

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

In re:

Roman Catholic Diocese of Burlington,
Vermont,

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

Debtor.

**FINAL ORDER (I) AUTHORIZING THE CONTINUED MAINTENANCE OF THE
DEBTOR'S INSURANCE PROGRAM AND (II) AUTHORIZING PAYMENT OF
PREPETITION OBLIGATIONS IN RESPECT THEREOF**

This matter came before the Court on the Emergency Motion for an Order (I) Authorizing the Continued Maintenance of the Debtor's Insurance Program and (II) Authorizing Payment of Prepetition Obligations in Respect Thereof (doc. # 7) (the "Motion") filed by the Roman Catholic Diocese of Burlington, Vermont (the "Diocese"), the Affidavit of Bishop John J. McDermott (doc. # 13), the statements of counsel and evidence adduced with respect to the Motion at the emergency hearing on the interim relief sought in the Motion, and the statements of counsel and evidence adduced with respect to the Motion at the final hearing before the Court on December 17, 2024 (the "Final Hearing"). The Court finds that: (i) it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); (iv) due and proper notice of the Motion was provided pursuant to Local Rule 9013-3; (v) notice of the Motion and the Final Hearing was sufficient under the circumstances; and (vi) there is good cause to waive the 14-day stay imposed by Bankruptcy Rule 6004(h) to the extent it is applicable. After due consideration, the Court finds that the relief, on a final basis, as requested in the Motion is in the best interests of

the Diocese, its estate, and its creditors. Therefore, for good cause shown, **IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** on a final basis as set forth in this Final Order.
2. The Diocese is authorized to maintain its existing self-insurance program on a final basis.
3. The Diocese is authorized to pay from the self-insurance fund all premiums and administrative expenses payable under the self-insurance program, whether incurred prepetition or postpetition, on a final basis.
4. Subject to the notice requirements provided for in Paragraph 6 of this Final Order, the Diocese is authorized to pay from the self-insurance fund the self-insurance retention (“SIR”) amount for claims against any additional insured, whether incurred prepetition or postpetition, on a final basis, except as to any claims relating to alleged sexual abuse.
5. Subject to the notice requirements provided for in Paragraph 6 of this Final Order, the Diocese is authorized to pay from the self-insurance fund the SIR amount for claims against the Diocese, whether incurred prepetition or postpetition, on a final basis, except as to any claims relating to alleged sexual abuse.
6. The Diocese shall provide to certain specified professional advisors for the Official Committee of Unsecured Creditors (the “Committee”) a list of payments from the self-insurance program on account of SIRs in the preceding month and the Diocese shall provide five days’ advance notice of any payments (“Notice Period”) if the amount of such payment exceeds \$40,000; provided, however, that the Diocese need not provide a list of payments or any advance notice of payments made on account of any claims under the Diocese’s worker’s compensation program. The Committee shall specify to the Diocese which of its professional advisors are to receive any

lists of payments or any advance notice of payments pursuant to this Paragraph 6, and any such professional advisors to the Committee that receive information pursuant to this Paragraph 6 shall keep such information strictly confidential. During the Notice Period, if the Committee opposes the self-insurance payment, the Committee may file a motion with the Court objecting to such payment. After the Committee files such a motion, the Diocese shall not make any payment until after resolution of the Committee's motion. If the Committee does not file a motion during the Notice Period, the Diocese shall be authorized to make the payment pursuant to Paragraphs 4 or 5 of this Order, as applicable.

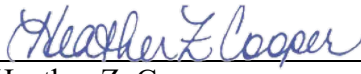
7. All applicable banks and other financial institutions are authorized to receive, process, honor, and pay any and all checks, drafts, wires, check transfer requests or automated clearing house transfers evidencing amounts paid by the Diocese pursuant to this Final Order whether presented prior to or after September 30, 2024 to the extent the Diocese has sufficient funds in the relevant account. Such banks and financial institutions are authorized to rely on the representations of the Diocese as to which checks are issued or authorized to be paid pursuant to this Final Order without any duty of further inquiry and without liability for following the Diocese's instructions.

8. The Diocese is authorized to take any and all actions necessary to implement the provisions of this Order.

9. To the extent Bankruptcy Rule 6004(h) applies, this Final Order is deemed effective and immediately enforceable upon its entry.

10. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation and interpretation of this Final Order.

December 30, 2024
Burlington, Vermont



Heather Z. Cooper
United States Bankruptcy Judge

The undersigned agree to the terms set forth herein
and consent to the form and entry of this Order.

ROMAN CATHOLIC DIOCESE OF BURLINGTON, VERMONT

By: /s/ Steven R. Kinsella

Steven R. Kinsella (*pro hac vice*)
FREDRIKSON & BYRON, P.A.
60 South Sixth Street, Suite 1500
Minneapolis, MN 55402-4400
(612) 492-7000
skinsella@fredlaw.com

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: e-consent 12/24/2024

Paul A. Levine, Esq.
LEMERY GREISLER LLC
677 Broadway, 8th Floor
Albany, New York 12207
(518) 433-8800
plevine@lemerygreisler.com

Brittany M. Michael (*pro hac vice*)
PACHULSKI STANG ZIEHL & JONES LLP
780 Third Avenue
34th Floor
New York, NY 10017-2024
(212) 561-7700
bmichael@pszjlaw.com

WILLIAM K. HARRINGTON, UNITED STATES TRUSTEE

By: e-consent 12/26/2024

Lisa M. Penpraze
Assistant United States Trustee
Leo O'Brien Federal Building
11A Clinton Ave., Room 620
Albany, New York 12207
(518) 434-4553
lisa.penpraze@usdoj.com