

**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.

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

The Roman Catholic Diocese of Burlington, Vermont (the “Diocese”) requests that this Court enter an order: (I) authorizing the continued use of existing business books, records, bank accounts, and check stock; (II) authorizing banks and financial institutions to honor and process checks and transfers; (III) authorizing electronic funds transfers and automated clearing house transfers; (IV) authorizing maintenance of investment accounts; and (V) granting limited relief from the requirements of 11 U.S.C. § 345(b), as more fully described in this motion (the “Motion”). This relief is necessary to ensure a smooth transition into Chapter 11 and to avoid any disruption in the Diocese’s business operations at this critical juncture. The Diocese would suffer irreparable harm if this Motion is not granted on an emergency basis.

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.

The Diocese conferred with the Office of the United States Trustee (the “UST”) prior to filing this Motion.

JURISDICTION, VENUE, AND STATUTORY BASIS FOR RELIEF

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and Rule 5005 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The petition commencing this Chapter 11 case was filed on September 30, 2024 (the “Petition Date”). The case is currently pending before this Court.

3. This Motion arises under 11 U.S.C. §§ 105(a), 345(b), 363(c), 1107, and 1108, Bankruptcy Rule 9013, and Local Rules 4002-1(d) and 9029-1(b)(3). This Motion is filed under Bankruptcy Rules 9013 and 9014 and Local Rules 9013-1 to -6 and 9014-1. Emergency relief is requested pursuant to Bankruptcy Rules 6003 and 9006(c) and Local Rule 9075-1. Notice of this Motion is provided pursuant to Bankruptcy Rule 2002 and Local Rules 9013-3 and 9013-4.

GENERAL BACKGROUND

4. On the Petition Date, the Diocese filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”). The Diocese continues to operate its business as debtor in possession pursuant to 11 U.S.C. §§ 1107(a) and 1108. There is presently no pending request or motion for appointment of a trustee or examiner, and no official committee of unsecured creditors has been appointed.

5. The Diocese is a Catholic Diocese serving the entire state of Vermont. 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 (the “McDermott Affidavit”).

RELEVANT BACKGROUND TO MOTION²

6. As of the Petition Date, the Diocese maintains two accounts at TD Bank (the “Bank”), which is an authorized depository with the UST:

Account No.	Account Type	Purpose	Checks
*0976	Checking Account	Lock Box Sweep Account	No
*9911	Checking Account	Operating Account	Yes – Paper

(collectively, the “Bank Accounts”).

7. The Diocese uses the Lock Box Sweep Account to receive funds from the Bishop’s Annual Appeal, which is a direct appeal to the members of the Diocese to make a donation to support the mission and ministries of the Diocese. Funds are swept daily from the Lock Box Sweep Account to the Operating Account.

8. The Diocese also uses the Operating Account for general operating expenses, including payroll. The Diocese makes certain electronic payment transfers out of the Operating Account, including wire transfers and Automated Clearing House (“ACH”) transfers.

9. As of the Petition Date, the Diocese also maintains several investment accounts at certain banks or financial institutions that are not insured depositories with the UST.

10. The Diocese asserts these investments accounts are not property of the estate under 11 U.S.C. § 541(d) as they are specific trusts in which the Diocese only has a legal interest, not an equitable interest:

² The facts contained in this Motion are verified in the McDermott Affidavit.

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

(collectively, the “Investment Accounts”).³

11. The Investment Accounts current hold approximately \$15.7 million.⁴

RELIEF REQUESTED

12. The UST has established operating guidelines for debtors in possession who operate their businesses in Chapter 11. These guidelines generally require a debtor in possession to: (a) close all prepetition books and records and to open postpetition books and records; (b) close all prepetition bank accounts and to open new debtor-in-possession accounts; and (c) obtain checks with a “debtor in possession” notation.

13. Similarly, Local Rule 4002-1(d) states:

Upon the filing of the petition, a chapter 11 debtor must close and preserve its present books of account, close all bank accounts, and open and maintain new books of account and bank accounts. If a chapter 11 debtor operates as a debtor-in-possession, it must document all income, expenditures, receipts, and disbursements, and other necessary financial information in the new books of account, and designate the account holder on all bank accounts and checks as a “debtor-in-possession.”

³ There are other investment accounts in which the Diocese is not the named account holder or the trustee, but for which the Diocese may be a beneficiary.

⁴ The stock donation account (*9166) currently holds \$0.00. The Priests’ Benefit Fund (*1008) currently holds \$14 million.

14. These requirements serve an important purpose and are designed to provide a clear demarcation between pre- and postpetition claims and payments. However, strict compliance with such requirements would be disruptive to the Diocese's business operations at this critical juncture.

15. Therefore, pursuant to 11 U.S.C. §§ 105(a), 345(b), and 363(c), the Diocese requests entry of an order: (I) authorizing the continued use of existing business books, records, bank accounts, and check stock; (II) authorizing banks and financial institutions to honor and process checks and transfers; (III) authorizing electronic funds transfers and automated clearing house transfers; (IV) authorizing maintenance of investment accounts; and (V) granting limited relief from the requirements of 11 U.S.C. § 345(b).

I. THE BANK ACCOUNTS.

16. More specifically, subject to a prohibition against honoring prepetition checks without specific authorization from this Court, the Diocese requests that the Bank Accounts be deemed debtor-in-possession accounts and that the Diocese be authorized to maintain and continue the use of these accounts in the same manner and with the same account numbers, styles, and forms as those employed prepetition.

17. The Diocese requests that the Bank be authorized to: (a) continue to service and administer the Bank Accounts as accounts of the Diocese as a debtor in possession without interruption and in the usual and ordinary course; (b) receive, process, honor, and pay any and all checks and drafts drawn on the Bank Accounts after the Petition Date by the holders or makers thereof; provided, however, that the Bank may not honor and pay any check drawn or used by the Diocese before September 30, 2024, for which the Diocese has placed a stop payment in writing.

18. The Diocese requests that the Bank be further authorized to debit the Diocese's Bank Accounts in the ordinary course of business without need for further order of this Court for:

(a) all checks, items, and other payment orders drawn on the Bank Accounts which are cashed at the Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Bank's receipt of notice of filing of the petition; (b) all checks, ACH entries, and other items deposited or credited to one of the Diocese's Bank Accounts with the Bank prior to filing of the petition which have been dishonored, reversed, or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Diocese was responsible for such items prior to filing of the petition; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to the Bank as service charges for the maintenance of the cash management system and Bank Accounts.

19. The Diocese agrees that the Bank may rely on the representations of the Diocese with respect to whether any check, item, or other payment order drawn or issued by the Diocese prior to the Petition Date should be honored pursuant any order of this Court, and the Bank will not have any liability to any party for relying on such representations by the Diocese.

II. THE INVESTMENT ACCOUNTS.

20. As to the Investment Accounts, 11 U.S.C. § 345(b) generally provides that an entity holding a deposit or investment owned by the estate and not otherwise insured or guaranteed by the United States (*i.e.*, within the FDIC limits) must provide a bond or a deposit of securities, "unless the court for cause orders otherwise." The Diocese believes that 11 U.S.C. § 345(b) does not apply to the Investment Accounts, because they are not property of the estate. However, the Diocese believes it is beneficial for all parties in interest to preserve that issue for resolution through negotiations or later proceedings in this case, so does not seek to establish at this time the extent of the Diocese's ownership of Investment Accounts, or to address whether they are property of the estate.

21. Instead, the Diocese requests a waiver of 11 U.S.C. § 345(b) as to the Investment Accounts under the specific facts and circumstances before the Court. It would allow the Investment Accounts to earn a higher rate of return, which preserves the value of the Investment Accounts—which would benefit the Diocese’s unsecured creditors if the Investment Accounts were ever found to be property of the estate⁵—and prevents the Diocese from being forced to expend general funds to cover the relevant expenses.

BASIS FOR RELIEF

I. CAUSE EXISTS TO WAIVE CERTAIN OF THE UST GUIDELINES AND LOCAL RULE 4002-1(d).

22. Cause exists to waive certain of the UST guidelines described above, as well as Local Rule 4002-1(d). *See* Local Rule 9029-1(b)(3) (allowing the Court to grant a waiver). The Diocese’s existing books and records, Bank Accounts, and check stock are specifically designed for the Diocese and adequate safeguards are already in place to ensure a clear demarcation between pre- and postpetition payments.

A. BOOKS AND RECORDS.

23. The Diocese has an established cash management system and existing books and records to effectively manage that system. Through the use of its existing books and records, the Diocese has the ability to distinguish between pre- and postpetition transactions. If the Diocese was required to close its prepetition books and records and to open new, postpetition books and records, that would be extremely disruptive to the Diocese’s operations. Moreover, the Diocese’s

⁵ Nothing herein should be construed as an admission that the Investment Accounts are property of the Diocese’s bankruptcy estate. The Diocese believes that it holds the Investment Accounts in trust and does not have equitable title to the Investment Accounts, rendering the Investment Accounts non-estate property under 11 U.S.C. § 541(d). As noted, however, this Motion does not seek to establish the extent of the Diocese’s ownership of the Investment Accounts, or to address whether they are property of the estate.

books and records are structured for its specific needs and no party in interest would be prejudiced if the Diocese was permitted to continue using such existing books and records.

B. BANK ACCOUNTS.

24. The Diocese currently maintains the Bank Accounts as further described above. The Diocese has an immediate need to utilize cash to pay critical operating expenses. The establishment of new bank accounts would prevent or significantly impede the Diocese's ability to meet those critical operating obligations, including payroll. In addition, many of the Diocese's obligations are paid by electronic transfer. If the Diocese was forced to open new bank accounts, the Diocese would need to create new payment systems, which would take considerable time and expense, and could also cause a delay in paying postpetition, ordinary course expenses of the Diocese's business, which is not in the best interests of the estate or its creditors. The Diocese will take adequate precautions to ensure that the Bank does not pay any prepetition instruments or honor prepetition transfer requests, unless authorized by this Court (such as with prepetition payroll).

C. CHECK STOCK.

25. The Diocese writes its own checks and will create a conspicuous gap in the numbering sequence so that the Diocese and the Banks can easily discern prepetition checks from those issued postpetition. These precautions will increase the ease of differentiating between pre- and postpetition payments and ensuring that no prepetition payments are honored except as specifically authorized by this Court. The Diocese has taken steps to stop payment on all prepetition debt paid by checks that have not cleared the Bank Accounts. To the extent necessary, the Debtor will commence actions against those parties receiving payments inadvertently under 11 U.S.C. § 549 or may seek additional relief from this Court. Thus, the Diocese requests

authorization to use the existing check stock without the “debtor-in-possession” label for checks that it manually writes.

D. ELECTRONIC PAYMENT TRANSFERS.

26. The Diocese regularly utilizes certain electronic payment transfers out of the Operating Account, including wire transfers and ACH transfers. To the extent the above-mentioned guidelines would require the Diocese to make disbursements only by check, any such requirement should be waived. The Diocese’s cash management system is fully capable of recording and tracking these electronic payment transfers. Moreover, the Diocese requires flexibility in the use of various payment methods for its ordinary course expenses.

27. Based on the foregoing, the UST’s concerns of creating a clear line of demarcation between pre- and postpetition obligations can be addressed in this case without the necessity of closing the Bank Accounts, or creating new books and records or check stock.

28. A waiver of the UST guidelines has been granted in several other diocesan bankruptcy cases. *See, e.g., In re Archbishop of Agana*, Case No. 19-00010 (Bankr. D. Guam Jan. 25, 2019), ECF No. 52; *In re Diocese of Winona-Rochester*, Case No. 18-33707 (Bankr. D. Minn. Dec. 7, 2018), ECF No. 47; *In re Roman Catholic Church of the Archdiocese of Santa Fe*, Case No. 18- 13027 (Bankr. D.N.M. Dec. 4, 2018), ECF No. 30.

29. Strict adherence to the guidelines in this case would significantly disrupt the ordinary financial operations of the Diocese, reducing efficiencies and causing unnecessary expense, while providing little benefit to creditors. The Diocese respectfully requests that the Court the UST guidelines described above, as well as Local Rule 4002-1(d). *See* Local Rule 9029-1(b)(3) (allowing the Court to grant a waiver).

II. CAUSE EXISTS TO WAIVE 11 U.S.C. § 345(b).

30. The Court has the authority to waive the requirements of 11 U.S.C. § 345(b), and cause exists to do so with respect to the Investment Accounts, to the extent 11 U.S.C. § 345(b) applies.

31. Section 345(a) of the Bankruptcy Code authorizes the deposit or investment of the money of the estate “as will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” *Id.* § 345(a). Although 11 U.S.C. § 345(b) generally requires that an entity holding a deposit or investment owned by the estate and not otherwise insured or guaranteed by the United States (*i.e.*, within the FDIC limits) must provide a bond or a deposit of securities, that section also specifically permits a court to dispense with that requirement “for cause.” *Id.*

32. The legislative history shows that the purpose of the provision authorizing a court to order otherwise was to allow a court to approve investments other than those specified in 11 U.S.C. § 345(b). *See* 140 Cong. Rec. H10767 (Oct. 4, 1994) (“This section would amend the Code to allow the courts to approve investments other than those permitted by section 345(b) for just cause[.]”).⁶

33. Courts considering whether cause exists to waive the requirements of 11 U.S.C. § 345(b) apply a totality of the circumstances inquiry. *See, e.g., In re Serv. Merch. Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999). In making that inquiry, courts have considered the

⁶ The legislative history of 11 U.S.C. § 345(b) focuses the “for cause” exception on larger cases. *See* 140 Cong. Rec. H10767 (Oct. 4, 1994) (noting that the section 345(b) requirements are “wise in the case of smaller debtors with limited funds that cannot afford a risky investment to be lost,” this provision “can work to needlessly handcuff larger, more sophisticated debtors.”). However, it does not indicate that the “for cause” exception must apply only to mega cases, and the facts in this case provide cause for the requested waiver.

following factors: (a) the sophistication of the debtor's business; (b) the size of the debtor's business operations; (c) the amount of investments involved; (d) the bank ratings (Moody's and Standard and Poor) of the financial institutions where the debtor-in-possession funds are held; (e) the complexity of the case; (f) the safeguards in place within the debtor's own business of insuring the safety of the funds; (g) the debtor's ability to reorganize in the face of a failure of one or more of the financial institutions; (h) the benefit to the debtor; (i) the harm, if any, to the estate; and (j) The reasonableness of the debtor's request for relief from 11 U.S.C. § 345(b) requirements in light of the overall circumstances of the case. *Id.*; *In re Ditech Holding Corp.*, Case No. 19-10412 (JLG), 2019 Bankr. LEXIS 1892, at *14 (Bankr. S.D.N.Y. June 24, 2019).

34. In this case and under the circumstances described in the Motion and the factors set forth above, cause exists to waive the requirements of 11 U.S.C. § 345(b) with respect to the Investment Accounts, so as to allow the Investment Accounts to continue being held and maintained at their current institutions and to maximize return.

35. The Diocese is a sophisticated debtor that regularly works in consultation with both financial advisors and attorneys. The Diocese's operations are moderately large and complex—it oversees a geographical area of nearly 10,000 square miles that includes 14 counties and 63 parishes. It maintains multiple offices and ministries that address a broad range of matters. Although the total amount of the Investment Accounts at issue is relatively large, the Diocese has significant and separate estate funds, which will remain in the Bank Accounts with an authorized depository. In addition, the safeguard of the Diocese's ability to withdraw the funds from the Investment Accounts will remain in place to protect against issues that arise with the market or the non-authorized depositories. The Diocese believes, however, that Charles Schwab and TD Wealth are unlikely to financially fail. While the Diocese receives a benefit from having the Investment

Accounts at Charles Schwab and TD Wealth as the accounts earn a higher rate of interest, the Diocese's regular operations are not reliant on the Investment Accounts, so even a full loss of the Investment Accounts would not force the Diocese to stop operating or prevent a successful reorganization.

36. For these reasons, the Diocese requests a waiver of 11 U.S.C. § 345(b) as to the Investment Accounts for cause, such that the Diocese is able to maintain the Investment Accounts as they currently operate.

III. CAUSE EXISTS FOR EMERGENCY RELIEF.

37. Local Rule 9075-1 permits the Court to “deem a matter an ‘emergency matter’ only if the movant demonstrates that the need for immediate relief is necessitated by circumstances beyond the movant’s control and that there is not sufficient time to give the notice required by the Code and the Bankruptcy Rules.”

38. Providing the full notice required by the Bankruptcy Rules would require the Diocese to either operate in contravention of the UST’s operating guidelines or to open new bank accounts and thus cause a disruption to the Diocese’s business. Therefore, cause exists for emergency relief. *See also* Fed. R. Bankr. P. 9006(c) (permitting the Court to reduce the notice period).

39. In addition, Bankruptcy Rule 6003 provides that the Court may grant a motion to “use, sell, [or] lease” property of the estate” prior to 21 days after the filing of the petition, “to the extent that relief is necessary to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. The relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Diocese as described herein. Thus, Bankruptcy Rule 6003 is satisfied. *Id.*

40. Based in the forgoing, the Diocese respectfully requests emergency relief as described herein.

WAIVER OF STAY

41. To the extent that the relief requested in this Motion constitutes a use of property of the Diocese's estate under 11 U.S.C. § 363(b), then the Diocese requests a waiver of the 14-day stay under Bankruptcy Rule 6004(h) and the notice requirements of Bankruptcy Rule 6004(a).

NOTICE AND SERVICE

42. Notice of this Motion and all related papers were served on the following parties on the date and manner set forth in the certificate of service related to this Motion: (a) the Office of the UST; (b) the Diocese's secured creditors or, if applicable, to counsel representing them; (c) the non-insider holders of the 20 largest unsecured claims against the Diocese or, if applicable, to counsel representing such holders; (d) applicable federal and state taxing authorities; and (e) to the extent not included in the foregoing, the applicable state and federal regulatory agencies.

CONCLUSION

43. Based on the foregoing, the Diocese requests that the Court enter an order:

- a. Authorizing the continued use of existing business books, records, bank accounts, and check stock;
- b. Authorizing banks and financial institutions to honor and process checks and transfers;
- c. Authorizing electronic funds transfers and automated clearing house transfers;
- d. Authorizing the maintenance of the Investment Accounts;
- e. Granting limited relief from the requirements of 11 U.S.C. § 345(b); and

f. Granting the Diocese such other and further relief as the Court deems necessary and proper.

Dated: September 30, 2024

/s/ Raymond J. Obuchowski

Raymond J. Obuchowski

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**PROPOSED ATTORNEYS FOR 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.

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

Upon the consideration of the Emergency Motion for Order (I) Authorizing Continued Use of Existing Business Books, Records, Bank Accounts, and Check Stock; (II) Authorizing Banks and Financial Institutions to Honor and Process Checks and Transfers; and (III) Authorizing Electronic Funds Transfers and Automated Clearing House Transfers; (IV) Authorizing Maintenance of Investment Accounts; and (V) Granting Limited Relief from the Requirements of 11 U.S.C. § 345(b) (the “Motion”) filed by the Roman Catholic Diocese of Burlington, Vermont (the “Diocese”), and this Court having jurisdiction to enter this Order and finding that entry of this Order is in the best interest of the Diocese, its estate, and its creditors, and good cause having been demonstrated to this Court, it is hereby **ORDERED**, **ADJUDGED**, and **DECREED** as follows:

1. The Motion is **GRANTED** as set forth in this Order.
2. The Diocese’s request for emergency relief is granted.
3. Pursuant to §§ 105(a), 345(b), and 363(c), the Diocese is authorized to:

a. continue using its existing books and records and cash management system;

b. designate, maintain, and continue to use, in the same manner with the same account numbers, the following bank accounts:

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

(collectively, the “Bank Accounts”)

c. use its existing check stock without a “debtor in possession” notation, provided that the Diocese creates a conspicuous gap in the numbering sequence so as to distinguish between prepetition and postpetition checks; and

d. continue to make disbursements by electronic funds transfer or automatic clearinghouse transactions.

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

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

6. The Bank is further authorized to debit the Diocese’s Bank Accounts in the ordinary course of business without need for further order of this Court for: (a) all checks, items, and other

payment orders drawn on the Bank Accounts which are cashed at the Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Bank's receipt of notice of filing of the petition; (b) all checks, automated clearing house entries, and other items deposited or credited to one of the Diocese's Bank Accounts with the Bank prior to filing of the petition which have been dishonored, reversed, or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Diocese was responsible for such items prior to filing of the petition; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to the Bank as service charges for the maintenance of the cash management system and Bank Accounts.

7. The Bank may rely on the representations of the Diocese with respect to whether any check, item, or other payment order drawn or issued by the Diocese prior to the Petition Date should be honored pursuant any order of this Court, and the Bank will not have any liability to any party for relying on such representations by the Diocese.

8. The Debtor is further authorized to maintain the following investment accounts:

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

(collectively, the "Investment Accounts").

9. Cause exists to waive the requirements of 11 U.S.C. § 345(b) as to the Investment Accounts and, therefore, such requirements are waived.

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

11. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Order is deemed effective and immediately enforceable upon its entry.

Dated:
Rutland, Vermont

Honorable Heather Z. Cooper
United States Bankruptcy Judge