directly. Typically, such disagreements are resolved to the satisfaction of both sides with little inconvenience or formality.

Should the firm represent itself in such litigation over fees, the firm shall be entitled to recover reasonable fees for the time spent on the litigation based on the standard hourly billing rate(s) of the attorney(s) involved.

#### DISCLOSURE OF CONFLICTS

Because of the specialized nature of its practice, from time to time our firm may concurrently represent one client in a particular case and the adversary of that client in an unrelated case. Thus, for example, while representing the Diocese, Obuchowski Law Office may also represent a creditor of Diocese in that creditor's capacity as a debtor or as a creditor of an entity which is not related to Diocese. In addition, while representing Diocese, Obuchowski Law Office may represent an account debtor of Client as a debtor in reorganization case or in connection with out-of-court negotiations with such entity's creditors concerning the entity's ability to pay its debts generally. Please be assured that, despite any such concurrent representation, we strictly preserve all client confidences and zealously pursue the interests of each of our clients, including those circumstances in which we represent the adversary of an existing client in an unrelated case. Client agrees that it/they/you do not consider such concurrent representation, in unrelated matters, of Client and any adversary to be inappropriate and therefore waives any objections to any such present or future concurrent representation. We do not now represent and do not anticipate representing any of your creditors and currently most all of the representation of Obuchowski Law Office is as Chapter 7 Trustee in liquidation cases.

Prior to being contacted by Fredrikson, our firm was contacted in late August by Celeste Laramie, Esq. who represents claimants against the Diocese, with a bankruptcy related question. Neither I nor the firm ever undertook representation of Attorney Laramie, or her clients, nor did the firm receive confidential information from or provide legal representation to either. Obuchowski Law Office has strict policies against disclosing confidential information to anyone outside of the firm. Obuchowski Law Office is currently a solo practice and my staff is my spouse, Marie Obuchowski. You agree that you do not consider our representation of you to be inappropriate in light

of any of the disclosures described above. We will, in the future, perform conflicts checks when you retain us for other matters and will advise you of any conflicts we discover that would preclude our representation of you.

Although your respective interests within the scope of this representation do not appear to presently conflict, the possibility of conflicts of interest always exists when we are retained by multiple clients. If such a conflict does arise, we may be required to withdraw from representing either of you in this matter. Additionally, you should be aware that communications to us by you in the scope of this representation will not be subject to attorney-client privilege vis-a-vis the other.

While confidential communications between a client and counsel are privileged, Client should be aware that the filing of a bankruptcy case may severely impact upon this attorney-client privilege. Specifically, if a trustee is appointed in any bankruptcy case concerning a corporate debtor, the trustee will be able to obtain from us or any other counsel to the Diocese and disclose to others information communicated by the Diocese to counsel.

#### DUTIES OF CLIENT

The following is an abbreviated summary of your duties based upon our understanding that Fredrikson has or will be fully advising you as to your duties as a Debtor in Possession. The following listed obligations are not intended to be all inclusive or fully advise you of the duties of a Chapter 11 Debtor. The officers of the Diocese have agreed to fully cooperate with us and Fredrikson in providing to us all documentation and information which we may request in the course of our representation to the Diocese in this Chapter 11 case. The Diocese agrees to timely execute all necessary and appropriate documentation that may be required in the course of our representation and to meet with us upon our reasonable request. The officers of the Diocese are expected to be available to appear, in person, at all required depositions, examinations, conferences, hearings and meetings. Shortly after the case is filed there may be an organizational meeting with a representative of the United States Trustee and soon after that there will be a first meeting of creditors pursuant to Section 341(a) of the Bankruptcy Code. You or another officer of the Diocese are required to attend both of these meetings with us.

Client agrees to fully cooperate with Obuchowski Law Office at all times and provide such assistance as Client may be able to provide, and to full, promptly, and accurately provide all information requested by Obuchowski Law Office. Client agrees that in the event a settlement or a compromise agreement is reached with Client's approval in any matters covered under this Agreement, Client will fully comply with a settlement or a compromise agreement approved by Client. In the event Client fails to do so, Obuchowski Law Office will immediately withdraw as counsel for Client in all such matters upon court approval, and Client will indemnify Attorneys for any damages caused by such breach, including payment of any costs and attorneys fees which may be incurred by Obuchowski Law Office. Client's obligations under this Paragraph include the obligation to always provide Obuchowski Law Office with a current mailing address and telephone number.

We will perform the legal services called for under this engagement, respond promptly to your inquiries and communications, and keep you informed of the status of your matters. It will be your responsibility to keep us apprised of the facts pertinent to our representation, review and comment to us concerning documents we prepare in the course of the engagement, and timely make payments required by this agreement.

You agree to keep us informed as to your whereabouts at all times so that in the event we need to contact you we will be able to do so expeditiously.

Please be advised that you will have to submit a monthly statement of income and expenditures to the Court. This financial report must contain information which may be included in the operating guidelines to be provided to you by the United States Trustee's office. You may choose the period to begin these monthly reports at a time which is most convenient to you. However, the period you choose should begin to run within thirty (30) days from the filing of the bankruptcy petition. Once you have completed each report, please contact us and send the form to us unless Fredrikson directs otherwise. To the extent that we handle such reports, we will retain a copy in our files and see that copies are filed with the Bankruptcy Court and the United States Trustee's office.

#### TERMINATION

Either of us may terminate the engagement at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. In the event that we terminate the engagement, we will take such steps as are reasonably practicable to protect your interests in the above matter and, if you so request, we will suggest to you possible successor counsel and provide it with whatever papers you have provided to us. If permission for withdrawal is required by a court, we will promptly apply for such permission, and you agree to engage successor counsel to represent you.

Unless previously terminated, our representation of the Diocese will terminate upon our sending you our final statement for services rendered in this matter. Following such termination, any otherwise nonpublic information you have supplied to us which is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, your papers and property will be returned to you promptly upon receipt of payment for outstanding fees and costs. Our own files, including lawyer work product, pertaining to the matter will be retained by the firm. All such documents retained by the firm will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement.

You are engaging the firm to provide legal services in connection with a specific matter. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact upon your future rights and liabilities. Unless you actually engage us after the closing to provide additional advice on issues arising from the matter, the firm has no continuing obligation to advise you with respect to future legal developments.

You may discharge Obuchowski Law Office at any time. Obuchowski Law Office may withdraw at any time with Client's consent or for good cause without Client's consent. Good cause includes Client's breach of this agreement (including Client's failure to pay any statement when due), Client's refusal or failure to cooperate with us, or any fact or circumstance that would render our continuing representation unlawful or unethical.

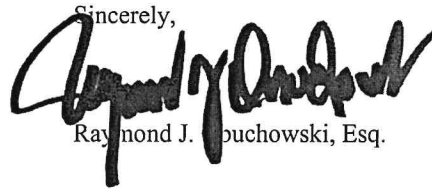
Obuchowski Law Office reserves the right to withdraw as counsel, under appropriate rules, at such time as fees and/or expenses remain unpaid for more than ten (10) days, or if in its sole discretion it deems itself insecure as to payment of existing or future fees and/or expenses. Diocese hereby waives any objection that it may have as to the motion by Obuchowski Law Office to withdraw as counsel in these proceedings, and consents to such withdrawal. We will not withdraw as counsel, however, without first seeking approval from the Bankruptcy Court.

In the event of the depletion of the retainer/case advance, Diocese agrees to pay to Obuchowski Law Office the amount due under any statement submitted by the Obuchowski Law Office within ten (10) days after order of the Bankruptcy Court approving such fees and expenses. To the extent that any fees or expenses are not paid when due, Obuchowski Law Office shall have the right to withdraw as counsel, as noted above.

We trust that this Agreement is not unduly complicated. From our experience, legal matters are complicated by nature. The purpose of this agreement is to set forth the essential terms and conditions of employment in writing, so that both parties have a full understanding. If any of the above is not clear, please advise in writing.

If our representation on the terms above will be satisfactory to you, please sign and return the enclosed copy of this letter. We will commence work in this matter upon receipt of the countersigned letter and required retainer.

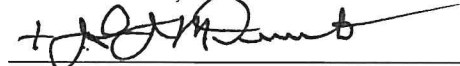
We look forward to working with you in this representation. If you have any questions, please contact me.

Sincerely,  
  
Raymond J. Buchowski, Esq.

APPROVED AND UNDERSTOOD:

ROMAN CATHOLIC DIOCESE OF  
BURLINGTON, VERMONT

BY:



Bishop John J. McDermott, President  
and Authorized Agent

DATE: Wednesday, September 11, 2024



UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT

IN RE: )  
 )  
Roman Catholic Diocese of Burlington, ) Case No. 24-10205-hzc  
Vermont<sup>1</sup> ) Chapter 11 Case  
Debtor in Possession )

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**DECLARATION OF RAYMOND J. OBUCHOWSKI IN SUPPORT OF 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  
OBUCHOWSKI LAW OFFICE AS LOCAL BANKRUPTCY COUNSEL TO DEBTOR-IN-  
POSSESSION AS OF PETITION DATE**

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I, Raymond J. Obuchowski, Esq., hereby make solemn oath:

1. I am attorney and counselor at law, duly admitted to practice in the States of Vermont and Illinois, and before the United States Bankruptcy Court for the District of Vermont.

2. I presently practice law under the firm name of Obuchowski Law Office and the law firm maintains offices for the practice of law at 1542 Route 107, Bethel, Vermont, with a mailing address of Post Office Box 60, Bethel, Vermont, 05032 and a phone number of (802)234-6244. Raymond Obuchowski is an experienced legal practitioners in the bankruptcy arena, with the requisite expertise required by the Debtor to assist it as counsel in the instant reorganization proceeding.

3. Neither I, nor the firm, insofar as I have been able to ascertain, has any connection with

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<sup>1</sup> 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.

the Debtor, its creditors, or its respective attorneys and accountants, or any other party in interest, or the Office of the United States Trustee, which will pose a present or future conflict with the Debtor. After performing a conflicts check, noted connections which do not pose a present or future conflict are as follows: (a) Raymond J. Obuchowski is a Chapter 7 panel trustee for the District of Vermont, administered by the United States Trustee's Office. If and when any additional information becomes available with respect to the Debtor's parties in interest in this case, this Declaration will be supplemented, if necessary, to disclose any additional connections discovered at such time.

4. Neither I, nor the firm(s), insofar as I have been able to ascertain, represents any interest adverse to that of the Debtor in the matters upon which I am to be engaged.

5. Based upon the foregoing, I believe the law firm of Obuchowski Law Office is a "disinterested person" with the meaning of sections 101(14) and 327 of the Bankruptcy Code.

6. Affiant has advised the Debtor of the firm's willingness to serve as its local counsel under a general retainer based upon time and standard billable charges, as further described in the Engagement Letter.

7. The fees that have been proposed to be charged under a general retainer agreement in this proceeding are: \$350.00 per hour for Raymond J. Obuchowski, and for reimbursement of out of pocket expenses, as such fees and expenses may be reviewed and allowed by the Court.

8. The Debtor had paid the \$50,000.00 initial retainer and filing fee requested by

Applicant's firm for payment for the Chapter 11 retainer, Such retainer will pay for services through the date of filing, which were in the amount of \$3,750, resulting in a filing retainer of \$46,250.

9. I have read the Application and, to the best of my knowledge and belief, its contents are true and accurate.

**DATED** in Royalton, Vermont: September 30, 2024

/s/ Raymond J. Obuchowski  
Raymond J. Obuchowski, Esq.

SWORN TO AND SUBSCRIBED BEFORE ME on this, the 30th day of September, 2024.

/s/ Marie Obuchowski  
Notary Public

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF VERMONT

IN RE: )  
 )  
Roman Catholic Diocese of Burlington, ) Case No. 24-10205-*hzc*  
Vermont<sup>1</sup> ) *Chapter 11 Case*  
Debtor in Possession )

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**ORDER UNDER 11 U.S.C. §§ 327(a) AND 329 AUTHORIZING EMPLOYMENT  
AND RETENTION OF OBUCHOWSKI LAW OFFICE, AS LOCAL  
BANKRUPTCY ATTORNEY EFFECTIVE AS OF PETITION DATE**

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Upon the application (the "Application") of the above-captioned debtor and debtors-in- possession (collectively, the "Debtor") for an order under sections 327(a) and 329 of the Bankruptcy Code authorizing the Debtor to employ and retain the law firm of Obuchowski Law Office as their local bankruptcy attorney 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 Debtor's estate, that they are "disinterested persons" in respect of the Debtor'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 Obuchowski Law Office's employment as local counsel by the Debtor 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:

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<sup>1</sup> 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.

ORDERED, ADJUDGED AND DECREED THAT:

The Application is GRANTED.

1. Pursuant to sections 327(a) and 329 of the Bankruptcy Code, each of the Debtors, as a debtor-in-possession, is authorized to employ and retain Obuchowski Law Office as its local bankruptcy attorney as of the Petition Date, to perform the services set forth in the Application.

2. Obuchowski Law Office shall be compensated in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code and such Bankruptcy Rules and Local Rules as may then be applicable, from time to time, and such procedures as may be fixed by order of this Court.

3. That ten business days prior to any increases of Obuchowski Law Office rates for any individual employed by Obuchowski Law Office and retained by the Debtor-in-Possession pursuant to court order, Obuchowski Law Office shall file a supplemental affidavit with the Court setting forth the basis for the requested rate increase pursuant to 11 U.S.C. § 330(a)(3)(F). Parties in interest, including 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.

4. Obuchowski Law Office is authorized to apply the retainer funds to pay any fees and expenses relating to services rendered to the Debtors prior to the Petition Date as was represented in the Application, and 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.

Dated: \_\_\_\_\_  
Rutland, Vermont

\_\_\_\_\_  
Honorable Heather Z. Cooper  
United States Bankruptcy Judge