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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re

THE ROMAN CATHOLIC BISHOP OF
SACRAMENTO,

Debtor in Possession.

Case No. 24-21326

Chapter 11

DCN: FWP-89

Date: March 25, 2026

Time: 11:00 a.m.

Location: Courtroom 35 (Dept. C)

Judge: Hon. Christopher M. Klein

**FELDERSTEIN FITZGERALD WILLOUGHBY PASCUZZI & RIOS LLP'S INTERIM
FEE APPLICATION FOR SERVICES RENDERED AND EXPENSES INCURRED FOR
THE PERIOD OF DECEMBER 1, 2025, THROUGH JANUARY 31, 2026**

Felderstein Fitzgerald Willoughby Pascuzzi & Rios LLP (hereinafter “FFWPR”), attorneys for The Roman Catholic Bishop of Sacramento, the debtor and debtor in possession (the “RCBS” or the “Debtor”), submits this application for compensation of fees and reimbursement of expenses (the “Application”) as lead bankruptcy counsel for the Debtor pursuant to 11 U.S.C. §§ 105(a), 328, 330 and 331 for the two-month period of December 1, 2025 through and including January 31, 2026 (the “Application Period”). FFWPR requests authorization to pay the compensation from available funds of the estate. In support thereof, FFWPR respectfully submits the following:

I. RELIEF REQUESTED

Through this Application, FFWPR requests an Order authorizing payment to FFWPR by the Debtor of the allowed fees and expenses and granting such other relief as the Court deems just and proper for the following:

Name of Applicant:	Felderstein Fitzgerald Willoughby Pascuzzi & Rios LLP (“ <u>FFWPR</u> ”)
Authorized to Provide Professional Services to:	The Debtor as lead bankruptcy counsel
Date of Retention:	April 1, 2024, pursuant to Order dated April 23, 2024 [ECF No. 177]
Period for Which Compensation and Reimbursement is sought:	December 1, 2025, through January 31, 2026
Amount of Compensation Sought as Actual, Reasonable and Necessary:	\$85,691.00
Amount of FFWPR Expense Reimbursement Sought as Actual, Reasonable and Necessary:	\$281.70

II. CASE STATUS

On April 1, 2024 (the “Petition Date”), the Debtor commenced with the Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtor continues to operate its businesses and manage its properties as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Bankruptcy Case. On April 12, 2024, the Office of the United States Trustee for the Eastern District of California appointed a statutory committee of unsecured creditors (“Committee”) in this case pursuant to section 1102 of the Bankruptcy Code [ECF No. 139].

1 A description of the Debtor's history, business operations, operational structure, the reasons
2 for commencing the Chapter 11 Case, the relief sought from the Court, and the facts and
3 circumstances supporting this Application are set forth in the *Declaration of Thomas McNamara*
4 *in Support of Chapter 11 Petition and Debtor's Emergency Motions* [ECF No. 12] ("McNamara
5 Background Dec.") and the *Declaration of Stephen J. Greene, Jr., in Support of Chapter 11 Petition*
6 *and Debtor's Emergency Motions* [ECF No. 13] ("Greene Dec.").

7 The RCBS filed this Bankruptcy Case to reorganize its financial affairs pursuant to a plan
8 of reorganization that will, among other things, fairly, justly, and equitably compensate survivors
9 of sexual abuse by clergy or others associated with the RCBS and bring healing to survivors,
10 parishioners and others affected by past acts of sexual abuse. The RCBS requires the Bankruptcy
11 Court's protection and the protection of the bankruptcy laws to make fair and equitable payment
12 on all of the claims against it, including the claims by survivors of abuse, trade creditors, Parishes
13 and others, while continuing its ministries and support it offers to Catholic Parishes and
14 communities.

15 On October 9, 2024, the Debtor, with the support of the Committee, filed a *Motion for*
16 *Entry of An Order Referring Parties to Global Mediation, Appointing Mediator and Granting*
17 *Related Relief*. [ECF No. 725]. On November 8, 2024, the Court entered an Order Referring Case
18 to Mediation and Appointing Mediator (the "Mediation Order"). [ECF No. 874]. Roger L.
19 Kramer was appointed as the mediator in this case to mediate the Mediation Matters, as defined in
20 the Mediation Order. *Id.*

21 **Mediation**

22 The parties continue to work on mediation issues. Without waiving the mediation
23 privilege, the Debtor reports that offers and counter offers have been exchanged. The Debtor has
24 made demands to the insurers, as has the Committee. The Mediator's efforts are very helpful. The
25 Debtor's desire is to compensate the Survivors fairly and quickly, so the parties continue to do
26 what they can to expedite the process. The Mediator is scheduling meetings as needed to keep the
27 process moving forward. The Mediator is scheduling in-person mediation sessions for early May.

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1 While the Debtor believes the mediation sessions have been productive, no settlement has
2 been reached. Since 2004, there have been approximately forty (40) Catholic dioceses or religious
3 orders that have filed chapter 11.¹ Publicly available information exists on the global settlement
4 amounts that formed the basis for the consensual chapter 11 plans.² Given this information, there
5 is no reason why the parties should not be able to resolve this matter in mediation.

6 **Applicability of Proposition 51**

7 The Debtor's most recent Status Report (January 26, 2026) [ECF No. 1816] details an
8 important State Court ruling regarding the applicability of California Proposition 51, the Fair
9 Responsibility Act of 1986 ("Prop. 51") to the abuse claims pending against the Debtor and all
10 other institutional defendants in the JCCP 5108 coordinated proceeding in Alameda County
11 Superior Court ("Coordinated Proceeding"). On August 25, 2025, the State Court issued its ruling
12 that Prop. 51 applies to all pending actions, even if the underlying abuse took place prior to the
13 approval of that initiative in 1986 (the "Prop. 51 Ruling"). The California Supreme Court issued
14 an order granting the Plaintiffs' Petition for Review of the Prop. 51 Ruling and transferred the
15 matter back to the Second Appellate District, with instructions to vacate its denial of Plaintiffs'
16 Writ Petition, and to proceed with briefing and review. During the Application Period, the Debtor
17 filed an application to employ special appellate counsel to represent it in the writ review process.

18 **Stay Extension Adversary Proceeding Resolution Implementation and Appeals**

19 As previously reported, the Debtor initiated an adversary proceeding by filing a complaint
20 for declaratory and injunctive relief, seeking relief from this Court as to the scope of the automatic
21 stay and enjoining the continuation of the state court actions against co-defendants under section
22 105 of the Bankruptcy Code. The adversary proceeding was necessary because the State Court in
23 the Coordinated Proceeding issued a written case management order stating an intention to proceed
24 with all pending litigation against non-debtor affiliates of any diocese in bankruptcy, but directed
25 the defendants to seek relief in Bankruptcy Court within a certain time period if they took the

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27 ¹ See Reilly, Marie T., "A: Case Information" (2025). *Catholic Dioceses in Bankruptcy*. 37.
<https://insight.dickinsonlaw.psu.edu/bankruptcy/37>.

28 ² See Reilly, Marie T., "B: Outcomes of Cases" (2025). *Catholic Dioceses in Bankruptcy*.
36. <https://insight.dickinsonlaw.psu.edu/bankruptcy/36>.

1 position that the automatic stay applied. The Debtor's motion for a preliminary injunction was
2 granted by stipulation with the Committee and the relevant survivor claimants. [ECF Nos. 87, 90,
3 and 91, Adv Proc]. The motion to approve the aspects of the stipulation that involve relief from
4 stay was heard and granted on July 23, 2025, at 11:00 a.m. [ECF Nos. 1441 and 1484].

5 Interstate Fire & Casualty Company and National Surety Corporation ("Interstate")
6 appealed the Court's order approving the stipulation in the main case, as did Certain Underwriters
7 at Lloyd's, London and Certain London Market Insurance Companies ("LMI").³ The appeal has
8 been assigned to District Court Judge the Honorable William B. Shubb. The two appeals have
9 been procedurally consolidated. The Creditors' Committee has filed motions to dismiss the
10 appeals for lack of standing, which were denied.

11 The appeal has been fully briefed and oral argument is scheduled for March 2, 2026.

12 **Real Property Monetization**

13 The Debtor also has been active in monetizing certain real property that it agreed to list
14 and sell in mediation. The Debtor sends periodic reports on status to the Committee, which the
15 Committee appears to be favorably receiving.

16 **Avoidance Action Tolling Agreement**

17 The Debtor, the Committee and all of the parishes, supporting organizations, social services
18 agencies and educational ministries (collectively, the "Non-Debtor Catholic Entities") have entered
19 into a Stipulated Tolling Agreement tolling the deadline for bringing Avoidance Claims (as defined
20 therein) to January 1, 2027.

21 The Debtor has produced a report to the Committee showing all transfers for the seven
22 years prior to the Petition Date. While the Debtor contends no transfers are subject to potential
23 avoidance, the extension of the avoidance actions deadline is a simple way to allow the parties to
24 focus on a global resolution in mediation, rather than expend limited estate resources investigating
25 and litigating potential avoidance claims. The Court's Order approving this Stipulated Tolling
26 Agreement was entered during the Application Period on January 17, 2026 [ECF No. 1824].

27 _____
28 ³ The Debtor's other primary insurers, who did not appeal the order, are Hartford and Catholic
Mutual Group.

Plan of Reorganization

The Debtor and the Committee continue to work towards a plan of reorganization subject to a “stand still” agreement which was approved by the Court. [ECF Nos. 1728 and 1730]. Virtually all of the Chapter 11 diocesan or religious organization bankruptcy cases that have proceeded through a successful chapter 11 plan confirmation have resulted in consensually confirmed reorganization plans, the exceptions being some non-settling insurers. In all of those cases, the terms for a consensual reorganization plan were reached following a mediation process in which the debtor, non-debtor entities, insurers and the creditors’ committee representing the interests of survivors of sexual abuse participated. The Debtor firmly believes in the mediation process, the Mediator and the parties’ good faith commitments to participate in mediation to achieve a global resolution in this case. The Chapter 11 process has created a structure for the transparent provision of information to the creditors’ committee and insurers, all constituents have professional representation, professional and experienced mediators are in place, and there is a framework for the parties to negotiate a global settlement. The Debtor will continue to work diligently toward constructive transparency and a timely resolution in collaboration with the other parties involved in this bankruptcy process.

III. SERVICES RENDERED AND COSTS INCURRED

A. The Itemization of Services Rendered and Disbursements Made by Category

The following itemization breaks down the services rendered by FFWPR by the service categories indicated and provides an aggregation of disbursements by form of disbursement.

1. Services Rendered

A listing of the billing task categories showing the number of professional hours expended and fees incurred under each billing task category are shown below:

Category	Hours	Fees
A. Case Administration	8.90	\$5,185.00
B. Asset Disposition	16.90	\$7,529.00
C. Relief from Stay	1.90	\$1,140.00
D. Meetings and Communications with Creditors	4.10	\$2,460.00

Category	Hours	Fees
E. Fee/Employment Applications	69.20	\$20,377.00
F. Fee/Employment Objections	0.30	\$105.00
G. Avoidance Action Analysis	6.20	\$3,720.00
H. Business Operations	0.30	\$180.00
I. Other Contested Matters	3.60	\$1,615.00
J. Claims Administration and Objections	0.80	\$420.00
K. Plan and Disclosure Statement	0.30	\$0.00
L. General Bankruptcy Advice/Opinions	30.20	\$18,120.00
M. Settlement/Non-Binding ADR	2.70	\$1,620.00
N. Document Production	0.40	\$240.00
O. Appellate Motions and Submissions	0.20	\$70.00
P. Appellate Briefs	55.80	\$22,910.00
Totals	201.80	\$85,691.00

A detailed itemization of the services rendered in the above Service Categories is set forth in FFWPR's Invoices, attached to the Exhibit List as ***Exhibit A***. The three largest categories for FFWPR's services during the Application Period were billed under the categories for General Bankruptcy Advice/Opinions, Appellate Briefs, and Fee/Employment.

The services related to General Bankruptcy Advice/Opinions included but not limited to important services to address overall case issues and case strategy, discovery issues, stay extension issues, real estate issues, special diocesan case issues, client communications, and preparation for and participation in mediation.

The services under the category of Appellate Briefs included, for two appeals, review and analysis of the Insurers' opening briefs and research, analysis and drafting of Appellee's Response Brief.

The services related to Fee/Employment included multiple employment applications for special counsel and brokers for the sale of real property, as well as four interim fee applications. These services also included developing new fee application sections to address shared professional fees with insurers for certain Released State Court Actions.

2. FFWPR Expense Disbursements Made

The expenses incurred during the period covered by this Motion are as follows:

Category	Total
Lexis Online Research	\$268.20
Other Court Fees	\$13.50
Total	\$281.70

B. The Itemization of Services Rendered by FFWPR Timekeepers

The hours spent in this case during the Application Period for which FFWPR seeks compensation, the hourly rate for each attorney and paralegal and the resulting fees are as follows:

Professional	Hourly Rate	Hours Billed	Total
Paul J. Pascuzzi	\$600	71.20	\$42,720.00
Paul J. Pascuzzi	\$0	0.20	\$0.00
Jason E. Rios	\$525	46.70	\$24,517.50
Jason E. Rios	\$0	4.00	\$0.00
Thomas R. Phinney	\$450	0.40	\$180.00
Mikayla E. Kutsuris	\$350	41.50	\$14,525.00
Mikayla E. Kutsuris	\$0	2.10	\$0.00
Brenda Jennings	\$105	34.10	\$3,580.50
Allison S. Kieser	\$105	1.60	\$168.00
Totals		201.80	\$85,691.00

There have been adjustments to the billing, during the Application Period, FFWPR did not charge for 6.30 hours of work with a value of \$3,392.50 shown on the invoices attached as *Exhibit A*. Additionally, FFWPR wrote down 48.70 hours work with a value of \$18,319.00, which is not shown on the bills, for adjustments totaling \$21,711.50. The blended hourly rate for billed services by FFWPR during this period is \$424.53 per hour.

FFWPR's monthly invoices submitted herewith and incorporated herein as *Exhibit A* to the Exhibit List, consist of a daily breakdown of the time spent by each person on each day and of the expense disbursements during the Application Period.

1 The billing statements are organized by task, the content of the billings included in each
2 task is generally explained in Paragraph 12 of the Pascuzzi Dec. A true and correct copy of
3 FFWPR's ABA Task Summary Billing Report for the Application Period is attached to the Exhibit
4 List as **Exhibit B**.

5 A true and correct copy of FFWPR's Expense Report for the Application Period is attached
6 to the Exhibit List as **Exhibit C** and is incorporated herein by this reference.

7 Attached to the Exhibit List as **Exhibit D** is a summary of customary and comparable
8 compensation prepared by FFWPR describing the blended hourly rates of the various categories of
9 timekeepers that provided services to the Debtor during the Application Period. The summary
10 gives defined terms used in this exhibit the same meanings ascribed to them in ¶ C.3 of the UST
11 Guidelines.

12 Attached to the Exhibit List as **Exhibit E** is a copy of the "Attorney Fee Budget" agreed
13 upon by and between the Debtor and FFWPR. This exhibit also includes a comparison of budgeted
14 to actual fees sought during the Application Period. FFWPR is not submitting a detailed staffing
15 plan or summary of fees and hours budgeted compared to fees and hours billed for each project
16 category as this information is privileged and confidential.

17 This is Counsel's ninth interim fee motion. The first interim fee motion was filed on July
18 3, 2024 [ECF No. 460] seeking the amount of \$177,374.00 in fee and \$227.92 in costs. FFWPR
19 did not oppose the UST's request that FFWPR's fees be reduced by \$1,370.00. The order approving
20 \$176,004.00 in adjusted fees and \$227.92 costs was entered on August 12, 2024 [ECF No. 592].
21 The second interim fee motion was filed on September 18, 2024 [ECF No. 635] seeking the amount
22 of \$201,902.50 in fees and \$290.64 in costs. The order granting, in full, the second interim fee
23 motion was issued October 30, 2024 [ECF No. 831]. The third interim fee motion was filed on
24 December 18, 2024 [ECF No. 934] seeking the amount of \$183,465.00 in fees and \$999.86 in costs.
25 The order granting, in full, the third interim fee motion was issued on February 6, 2025 [ECF No.
26 1061]. The fourth interim fee motion was filed on February 12, 2025 [ECF No. 1089] seeking the
27 amount of \$65,807.00 in fees and \$47.34 in costs. The order granting the fourth interim fee motion
28 in full after adjustment per agreement with the fee examiner was issued on March 21, 2025 [ECF

1 No. 1183] and the Debtor paid the allowed amount of \$64,530.35 in fees plus \$47.34 in expenses.
2 The fifth interim fee motion was filed on April 17, 2025 [ECF No. 1229] seeking the amount of
3 \$77,983.50 in fees and \$415.69 in costs. The order granting the fifth interim fee motion in full after
4 adjustment per agreement with the fee examiner was issued on May 29, 2025 [ECF No. 1298] and
5 the Debtor expects to pay the allowed amount of \$76,728.50 in fees plus \$415.69 in expenses. The
6 sixth interim fee motion was filed on June 13, 2025 [ECF No. 1360] seeking the amount of
7 \$70,871.00 in fees and \$67.55 in costs. The order granting the sixth interim fee motion in full [no
8 objections from the fee examiner to the fees and expenses requested] was issued on July 25, 2025
9 [ECF No. 1485]. The Court's order granting the seventh interim fee motion in full after adjustment
10 per agreement with the fee examiner was issued on October 16, 2025 [ECF No. 1678] and the
11 Debtor paid the allowed fee amount of \$148,242.50 and expenses in the amount of \$838.48. The
12 Court's order granting the eighth interim fee motion in full after adjustment per agreement with the
13 fee examiner was issued on January 28, 2026 [ECF No. 1834] and the Debtor paid the allowed fee
14 amount of \$113,938.50 and expenses in the amount of \$464.91. FFWPR's retainer balance as of
15 January 31, 2026, is \$76,692.14.

16 IV. CONCLUSION

17 Based on all of the above, Felderstein Fitzgerald Willoughby Pascuzzi & Rios LLP
18 respectfully requests this Court to enter its order approving on an interim basis the compensation
19 sought and reimbursement of expenses requested as fair, reasonable, and necessary to the estate,
20 and entering an order specifically providing as follows:

21 1. Approving on an interim basis professional fees in the amount of \$85,691.00 and
22 reimbursement of expenses in the amount of \$281.70 for a total of \$85,972.70 for the Application
23 Period of December 1, 2025, through and including January 31, 2026, as fair, reasonable, and
24 necessary to this matter;

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2. Authorizing the Debtor to pay Felderstein Fitzgerald Willoughby Pascuzzi & Rios
- 2
- LLP, the approved fees and costs from available funds of the estate; and
- 3
3. For such other and further relief as the Court deems just.

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Dated: February 18, 2026

FELDERSTEIN FITZGERALD WILLOUGHBY

PASCUZZI & RIOS LLP

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By: /s/ Jason E. Rios

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