

**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.

**FOURTH MOTION FOR ENTRY OF AN ORDER EXTENDING EXCLUSIVE
PERIODS UNDER 11 U.S.C. § 1121(d)**

The Roman Catholic Diocese of Burlington, Vermont (the “Diocese”) requests that this Court enter an order under 11 U.S.C. § 1121(d) extending the exclusive time for the Diocese to file a plan of reorganization and to solicit acceptances of a plan (the “Motion”). An extension will allow the plan to be based on more accurate information and will result in a more efficient use of the estate’s resources for the benefit of all creditors.

The Diocese conferred with the Office of the United States Trustee and counsel for the Official Committee of Unsecured Creditors (the “Committee”) prior to the filing of 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.

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.

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) and 1121(d) and Bankruptcy Rules 3016 and 9006. This Motion is filed under Bankruptcy Rule 9013 and Local Rules 9013-1 to -6. Notice of this Motion is provided pursuant to Bankruptcy Rule 2002 and Local Rules 9013-3.

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.

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(i). (ECF No. 13.)

6. On October 22, 2024, the Office of the United States Trustee appointed the Committee. (ECF No. 52.) The Committee retained Pachulski Stang Ziehl & Jones (“PSZJ”) on or around November 12, 2024.

7. Also on November 12, 2024, the Committee filed an application to employ Lemery Greisler LLC (“Lemery,” and together with PSZJ, “Committee Counsel”) as counsel for the Committee and local counsel to PSZJ. (ECF No. 104.) The Court granted the application and approved Lemery’s employment on December 30, 2024. (ECF No. 145.)

8. On November 13, 2024, the Committee formally filed an application to employ PSZJ as counsel for the Committee. (ECF No. 106.) The Court granted the application and approved PSZJ’s employment on January 3, 2025. (ECF No. 151.)

9. Since the appointment of the Committee and the retention of Committee Counsel, the Diocese and the Committee have been in regular communication regarding this Chapter 11 case.

10. Upon a motion by the Diocese filed on September 30, 2024 (ECF No. 11), the Court established April 4, 2025 as the deadline for filing claims, including alleged sexual abuse claims.

11. On January 3, 2025, the Diocese filed its first *Motion for Entry of an Order Extending Exclusive Periods Under 11 U.S.C. § 1121(d)*. (ECF No. 154.) The Diocese cited the need to know the number of claims in this case,² as well as a likely mediation between the Diocese and the Committee as the basis for the extension.

12. On January 28, 2025, the Court entered an order granting that motion and extending the exclusive periods for the Diocese to file a plan of reorganization and obtain acceptances of a plan to July 28, 2025 and September 29, 2025, respectively. (ECF No. 177.)

13. On May 12, 2025, the Diocese filed a *Motion for Entry of an Order Referring Parties to Global Mediation, Appointing Mediators, and Granting Related Relief*. (ECF No. 303.) The Committee joined in the Diocese's motion. (ECF No. 340.)

14. On June 13, 2025, the Court entered an order granting the mediation motion and appointing Judge William J. Fisher and Michael Marks as mediators. (ECF No. 352.) Mediation was scheduled for July 28, 2025 and July 29, 2025 in Minneapolis, Minnesota.

15. On July 14, 2025, the Diocese filed its *Second Motion for Entry of an Order Extending Exclusive Periods Under 11 U.S.C. § 1121(d)*. (ECF No. 389.) The Diocese cited the upcoming mediation between the Diocese and the Committee as one of the bases for the extension.

² There are a total of 119 confidential, alleged sexual abuse claims.

16. On July 29, 2025, the Court entered an order granting that motion and extending the exclusive periods for the Diocese to file a plan of reorganization and obtain acceptances of a plan to August 27, 2025 and October 29, 2025, respectively. (ECF No. 409.)

17. Between July 28, 2025 and July 29, 2025, the Diocese and the Committee engaged in mediation. However, it became apparent that the parties would need additional time to continue their negotiations. The parties agreed to continue mediation to September 11, 2025 and September 12, 2025 in Minneapolis, Minnesota.

18. On August 26, 2025, the Diocese filed its *Third Motion for Entry of an Order Extending Exclusive Periods Under 11 U.S.C. § 1121(d)*. (ECF No. 441.) The Diocese cited the upcoming, continued mediation between the Diocese and the Committee as one of the bases for the extension.

19. On October 1, 2025, the Court entered an order granting that motion and extending the exclusive periods for the Diocese to file a plan of reorganization and obtain acceptances of a plan to November 25, 2025 and January 27, 2026, respectively. (ECF No. 488.)

20. Between September 11, 2025 and September 12, 2025, the Diocese and the Committee had engaged in continued mediation. However, it again became apparent that the parties would need additional time to continue their negotiations. The parties agreed to continue mediation to December 15, 2025 and December 18, 2025 by Zoom.

21. During the mediation, the Diocese and the Committee will engage in negotiations regarding a number of issues that will affect any proposed disclosure statement and plan of reorganization.

22. Even after mediation concludes, the Diocese will need sufficient time to draft a disclosure statement and plan of reorganization and to circulate it for review and comment with

the Committee and the Office of the United States Trustee. The Diocese should have the chance to do so without concern for a competing plan.

23. The current deadline for concluding mediation is December 31, 2025. (ECF Nos. 3512, 431, 476.)

RELIEF REQUESTED

24. Pursuant to 11 U.S.C. § 1121(d) and the Court's prior order (ECF No. 488), the exclusive period that the Diocese has to file a plan ends on November 25, 2025, and the exclusive period to solicit acceptances of a plan ends on January 27, 2026. Cause exists to extend each of these dates through and including March 30, 2026, and May 29, 2026, respectively.

25. Cause exists for such an extension based on the size and complexity of this case, the status of the case, and the Diocese's efforts to achieve a consensual resolution of the case. An extension will allow the plan to be based on more accurate information and will result in a more efficient use of the estate's resources for the benefit of all creditors. The Diocese strongly believes that a consensual plan represents the best way to resolve this case and believes the filing of nonconsensual or competing plans will not achieve a resolution and instead will only serve to increase administrative costs.

26. Therefore, the Diocese requests that the Court extend the period for the Diocese to file a plan to March 30, 2026, and extend the period for the Diocese to obtain acceptances of a plan to May 29, 2026.

BASIS FOR RELIEF

27. The Bankruptcy Code provides a debtor limited time to propose a Chapter 11 plan and obtain acceptances of that plan without interference from a competing plan. The exclusive period to file a plan extends through the first 120 days of a Chapter 11 case. *See* 11 U.S.C. § 1121(b). If the debtor files a plan within the 120-day period, the Bankruptcy Code affords the

debtor an additional 60 days (up to 180 days after the petition date) to obtain acceptances of the plan before any other party in interest may file a competing plan. *Id.* § 1121(c)(3).

28. Section 1121(d) of the Bankruptcy Code allows the exclusive periods to file a plan and to obtain acceptances to be extended for cause:

[O]n request of a party in interest made within the respective periods specified in subsections (b) and (c) of this section and after notice and hearing, the court may for cause reduce or increase the 120-day period or the 180-day period referred to in this section.

Id. § 1121(d)(1). In recognition of this provision, courts have held that certain situations require longer exclusivity periods. *See, e.g., In re Hoffinger Indus., Inc.*, 292 B.R. 639, 643 (B.A.P. 8th Cir. 2003); *see also In re Ames Dep't Stores, Inc.*, 1991 WL 259036, at *3 (S.D.N.Y. Nov. 25, 1991) (“The purpose of the Bankruptcy Code’s exclusivity period is to allow the debtor the flexibility to negotiate with its creditors”).

29. Extensions of the exclusive periods are routinely granted when the circumstances of the case indicate that it would be beneficial to the reorganization process. *In re Hoffinger Indus., Inc.*, 292 B.R. at 644; *In re Dow-Corning Corp.*, 208 B.R. 661, 662, 670 (Bankr. E.D. Mich. 1997); *In re Express One Intern, Inc.*, 194 B.R. 98, 99 (Bankr. E.D. Tex. 1996). Indeed, courts have granted repeated extensions of these periods. *See, e.g., In re Wis. Barge Line, Inc.*, 78 B.R. 946, 948 (Bankr. E.D. Mo. 1977) (granting the debtor a fifth extension of exclusivity periods).

30. In determining whether to extend the exclusive periods, courts consider a number of factors including:

- a. the size of the debtor and the consequent difficulty in formulating a plan of reorganization for a large debtor with a complex financial structure;
- b. the necessity of sufficient time to permit the debtor to negotiate a plan of reorganization and prepare adequate information;

- c. the existence of good faith progress toward reorganization;
- d. the existence of an unresolved contingency;
- e. the fact that the debtor is paying its bills as they come due;
- f. the length of previous extensions of exclusivity;
- g. breakdowns in plan negotiations, such that the continuation of the debtor's exclusivity periods would result in the debtor having an unfair bargaining position over creditors; and
- h. the debtor's failure to resolve fundamental reorganization matters essential to its survival.

In re Hoffinger Indus., Inc., 292 B.R. at 643–44; *see also In re Dow-Corning Corp.*, 208 B.R. at 664–65. No one factor is dispositive, and a bankruptcy court is not restricted to counting factors. *In re Dow-Corning Corp.*, 208 B.R. at 669.

31. The concept of “exclusivity” was incorporated into the Bankruptcy Code to provide a debtor with a full and fair opportunity to prepare a plan and to solicit acceptances to such a plan without the disruption of a debtor's business that would be caused by the filing of competing proposed plans by other parties in interest. One of the objectives of a Chapter 11 case is the development, formulation, confirmation, and consummation of a consensual plan. Typically, that process requires, among other things, the accomplishment of certain pre-plan actions, including negotiations with key stakeholders.

32. The Diocese believes that the limited proposed extension to formulate and file a plan sought in the Motion will be beneficial to the estate, will allow the plan to be based on more accurate information, and will result in a more efficient use of the estate's assets for the benefit of all creditors. The status of the case and the application of the factors identified above support the

conclusion that an extension of the exclusivity period and solicitation period is warranted in the Diocese's case, including because:

- a. The Diocese's case is large and complex, involving complicated property of the estate and claim issues;
- b. The Diocese and the Committee require more time to negotiate a plan of reorganization and prepare adequate information for a disclosure statement;
- c. The Diocese has been working diligently and in good faith toward a Chapter 11 plan, including in consultation with the Committee;
- d. The Diocese is paying its bills as they become due;
- e. The Diocese has only sought three previous, limited extensions; and
- f. The Diocese is about to participate in continued mediation with the Committee.

33. In sum, the Diocese believes that the extensions sought will be beneficial to the Diocese as well as creditors and other parties in interest; will provide time to attempt to reach a consensus regarding plan terms; will allow the plan to be based on more accurate information; and will result in a more efficient use of estate assets for the benefit of all creditors.

34. The requested extensions of the exclusive period and solicitation period are essential to allow the Diocese to proceed with the plan process as contemplated by the Bankruptcy Code. Moreover, the possibility of multiple plans would inevitably lead to unnecessary and costly confrontations that would likely cause a dramatic increase in the professional fee burden borne by the estate and reduce potential distributions to creditors.

35. The Diocese believes that an acceptable plan can be developed within the requested extensions of the exclusivity period and solicitation period but reserves the right to request additional extensions. The Diocese's request for an extension does not impermissibly extend the

dates for filing and solicitation past the time periods provided for in 11 U.S.C. §§ 1121(d)(2)(A) and (B). Accordingly, the exclusivity period and solicitation period should be extended to afford the Diocese a full and fair opportunity to negotiate, propose, and seek acceptance of a plan.

NOTICE AND SERVICE

36. 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 United States Trustee; (b) the Diocese's secured creditors or, if applicable, to counsel representing them; (c) the Committee and Committee Counsel; (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

37. The Diocese respectfully requests that this Court enter an order:

- a. Extending the time in which the Diocese has the exclusive right to file a plan through March 30, 2026;
- b. Extending the time in which the Diocese may obtain acceptances of a plan through May 29, 2026; and
- c. Granting such other relief as the Court deems just and equitable.

Dated: November 24, 2025

/s/ Steven R. Kinsella

Raymond J. Obuchowski

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**ATTORNEYS FOR THE ROMAN CATHOLIC
DIOCESE OF BURLINGTON, VERMONT**

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

In re:

Roman Catholic Diocese of Burlington,
Vermont,¹

Debtor.

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

**NOTICE OF FOURTH MOTION FOR ENTRY OF AN ORDER EXTENDING
EXCLUSIVE PERIODS UNDER 11 U.S.C. § 1121(d)**

A fourth **MOTION FOR** entry of an order extending the exclusive periods under 11 U.S.C. § 1121(d) was filed on Monday, November 24, 2025, by the Roman Catholic Diocese of Burlington, Vermont (the “Diocese”), through its attorneys, Fredrikson & Byron, P.A. (ECF No. 559.) An electronic copy of the motion can be accessed at the following link: <https://case.stretto.com/dioceseforburlington/docket>.

A HEARING ON THE MOTION and any responses **will be held** at **11:00 A.M. (prevailing Eastern time) on Tuesday, January 27, 2026** by Zoomgov. If you choose to appear by Zoomgov, you must follow the process set forth in Appendix IX to the Court’s Local Rules (available on the Court’s website), including requirements regarding use of both audio and video components, notice to the courtroom deputy, and limitations of remote participation. If you have any questions regarding this process, you are encouraged to contact the courtroom deputy by email at Jody_Kennedy@vtb.uscourts.gov or by telephone at (802) 657-6404.

IF YOU OPPOSE THE MOTION, you are encouraged to file a written response with the Clerk of Court specifying your opposition to the motion, **on or before 4:00 P.M. (prevailing Eastern time) on Thursday, January 22, 2026**. If you file a written response, you must also

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.

serve a copy of that written response on the Diocese's attorneys, the United States trustee, and the Official Committee of Unsecured Creditors and its attorneys so that it is received on or before such date and time. Addresses for those parties are set forth below.

Dated: November 24, 2025

/s/ Steven R. Kinsella

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DIOCESE OF BURLINGTON, VERMONT**

SERVICE ADDRESSES

Roman Catholic Diocese of Burlington, Vermont c/o Fredrikson & Byron, P.A. Attn: Samuel M. Andre 60 South Sixth Street Suite 1500 Minneapolis, MN 55402 sandre@fredlaw.com	United States Trustee Attn: Lisa M. Penpraze Leo O'Brien Federal Building Room 620 Albany, NY 12207 Lisa.Penpraze@usdoj.gov	Creditors' Committee c/o Pachulski Stang Ziehl & Jones Attn: Brittany Mitchell Michael 1700 Broadway, 36th Floor New York, NY 10019 bmichael@pszjlaw.com
Roman Catholic Diocese of Burlington, Vermont c/o Obuchowski Law Office Attn: Raymond J. Obuchowski 1542 Route 107 PO Box 60 Bethel, VT 05032 Ray@oeblaw.com	Creditors' Committee c/o Lemery Greisler LLC Attn: Paul A. Levine 677 Broadway, 8th Floor Albany, NY 12207 plevine@lemerygreisler.com	

**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.

ORDER EXTENDING EXCLUSIVE PERIODS UNDER 11 U.S.C. § 1121(d)

This matter came before the Court on the Fourth Motion for Entry of an Order Extending Exclusive Periods Under 11 U.S.C. § 1121(d) (doc. # 559) (the “Motion”) filed by the Roman Catholic Diocese of Burlington, Vermont (the “Diocese”), the Affidavit of Bishop John J. McDermott (doc. # 13), and the statements of counsel and evidence adduced with respect to the Motion at the hearing on Tuesday, January 27, 2026 (the “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 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, 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** as set forth in this Order. All terms not specifically defined herein have the meaning provided in the Motion.

2. The exclusive period for the Diocese to file a plan of reorganization is extended through and including **March 30, 2026**.

3. The exclusive period for the Diocese to solicit and obtain acceptances to a plan of reorganization is extended through and including **May 29, 2026**.

4. The entry of this Order shall be without prejudice to the Diocese's right to request further extensions of the exclusivity periods or to seek other appropriate relief.

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

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

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

Burlington, Vermont

Heather Z. Cooper
United States Bankruptcy Judge