

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK

In re:

THE DIOCESE OF ROCHESTER,

Debtor.

Case No. 19-20905

Chapter 11

**INTERIM ORDER AUTHORIZING DEBTOR TO (A) PAY PREPETITION
COMPENSATION AND REIMBURSABLE EMPLOYEE EXPENSES,
(B) PAY AND HONOR MEDICAL AND OTHER BENEFITS
AND (C) CONTINUE EMPLOYEE BENEFIT PROGRAMS**

Upon the motion of the Diocese of Rochester (the “Debtor”), for entry of an order authorizing, but not directing, the Debtor: to (a) pay prepetition compensation and reimbursable employee expenses, (b) pay and honor obligations relating to medical and other employee benefits and (c) continue its employee benefit programs on a post-petition basis (the “Motion”)¹; and it appearing that this Court has jurisdiction to consider the Motion and request to be heard pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of this chapter 11 case and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Motion is in the best interests of the Debtor, its estate, its creditors and other parties in interest; and it appearing that proper and adequate notice of the Motion has been given under the circumstances and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED on an interim basis as set forth herein.

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them as in the Motion.

2. The Debtor is authorized, but not directed, to continue to honor and pay, upon entry hereof, the Employee Wages and Benefits in accordance with the Debtor's policies and prepetition practices, including, but not limited to, payment of prepetition Unpaid Compensation to the Employees; provided, however, that payments to each Employee after the Petition Date on account of amounts accrued prior to the Petition Date shall not exceed amounts afforded priority status by section 507(a)(4) or section 507(a)(5) of the Bankruptcy Code and Unpaid Compensation shall only be paid in the amount earned within 180 days prior to the Petition Date; and provided further that the maximum amount of Unpaid Compensation that the Debtor may pay pursuant to this Interim Order is \$125,000.00

3. Nothing contained herein shall authorize the Debtor to pay Unpaid Compensation to any Employee (including a clergy member) who has been accused of engaging in conduct that would constitute a sexual offense as defined in Article 130 of the New York Penal Law against a person who is less than 18 years of age; provided that the Debtor reserves all of its rights with respect to the relief requested in the Motion.

4. The Debtor is authorized, but not directed, to continue to honor its prepetition policies and practices, and to pay prepetition amounts that it may owe, with respect to PTO and reimbursement of Business Expenses.

5. The Debtor is authorized, but not directed, to continue to provide in accordance with the Debtor's prepetition practices, and to pay prepetition amounts which may be owed with respect to, the Benefit Plans.

6. The Debtor is authorized, but not directed, to continue to allocate and distribute in accordance with the Debtor's policies and prepetition practices, and to pay prepetition amounts

which may be owed with respect to, the Deductions and the Payroll Taxes as limited to payments otherwise afforded priority status under sections 507(a)(4) and (a)(5) of the Bankruptcy Code.

7. In accordance with this Order and any other order of the Court, the Debtor is authorized, but not directed, to pay any and all processing fees associated with, and all costs incident to, payment or provision of the Employee Wages and Benefits and allocation and distribution of the Deductions and Payroll Taxes, including all administrative and processing costs and payments to outside professionals in the ordinary course of business.

8. All banks and financial institutions with which the Debtor maintains bank accounts or on which checks are drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to continue to service and administer the Debtor's bank accounts without interruption in the ordinary course and to receive, process, honor and pay any and all checks and electronic payment requests when presented for payment, whether before or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make such payments, and all such banks and financial institutions are authorized to rely upon the Debtor's designation of any particular check or electronic payment request as being approved by this Order.

9. The Debtor is authorized, but not directed, to issue post-petition checks or to affect post-petition fund transfer requests in replacement of any checks or fund transfer requests that are dishonored as a consequence of the chapter 11 case with respect to prepetition amounts approved to be paid by this Order.

10. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Order, or any payment made pursuant hereto, shall constitute, nor is it intended to constitute, a finding of the Court or an admission by the Debtor as

to the validity, priority or amount of any claim against the Debtor, a waiver of the Debtor's right to subsequently dispute such claim or an assumption or an authorization to assume any executory contract or agreement, including, but not limited to, any benefit plans, employment agreements, or severance agreements to which the Debtor is a party.

11. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.

12. The requirements set forth in Bankruptcy Rule 6004(a) are satisfied.

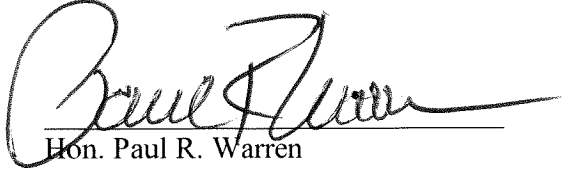
13. A final hearing on the Motion shall be held on October 10, 2019 at 1:00 p.m. prevailing Eastern Time (the "Final Hearing"). Any objections or responses to the Motion shall be filed on or before October 4, 2019 at 4:00 p.m. and served on parties in interest as required by the Federal Rules of Bankruptcy Procedure. This Interim Order, and all acts taken in furtherance of or reliance upon this Interim Order, shall be effective notwithstanding the filing of an objection.

14. The Debtor shall serve a copy of the Motion, this Order, and notice of the Final Hearing upon the parties identified in paragraph 41 of the Motion by depositing the same in first class mail, postage prepaid, not later than 5:00 p.m. on the first business day following entry of this Order.

15. This Order is immediately effective and enforceable, notwithstanding the possible applicability of Bankruptcy Rule 6004(h) or otherwise. Any subsequent modification or vacatur of this Order shall not invalidate any action taken pursuant to this Order prior to the modification or vacatur of the Order.

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

Dated: September 19, 2019
Rochester, New York

A handwritten signature in black ink, appearing to read "Paul R. Warren", written over a horizontal line.

Hon. Paul R. Warren
United States Bankruptcy Judge

Notice Recipients

District/Off: 0209-2
Case: 2-19-20905-PRW

User: admin
Form ID: pdforder

Date Created: 9/19/2019
Total: 4

Recipients of Notice of Electronic Filing:

aty	Ingrid S. Palermo	ipalermo@bsk.com
aty	Stephen A. Donato	sdonato@bsk.com

TOTAL: 2

Recipients submitted to the BNC (Bankruptcy Noticing Center):

db	The Diocese of Rochester	1150 Buffalo Road	Rochester, NY 14624
smg	Office of the U.S. Trustee	100 State Street, Room 6090	Rochester, NY 14614

TOTAL: 2

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NEW YORK**

In Re:

The Diocese of Rochester
aka The Roman Catholic Diocese of
Rochester

Case No.: 2-19-20905-PRW
Chapter: 11

Tax ID: 16-0755765

Debtor(s)

NOTICE OF ENTRY

PLEASE TAKE NOTICE of the entry of the Order referenced below, duly entered in the within action in the Clerk's Office of the United States Bankruptcy Court, Western District of New York on **September 19, 2019**. The Clerk of Court of the United States Bankruptcy Court, Western District of New York, hereby certifies that a copy of the subject Order was sent to all parties in interest herein as required by the Bankruptcy Code and the Federal Rules of Bankruptcy Procedure.

Docket #42: Interim Order Authorizing Debtor To (A) Pay Prepetition Compensation And Reimbursable Employee Expenses, (B) Pay And Honor Medical And Other Benefits And (C) Continue Employee Benefit Programs (RE: related doc(s) 9 Motion Re: Chapter 11 First Day Motions). Signed on 9/19/2019. NOTICE OF ENTRY. (Lawson, L.)

Date: September 19, 2019

Lisa Bertino Beaser
Clerk of Court

Form ntcentry/Doc 42
www.nywb.uscourts.gov

Notice Recipients

District/Off: 0209-2
Case: 2-19-20905-PRW

User: admin
Form ID: ntcentry

Date Created: 9/19/2019
Total: 4

Recipients of Notice of Electronic Filing:

aty	Ingrid S. Palermo	ipalermo@bsk.com
aty	Stephen A. Donato	sdonato@bsk.com

TOTAL: 2

Recipients submitted to the BNC (Bankruptcy Noticing Center):

db	The Diocese of Rochester	1150 Buffalo Road	Rochester, NY 14624
smg	Office of the U.S. Trustee	100 State Street, Room 6090	Rochester, NY 14614

TOTAL: 2