

**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 DINSE P.C. AS SPECIAL COUNSEL**

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 Dinse P.C. (“Dinse”) as special 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 Unsworn Declaration of Nicole Andreson 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 Dinse, P.C. as Special Counsel as of the Petition Date (the “Andreson 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 its existing litigation and corporate counsel, Dinse, as special counsel to the Diocese in this case.

6. Dinse is a full-service law firm with 32 attorneys and an office in Burlington, Vermont. Prior to the Petition Date, Dinse served as defense counsel for the Diocese and also represented the Diocese on various other non-bankruptcy legal matters.

7. The Diocese believes the attorneys of Dinse are competent and experienced.

RELIEF REQUESTED

8. 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 Dinse effective as of the Petition Date, for the purpose of Dinse continuing to serve as litigation counsel for the Litigation Cases, as defined below, and to provide advice and guidance regarding non-bankruptcy legal matters that arise after the Petition Date.

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

10. 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

11. The Diocese wishes to retain and employ Dinse to represent the Diocese in the Litigation Cases, defined below, and in non-bankruptcy legal matters that may arise after the Petition Date.

12. As defense counsel, Dinse represents the Diocese in pending civil actions commenced against the Diocese concerning allegations of sexual abuse (collectively, the “Litigation Cases”). Although the Litigation Cases will be stayed upon the filing of this bankruptcy case, Dinse’s assistance will be required in investigating and evaluating the Litigation Cases and negotiating with the different parties in interest for the Litigation Cases. Dinse’s assistance will also be needed if the stay should be modified for any reason.

13. While Fredrikson & Byron, P.A. will serve as chapter 11 counsel and will advise the Diocese on bankruptcy legal matters, the Diocese may still require legal advice regarding non-bankruptcy legal matters that may arise after the Petition Date, including, but not limited to, corporate matters and research and analysis on matters specific to Vermont law where Dinse's experience and expertise with the Diocese, knowledge of specific Vermont law, and hourly rates provide a direct benefit to the Diocese and the estate.

14. The attorneys of Dinse are duly licensed attorneys at law and are experienced with the Litigation cases and the non-bankruptcy legal matters on which Dinse will advise the Diocese. The attorneys of Dinse are members of the bar of this Court.

15. Dinse's office address is 209 Battery Street, Burlington, Vermont 05401 and its phone number is 802-864-5751.

16. It is necessary that the Diocese employ Dinse to render the foregoing professional services. If the Diocese is unable to retain Dinse as its special corporate and litigation counsel, the Diocese and its creditors will be prejudiced because the Diocese will be unable to avail itself of the services of experienced and knowledgeable professionals it deems best suited to serve its needs.

17. Based upon its expertise and status as the Diocese's counsel for over four years and its knowledge regarding the Litigation Cases, Dinse's employment is necessary and in the best interests of the Diocese and the Diocese's estate.

SERVICES TO BE RENDERED

18. Dinse will render the following services to the Diocese after the Petition Date:

- a. Representing the Diocese in the Litigation Cases to the extent the Litigation Cases are not stayed or the stay is modified for any reason;

b. Assisting the Diocese with investigating and evaluating the Litigation Cases;

c. Advising the Diocese on non-bankruptcy legal matters that may arise after the Petition Date, including, but not limited to, corporate matters and research and analysis on matters specific to Vermont law where Dinse's experience and expertise with the Diocese, knowledge of specific Vermont law, and hourly rates provide a direct benefit to the Diocese and the estate.

19. The Diocese believes that the services will not duplicate the services that other professionals will be providing to the Diocese in this case, but the Diocese acknowledges that some overlap may be necessary due to Dinse's knowledge and experience. Dinse is intimately familiar with the factual and legal issues in the Litigation Cases and such knowledge will be critical to the formulation of a plan of reorganization and that knowledge will aid in negotiating with other parties in interest in the Litigation Cases. All of the Diocese's professionals, including Dinse and the Diocese's lead and local chapter 11 counsel, will use reasonable efforts to coordinate with the Diocese and other professionals to avoid the unnecessary duplication of services.

PROFESSIONAL COMPENSATION

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

21. The Diocese has agreed that, subject to the Court's approval, Dinse 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.

22. As set forth more fully in the Andreson Declaration, the hourly rates for the expected timekeepers working on various matters in this case are as follows: \$425 per hour for Nicole Andreson, \$345 per hour for Kendall Hoechst, \$325 per hour for Margarita Warren, \$470 per hour for Mark Langan, \$405 per hour for Amy McLaughlin, \$425 per hour for Maggie Platzer, and \$275 per hour for Lena Capps. Dinse adjusts its rates periodically and the rates of additional shareholders, associates, and paralegals that may work on this case will vary based on their respective experience.

23. The Diocese paid Dinse a retainer of \$150,000.00 on August 26, 2024, for prior and anticipated trial related services and pre-petition fees and expenses (the “Retainer”). Dinse has applied \$98,565.00 of that retainer to fees and expenses incurred prior to the Petition Date. The remaining balance of \$51,435.00 remains in trust to be held for application against final allowed fees, filing fees, and any unpaid fees and expenses incurred immediately prior to the Petition Date. Dinse will include and fully disclose any unpaid fees in its first interim fee application.

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

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

26. In addition, given the numerous issues Dinse may be required to address in the performance of its services in this case, Dinse's commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for Dinse's services for engagements of this nature, the Diocese agrees that the fee arrangement with Dinse is reasonable.

27. As set forth in the Andreson Declaration, Dinse 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 Dinse, as permitted by section 504 of the Bankruptcy Code.

28. The Diocese wishes to employ and retain Dinse post-petition on the same terms and conditions the Diocese agreed to with Dinse pre-petition, which the Diocese believes to be reasonable based on the customary compensation charged by comparably skilled practitioners.

DISINTERESTEDNESS OF PROFESSIONAL

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

30. Based upon the conflicts check and due inquiry, Dinse advised the Diocese that neither Dinse 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 Dinse is proposed to be retained, except as disclosed in the Andreson Declaration. Dinse is not a creditor of the Diocese.

31. The Diocese has reviewed the Dinse Declaration and believes that, except as disclosed in the Dinse Declaration, Dinse and the attorneys employed by it do not hold or represent any interest adverse to the Diocese or the Diocese's estate with respect to the matters for which Dinse will provide services in this case and do not have any connection with the Diocese, its creditors, or any other party in interest.

32. Pursuant to section 327(e) of the Bankruptcy Code, a debtor in possession is authorized to employ, for a specified special purpose other than to represent the debtor in possession in conducting the case, an attorney that has represented the debtor prior to filing the case. 11 U.S.C. § 327(e). Sections 101(14) and 327(e) of the Bankruptcy Code are modified by section 1107(b) of the Bankruptcy Code to provide that "a person is not disqualified for such person's employment by or representation of the Diocese before the commencement of the case." 11 U.S.C. § 1107(b). An attorney employed for a special purpose need not be "disinterested"; rather, the attorney must not hold or represent any interest adverse to the estate with respect to the matter for which it will provide services.

33. The Diocese submits that the appointment of Dinse 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

34. 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).

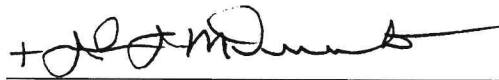
NO PRIOR REQUEST

35. 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 Dinse as special counsel for the Diocese, authorizing Dinse 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

A handwritten signature in black ink, appearing to read "John Joseph McDermott", written over a horizontal line.

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

#83947064v1

**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 NICOLE ANDRESON 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 DINSE P.C. AS SPECIAL COUNSEL AS OF THE PETITION
DATE**

I, Nicole Andreson, make the following declaration in support of the application of Roman Catholic Diocese of Burlington, Vermont (the "Diocese") to employ Dinse P.C. ("Dinse") as special counsel and in compliance with § 1746 of title 28 of the United States Code as follows:

1. I am an attorney of Dinse. I am authorized to practice before the courts of the State of Vermont and the federal courts for the District of Vermont, among others. I make this Unsworn Declaration in support of the Diocese's Application to Employ Dinse as Special Counsel (the "Application").

2. Dinse maintains an office at 209 Battery Street, Burlington, Vermont 05401 and its phone number is 802-864-5751. Dinse is experienced with the matters on which the Diocese seeks to retain Dinse and Dinse has the requisite expertise to assist the Diocese in this case.

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

4. Dinse began regularly working with the Diocese in March 2020. Since that time, Dinse has provided legal services in a variety of areas.

5. Specifically, Dinse represented the Diocese in pending civil actions concerning allegations of sexual abuse (collectively, the “Litigation Cases”) and provided legal advice to the Diocese on a variety of non-bankruptcy matters.

6. Going forward, Dinse proposes to continue to provide legal services to the Diocese for non-bankruptcy matters and non-bankruptcy litigation, including the Litigation Cases, to the extent such litigation is not stayed by the bankruptcy court and other non-bankruptcy legal issues that may arise after the Petition Date, including, but not limited to, corporate matters and research and analysis on matters specific to Vermont law where our experience and expertise with the Diocese, knowledge of specific Vermont law, and hourly rates provide a direct benefit to the Diocese and the estate.

7. Dinse maintains a client database and has established internal practices and procedures to ensure that its representation of the Diocese complies with the relevant rules of professional conduct. Dinse searched its conflicts database against a list of the Diocese’s creditors as of September 30, 2024. Dinse 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. Dinse will promptly supplement this Unsworn Declaration in the future when and if other creditors become known.

8. Based on the results of the above-referenced conflicts check, and to the best of my knowledge, neither I nor Dinse 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. Champlain Valley Equipment

9. There may be other persons within the scope of Bankruptcy Rule 2014 that, unknown to me, Dinse has represented in particular matters in the past. We agree not to represent such persons who are creditors or other parties in interest in this case while representing the Diocese, without further disclosure. Dinse agrees to update the disclosure information from time to time if and when additional parties with an interest in, or a relationship with, the Diocese are identified by the Diocese, in writing, to Dinse.

10. Except as the Court may determine from the circumstances disclosed above, Dinse does not hold or represent any interest adverse to the estate.

11. The Diocese paid Dinse a retainer of \$150,000.00 on August 26, 2024, for prior and anticipated trial related services and pre-petition fees and expenses (the “Retainer”). Dinse has applied \$98,565.00 of that retainer to fees and expenses incurred prior to the Petition Date. The remaining balance of \$51,435.00 remains in trust to be held for application against final allowed fees, filing fees, and any unpaid fees and expenses incurred immediately prior to the Petition Date. Dinse will include and fully disclose any unpaid fees in its first interim fee application.

12. The Diocese has agreed to pay Dinse its customary hourly rates. As of the Petition Date, the hourly rates for expected timekeepers are: \$425 per hour for Nicole Andreson, \$345 per hour for Kendall Hoechst, \$325 per hour for Margarita Warren, \$470 per hour for Mark Langan, \$405 per hour for Amy McLaughlin, \$425 per hour for Maggie Platzer, and \$275 per hour for Lena Capps. Dinse adjusts its rates periodically and the rates of additional shareholders, associates, and paralegals that may work on this case will vary based on their respective experience.

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

14. The services rendered or to be rendered by Dinse as special counsel include the following:

- a. Representing the Diocese in the Litigations Cases to the extent the Litigation Cases are not stayed or the stay is modified for any reason;
- b. Assisting the Diocese with investigating and evaluating the Litigation Cases;
- c. Advising the Diocese on various non-bankruptcy legal matters that may arise after the Petition Date, including, but not limited to, corporate matters and research and analysis on matters specific to Vermont law where Dinse's experience and expertise with the Diocese, knowledge of specific Vermont law, and hourly rates provide a direct benefit to the Diocese and the estate.

15. The source of all payments to Dinse will be from earnings, or other current income or receipts of the Diocese. During the bankruptcy case, Dinse will not receive a transfer of property other than such payments made to Dinse by the Diocese.

16. Dinse 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.

17. Dinse 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.

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

19. 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/ Nicole Andreson
Nicole Andreson

**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 DINSE P.C.
AS DIOCESE'S SPECIAL 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 Dinse P.C. as the Diocese's special 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, and that Dinse P.C.'s employment as special 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(e) and 329 of the Bankruptcy Code, the Diocese is authorized to employ and retain Dinse P.C. as its special counsel.

3. Pursuant to section 331 of the Bankruptcy Code, Dinse P.C. 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 Dinse P.C.'s rates for any individual employed by Dinse P.C. and retained by the Diocese pursuant to this Order, Dinse P.C. 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. Dinse P.C. 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 Dinse P.C. 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