UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW MEXICO

In re:

BISHOP OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF GALLUP, an Arizona corporation sole,

Chapter 11

Case No. 13-13677-t11

Debtor.

MOTION FOR AN ORDER LIMITING NOTICE AND ESTABLISHING A LIMITED NOTICE LIST

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Bishop of the Roman Catholic Church of the Diocese of Gallup, an Arizona corporation sole, the debtor and debtor-in-possession (the "Arizona Entity") in the above captioned Chapter 11 reorganization case (the "Reorganization Case"), by and through its proposed attorneys undersigned, respectfully requests that the Court enter an Order limiting the parties-ininterest that receive general notice in this case by establishing a limited notice list. The Arizona Entity seeks to establish such protocol in order to provide notice to those who wish to receive it while reducing unnecessary administrative expenses resulting from service of papers on all master mailing list parties (of which there are more than 1,000). As discussed below, the Arizona Entity proposes that the Court limit the required notice to (a) all counsel who file an entry of appearance in this case; (b) all persons who file a completed Request for Limited Notice (defined below) or something substantially similar; (c) counsel for any official committee appointed by the Court; (d) the case trustee (if any is hereafter appointed) and counsel for the case trustee, the Office of the United States Trustee, the Internal Revenue Service, the New Mexico Taxation and Revenue Department, and the New Mexico Department of Workforce Solutions; (e) the twenty largest unsecured creditors; (f) any party against whom relief is sought; and (g) any counsel who may appear on behalf of any tort claimant (collectively, the "**Limited Notice List**").

This Motion presents a "core" proceeding under 28 U.S.C. § 157(b)(2) over which this Court has jurisdiction to enter a final order pursuant to 28 U.S.C. § 1334. The statutory predicate of this Motion is 11 U.S.C. § 105 and Fed. R. Bankr. P. 2002 and 9007.

This Motion is supported by: (i) the following Memorandum of Points and Authorities; and (ii) "Declaration of Bishop James S. Wall in Support of Chapter 11 Petition and First Day <u>Motions</u>" (the "**Wall Declaration**"); and (iii) the entire record before the Court in this Reorganization Case.

RESPECTFULLY SUBMITTED this 12th day of November, 2013.

/s/ Susan G. Boswell Susan G. Boswell (AZ Bar No. 004791) Lori L. Winkelman (AZ Bar No. 021400) Elizabeth S. Fella (AZ Bar No. 025236) Pro Hac Vices Pending QUARLES & BRADY LLP One S. Church Ave., Suite 1700 Tucson, Arizona 85701 (520) 770-8700 Fax: (520) 623-2418 susan.boswell@quarles.com lori.winkelman@quarles.com elizabeth.fella@quarles.com

-and-

Thomas D. Walker WALKER & ASSOCIATES, P.C. 500 Marquette N.W., Suite 650 Albuquerque, New Mexico 87102 (505) 766-9272 Fax: (505) 722-9287 twalker@walkerlawpc.com

Proposed Counsel for Debtor

MEMORANDUM OF POINTS AND AUTHORITIES

On November 12, 2013 (the "**Petition Date**"), the Arizona Entity commenced this Reorganization Case by filing a voluntary Chapter 11 petition. The Arizona Entity has remained a debtor-in-possession under 11 U.S.C. §§ 1107 and 1108 since the Petition Date.

I. <u>BACKGROUND</u>

The Civil and Ecclesiastical Entities and Organization of the Entities.

The Debtor in this Reorganization Case is the Arizona Entity, which is an Arizona corporation sole, formed under the laws of the State of Arizona. The Arizona Entity has minimal business/civil affairs, which are limited to holding certain real property. Instead, most if not all of the civil and business affairs of the Diocese are conducted through the Roman Catholic Church of the Diocese of Gallup, a New Mexico corporation sole¹ ("**RCCDG**") formed under the laws of that State of New Mexico that conducts its business and civil affairs in accordance with the laws of the State of New Mexico and the United States and in accordance with the Code of Canon Law ("**Canon Law**"), the ecclesiastical law of the Roman Catholic Church.² RCCDG acquires and holds property and conducts its civil affairs for the practice of the Roman Catholic religion in the geographic area that has been decreed as the Diocese. The Bishop of the Diocese has responsibility for the Roman Catholic faithful within the geographic territory of the Diocese and carries out his duties in accordance with Canon Law. The Bishop is also the sole member of RCCDG and the Arizona Entity.

¹ New Mexico no longer has the corporation sole form of incorporation but an entity formed as a corporation sole at the time New Mexico provided for that form of incorporation was not required to re-incorporate as a non-profit corporation, but was allowed to continue its existence as a corporation sole which RCCDG has.

² Moreover, as explained in more detail herein, the ecclesiastical diocese created in 1939 is the Diocese of Gallup, the territory of which was decreed to include areas in both New Mexico and Arizona (the "**Diocese**").

According to Canon Law, a diocese is a geographic territory formed to serve the Catholic faithful and through which the mission and ministry of the Roman Catholic Church in the area designated as a diocese is carried out. A diocese is administered by a Bishop who is appointed to serve by the Pope. However, a diocese is not the only Roman Catholic ecclesiastical entity within its geographic territory. Every diocese is divided into distinct parts or parishes which are separate entities under both Canon Law and civil law. There are other Catholic entities, separate from a diocese and parishes that also operate within a diocese such as foundations or schools.³ The relationship among RCCDG, the Diocese, the Parishes and various other entities within the geographic territory of the Diocese is described in greater detail in the Wall Declaration filed contemporaneously with this Motion for an Order Limiting Notice and Establishing a Limited Notice List.

The Diocese is the poorest diocese in the United States. There are no large metropolitan areas within the geographic area of the Diocese which includes significantly poor and underdeveloped areas where there is high unemployment and low income. Approximately sixty percent (60%) of the geographic area served by the Diocese is on Native American reservations. In many of the counties located within the geographic area of the Diocese, approximately forty-three percent (43%) of the people live below the poverty level, and the unemployment rate is approximately forty percent (40%) on the Native American reservations. The Diocese is comprised of more Native Americans than any other diocese in the United States. There are seven distinct tribes within the Diocese: the Acoma, Laguna, Zuni (Pueblo Indians), Jicarilla Apache, White Mountain Apache, Hopi, and Navajo. The remainder of the population of the Diocese is divided among approximately thirty (30) nationalities, with the largest ethnic group

³ A school can also be established, owned and operated by a parish or a diocese or can be a separate independent entity under Canon Law and civil law.

being Hispanic.

RCCDG obtains its operating funds from a number of sources. It receives a small portion of the Sunday collections from the Parishes, it receives grants specifically restricted by the grantor for certain programs provided by the Diocese and it receives donations from donors, some of which are restricted for specific purposes as designated by the donor and others which are unrestricted and used by RCCDG to fund its operations and other needs.

There are fifty-four (54) Parishes and thirty-one (31) active Missions within the geographic area of the Diocese. Missions also serve areas within the Diocese. A mission is typically much smaller than a parish. In some cases, a mission may have been a parish at one time but because of a lack of parishioners or other reasons, is no longer a parish and has become a mission. Similarly, a mission may become a parish in the future depending on various circumstances, such as membership.

Notwithstanding the significant poverty and financial challenges of the parishioners and the Parishes, for the most part, Parishes receive sufficient donations and other funding to pay their operating expenses.⁴ However, all of the Parishes require outside support, such as through grants, to sustain their programs and physical plant.⁵ In addition, RCCDG provides salary subsidies for priests who serve in twelve (12) of the Parishes of between \$250.00 to \$350.00 per month. Also, even Parishes that obtain sufficient donations to pay most of their operating expenses do not generate sufficient funds from donations or other sources to provide substantial support to the Diocese. One Parish, St. Anthony located in McNary, Arizona does not have

⁴ The plate collections and donations from parishioners at these Parishes are not substantial and the Parishes operate very leanly.

⁵ Grants that are provided from third parties for the benefit of the Parishes are restricted by the grantor for the Parishes (and not for RCCDG) but are administered by RCCDG.

sufficient funds from collections, donations or other sources, to pay its operating expenses; therefore, consistent with its mission and ministry, RCCDG provides direct administrative support and subsidizes some of the expenses of the St. Anthony Parish.

Not every Parish or Mission has a priest, so priests travel and minister among several Parishes or Missions. The services provided by the Diocese support and promote not only the Catholic religion for those within its territory but also support and promote essential services for all people within the geographic area of the Diocese, regardless of religious affiliation. In addition, consistent with its mission and ministry and its obligations under Canon Law, RCCDG provides administrative support for the priests, Parishes and Missions, including procuring and administering insurance programs and grants, providing support services for religious and other programs, recruitment and training of priests and similar services.

Operations of RCCDG, Gallup School and Retreat Center.

As part of its mission and ministry, the Diocese has various functions, divisions and programs, the civil affairs of which are administered by RCCDG, some of which are described below.⁶

Gallup Catholic Schools ("Gallup School") operates as a separate entity from RCCDG but is part of RCCDG for civil purposes and part of the Diocese for ecclesiastical purposes.⁷ Prior to 2010, the Gallup School was a separate corporation organized under New Mexico law and operated as an independent entity. For a variety of reasons, it was determined that the

 $^{^{\}rm 6}$ The following is not intended to be an exhaustive description of the activities of RCCDG.

⁷ The real and personal property of Gallup School is owned by RCCDG, subject to any donor designated restrictions. There are other Catholic schools within the geographic area of the Diocese; however, these schools are either separate independent entities (not associated with a parish) or part of, owned and operated by a parish, and the real and personal property of those independent entities are owned by those entities (subject to any donor designated restrictions).

Gallup School should be owned and operated by RCCDG and on August 4, 2010, the New Mexico Office of the Public Regulation Commission issued a certificate of dissolution for Gallup Catholic School, Inc. and the ownership and operation of the Gallup School became part of RCCDG.

Gallup School is pre-school through eighth (8th) grade and is dedicated to academic excellence integrating the doctrine and traditions of the Catholic Church. The school's mission is to nurture the spiritual, emotional, intellectual, cultural and physical development of its students. Gallup School is celebrating its centennial year this year. Similar to the Diocese, Gallup School provides a Catholic education to the community notwithstanding the financial challenges of its families. Historically, Gallup School has not been self-sustaining and depended upon RCCDG for additional financial support; however, Gallup School expects to break even this year.

Sacred Heart Retreat Center ("**Retreat Center**"), located near Gallup, is owned by RCCDG and is part of the ministry of the Diocese. The Retreat Center is a place of hospitality, quiet prayerfulness and desert beauty and serves the spriitual needs of those who come through prayer, retreat, and spiritual and educational programs. The Retreat Center is an integral part of the ministry of the Diocese and is open to spiritual, educational, cultural, business and civic groups. The Retreat Center is located on fifteen (15) acres of rugged land, and there are four (4) small hogans, one (1) large hogan, a bedroom hall, conference rooms and a chapel on the grounds of the Retreat Center.

RCCDG also develops and administers various Diocese-wide programs and ministries such as the Office of Native American Ministry and the Office of Religious Education. The Office of Native American Ministry was established by Bishop Wall in 2012 to assess and meet the spiritual needs of the Native American members of the Diocese. The Office of Religious Education oversees and provides administrative support to all Directors of Religious Education throughout the Diocese and helps set standards for catechism requirements, religious classes and related activities. There are other programs and ministries that are offered and supported by RCCDG and the Diocese that serve the needs of people within the Diocese, a more complete description of which can be found on the Diocese website—www.dioceseofgallup.org.

Additional Separate Entities That Support The Diocese's Mission.

Among the other separate and independent entities that operate within the geographic territory of the Diocese are the Southwest Indian Foundation ("SWIF"), Catholic Peoples Foundation ("CPF") and Catholic Charities of Gallup, Inc. ("Catholic Charities"). SWIF is a New Mexico non-profit corporation that was incorporated in 1981. SWIF is governed by a board of directors of which the Bishop is an ex-officio member. SWIF assistance is strictly limited to Native Americans, and its services include: school grants and individual tuition assistance, homes for battered women and children, home repair and wood stove installation, Christmas food baskets for needy families, alcohol counseling, and emergency assistance in the areas of food, clothing, heating fuel, and temporary shelter.

CPF is a New Mexico non-profit corporation that was incorporated in 1998. CPF administers programs and grants that assist in promoting the mission and ministry of the Catholic Church within the geographic area of the Diocese. CPF is governed by a board of directors of which the Bishop is an ex-officio member.

Catholic Charities is also a New Mexico non-profit corporation that was incorporated in 1974. Catholic Charities is governed by a board of directors, and the Bishop does not serve on its board in any capacity. Catholic Charities administers various programs within the area of the Diocese and provides assistance and service to everyone within the geographic area, in particular the poor and vulnerable.

SWIF, CPF and Catholic Charities are self-supporting and do not receive any financial support from RCCDG.

The Sex Abuse Crisis and the Need for Reorganization.

Over the last half of the twentieth century a tragedy that runs contrary to the every teaching and tradition of the Roman Catholic Church has unfolded which affected the Diocese: priests and other workers in the Roman Catholic Church took advantage of their positions in the community and in their parishes, missions and schools and sexually abused children. In the Diocese, a small number of priests, primarily in the 1950's and 1960's, committed these crimes which have resulted in claims (and in some cases lawsuits) made by adults based upon acts that they assert occurred decades ago (in some cases more than fifty (50) years prior to bringing the claim or lawsuit). There are currently thirteen (13) lawsuits filed which are pending in the Coconino County, Arizona Superior Court. In addition, RCCDG has been made aware of at least another eight (8) claims which have not yet resulted in lawsuits but which are being pressed against RCCDG. Most of these claims (both in and out of active litigation) pertain to periods in which RCCDG does not appear to have been insured. Therefore, not only has RCCDG been bearing the entire cost of defense of these claims, but any settlements had to be funded solely out of Diocesan assets. For any claims that pertain to abuse that occurred between October 1, 1965 and December 1, 1977, RCCDG was insured by The Home Insurance Company which was liquidated pursuant to state receivership proceedings in New Hampshire. As a result, the New Mexico Property and Casualty Insurance Guaranty Fund Association (the "New Mexico Fund") provides limited coverage for certain claims that occurred within the Home Insurance policy

period. For claims arising after December 1, 1977 through the present, RCCDG is insured by Catholic Mutual Relief Society of America Insurance Company ("Catholic Mutual"). However, there are very few claims that have been asserted where the abuse occurred within the Catholic Mutual coverage period. RCCDG has not yet determined whether there may be some basis for broader coverage by Catholic Mutual but intends to do so. In addition, there may be other entities against whom RCCDG may have indemnity, contribution or other claims for the abuse acts that have resulted or may result in claims being asserted against RCCDG. Among other reasons for such claims, the priests who are responsible for the majority of the claims came from one or more dioceses or orders to minister in the Diocese. RCCDG is in the process of investigating the viability of such claims. As of the Petition Date, no other entity has acknowledged potential liability or offered to participate in a resolution of any of the abuse claims.

As previously stated, the Diocese is the poorest diocese in the United States. RCCDG is simply not able to continue to shoulder the cost of defending these claims or to respond to any judgment that will likely be entered on some of the pending lawsuits. Moreover, it is clear that the universe of claims has not yet been identified or asserted. Accordingly, RCCDG filed this Reorganization Case to help focus its efforts and limited financial resources to bring healing to those who were abused, parishioners and others affected by the past acts of sexual abuse committed by clergy and others associated with the Diocese or who ministered within the geographic area of the Diocese. It is through the Reorganization Case that the Diocese seeks to finally and comprehensively address the issues resulting from the abuse crisis that has caused great harm to those who have been abused, plunged an already financially-strapped Diocese into a severe financial crisis, and affected the Catholic Church's traditional ministries in the communities within the Diocese. RCCDG seeks to accomplish these goals by reorganizing its financial affairs pursuant to a plan of reorganization that will, among other things, fairly, justly, and equitably compensate those who were damaged because of sexual abuse by clergy, while allowing the Diocese to continue its ministry and mission, including providing counseling and other services to those who have been harmed and serving an underserved area and population with needed services.

Plan of Reorganization.

It is the hope and desire of RCCDG and the Diocese that all constituencies can come together quickly and confirm a plan of reorganization for RCCDG. RCCDG will be challenged just to pay the costs of administration of the Reorganization Case and its normal operating expenses, without regard to funding a plan to compensate those who have been abused; therefore, RCCDG intends to make every effort to bring the Reorganization Case to as early a conclusion as possible to minimize costs of administration. RCCDG will file a motion for the Court to set a bar date for claims as soon as feasible after the Petition Date. RCCDG also intends to request appointment of an unknown claims representative to represent the interests of claimants who will not have filed claims but for whom a statute of limitations may not yet have run as of the claims bar date or confirmation of a plan of reorganization. RCCDG does not believe that appointment of a minors' representative is necessary in this Reorganization Case because RCCDG is not aware of any abuse that occurred for which any such claimants may still be minors.

It is the desire and intent of RCCDG to work in a collaborative and cooperative manner with all constituencies, and it is in everyone's best interests to move the Reorganization Case expeditiously to conclusion with a minimal amount of litigation. Otherwise, estate assets will be consumed with costs of administration, including professional fees as opposed to being primarily used to compensate those who have been harmed. In that regard, RCCDG would not be opposed to commencing mediation very early in the Reorganization Case as a way to minimize professional fees and move the Reorganization Case to an early successful conclusion.

II. <u>LEGAL ARGUMENT</u>

The Arizona Entity requests that the Court enter an Order pursuant to Fed. R. Bankr. P. 2002(i), 2002(m), and 9007, limiting notice and designating the parties upon whom notice must be served with respect to all matters for which the Bankruptcy Code or Bankruptcy Rules authorize the Court to designate or limit the parties entitled to notice.

Fed. R. Bankr. P. 2002(a) provides that, unless otherwise ordered, notice of specified matters must be provided to, among others, all creditors. Other provisions of the Bankruptcy Code and Bankruptcy Rules require that notice of specific matters be given only to certain designated entities that are entitled to notice of the particular matters and to such other entities as the Court may direct.

Fed. R. Bankr. P. 2002(i) provides that "the court may order that notices required by subdivision (a)(2), (3), and (6) of this rule be transmitted to the United States trustee and be mailed only to the committees . . . appointed under § 1102 of the Code or to their authorized agents and to the creditors and equity security holders who serve on the trustee or debtor in possession and file a request that all notices be mailed to them."

Fed. R. Bankr. P. 9007 grants the Court general authority to regulate notices for matters where the Bankruptcy Code and Bankruptcy Rules do not explicitly designate parties that must receive notice:

When notice is to be given under these rules, the court shall designate, if not otherwise specified herein, the time within which,

the entities to whom, and the form and manner in which the notice shall be given.

See also Fed. R. Bankr. P. 2002(m).

As authorized by the foregoing authority, adoption of a Limited Notice List and related procedures is necessary and appropriate for the following reasons. First, providing notice and copies of motions for all matters to all of the recipients ordinarily required under the Bankruptcy Rules may substantially delay the provision of notice in each particular instance, thereby hampering the conduct of diocesan operations and impeding the consummation of transactions, negotiation of settlements, or the granting of other relief that may be advantageous to the Arizona Entity's estate, as well as the those who assert claims as a result of sexual abuse by religious workers within the geographic territory of the Arizona Entity, and other creditors.

Second, in this case, sending notice to so many recipients on so many occasions is an unnecessary and burdensome expense to the estate. There are over 1,000 creditors and potential and actual parties-in-interest involved in this Reorganization Case, such that mailing notices concerning all matters to each creditor and party-in-interest is impractical and would impose an enormous administrative and economic burden upon the Arizona Entity's estate. As set forth in the Wall Declaration, the Arizona Entity has extremely limited resources. Those resources should be used for reorganization purposes, rather than for copies, postage, or a third-party noticing agent. The use of the limited notice procedure outlined in Fed. R. Bankr. P. 2002(i) is especially appropriate in cases of this size and nature, where providing notice to each individual creditor and party-in-interest would be both burdensome and economically unfeasible.

Third, any party-in-interest who wishes to receive notice may, by special request (a "**Request for Limited Notice**"), be added to the Limited Notice List. Typically, tort claimant committees are extremely active in diocesan reorganization cases. The Arizona Entity believes

that the involvement of the parties-in-interest requesting special notice and any committees appointed pursuant to 11 U.S.C. § 1102 will ensure adequate representation of the interests of the holders of claims and interests generally in the course of this Reorganization Case and in the evaluation of the actions proposed to be taken as described in the notices to be given.

Therefore, based on the foregoing, the Arizona Entity requests that the Court order that all pleadings, including but not limited to notices, motions, stipulations, complaints, and supporting documents such as declarations and exhibits be served only upon the Limited Notice List in the Arizona Entity's Reorganization Case. Any party not on the Limited Notice List who files and serves on the Arizona Entity a Request for Limited Notice more than 21 days after service of this Motion will be entitled to limited notice matters only when the Limited Notice List is next updated by the Clerk of the Court. The Arizona Entity requests that the Clerk of the Court update the Limited Notice List at least once each calendar quarter.

Notwithstanding any of the foregoing, in accordance with Fed. R. Bankr. P. 2002, the Arizona Entity will provide notice to <u>all</u> creditors and parties in interest of the following: (i) the time fixed for filing proofs of claim; (ii) time fixed for filing objections and hearing to consider confirmation of plan; (iii) time fixed to accept or reject plan; and (iv) a proposed use, sale or lease of property of the estate other than in the ordinary course of business.

In addition to the foregoing relief, the Arizona Entity requests that it be authorized to provide the notices in this Reorganization Case by electronic mail ("e-mail") to the extent that the recipient has an e-mail address, and that such service constitutes adequate and good service under the applicable Bankruptcy and Federal Civil Rules of Procedure. Granting this request will save the Arizona Entity's estate considerable expense.

III. NOTICE AND REQUEST FOR EX PARTE RELIEF

To ensure proper notice of the relief requested herein, the Arizona Entity will, within ten days from the date of entry of any order granting the Motion:

(a) Serve all persons included on the official mailing listed maintained by the Clerk of Court for this case with a copy of a Notice of Limited Notice Order and of Requirements for Placement on the Limited Mailing List in substantially the form attached hereto as <u>Exhibit "A"</u> (the "**Notice**"), and a form of Request for Limited Notice in substantially the form attached hereto as <u>Exhibit "B"</u> (the "**Request Form**"); and

(b) File a Certificate of Service of the Notice and the Request Form.

Also, within 35 days after service of the Notice, the Arizona Entity will compile and file of record the initial "Limited Notice List" and make it available to the Clerk of the Court in such form as the Clerk requests.

Notice of the Motion itself has been served to the parties listed on the Certificate of Service attached hereto. The Arizona Entity respectfully submits that no further notice of this Motion is required, and respectfully request that the Court grant the relief requested herein on an immediate, ex parte basis. In the event that a party with standing files any opposition to this Motion, then the Arizona Entity respectfully requests that the Court hear this Motion and such opposition at an emergency hearing, and grant the relief requested herein on an emergency basis so that the already cash-strapped Debtors can avoid the exorbitant and unccessary costs that will be incurred if the Arizona Entity is required to continue to give notice to every party-in-interest to its case.

IV. <u>CONCLUSION</u>

WHEREFORE, the Arizona Entity requests that the Court enter an Order:

A. Granting the Motion;

B. Except where the Court specifically orders otherwise, limiting notice given by the Arizona Entity and other parties regarding matters (i) that otherwise would be noticed to all creditors and other parties in interest in this bankruptcy case and (ii) for which the Bankruptcy Code and Rules authorize the Court to limit notice, only to those creditors who specifically request placement on the limited notice list and to certain other parties specified in this Order.

C. Ordering that the initial Limited Notice List will be comprised of the persons described in paragraph 5 below, and requiring that, after the Arizona Entity submits the initial Limited Notice List to the Clerk of the Court, the Clerk shall maintain the Limited Notice List pursuant to the terms of this order, as well as the case mailing list of all creditors and other parties in interest. The Clerk will update the Limited Notice List at least once each calendar quarter.

D. Ordering that the Limited Notice List shall include

(a) All counsel who file an entry of appearance in this case;

(b) All persons who file a completed Request Form or something substantially

similar;

(c) Counsel for any official committee appointed by the Court;

(d) The case trustee, counsel of record for the case trustee, the Office of the
United States Trustee, the Internal Revenue Service, the New Mexico Taxation and Revenue
Department, and the New Mexico Department of Workforce Solutions;

(e) The twenty largest unsecured creditors;

- (f) Any party against whom relief is sought; and
- (g) Any counsel who may appear on behalf of any tort claimant.

E. Entitling counsel who file an entry of appearance in this case, and persons who file a Request Form more than twenty-one (21) days after service of the Notice, to limited notice matters only when the Limited Notice List is next updated.

F. Authorizing the Arizona Entity to provide notice by e-mail;

G. Requiring all creditors and parties-in-interest to receive notice of the following: (i) the time fixed for filing proofs of claim; (ii) time fixed for filing objections and hearing to consider approval of a disclosure statement and also confirmation of a plan; (iii) time fixed to accept or reject a plan; and (iv) a proposed use, sale or lease of property of the estate other than in the ordinary course of business; and

H. Granting such other relief as the Court deems just and proper under the circumstances.

RESPECTFULLY SUBMITTED this 12th day of November, 2013.

<u>/s/ Susan G. Boswell</u> Susan G. Boswell (AZ Bar No. 004791) Lori L. Winkelman (AZ Bar No. 021400) Elizabeth S. Fella (AZ Bar No. 025236) *Pro Hac Vices Pending* QUARLES & BRADY LLP One S. Church Ave., Suite 1700 Tucson, Arizona 85701 (520) 770-8700 Fax: (520) 623-2418 susan.boswell@quarles.com lori.winkelman@quarles.com elizabeth.fella@quarles.com

-and-

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Proposed Counsel for Debtor

CERTIFICATE OF SERVICE

Pursuant to F.R.C.P. 5(b)(3), F.R.B.P. 9036 and NM LBR 9036-1(b), I hereby certify that service of the foregoing "<u>Motion for an Order Limiting Notice and Establishing a Limited Notice</u> <u>List</u>" was made on November 12, 2013 via e-mail, U.S. Mail or via the notice transmission facilities of the Bankruptcy Court's case management and electronic filing system on the following parties:

U.S. Trustee P.O. Box 608 Albuquerque, NM 87103 ustpregion20.aq.ecf@usdoj.gov

Robert E. Pastor Montoya, Jimenez & Pastor, P.A. 3200 N. Central Ave., Suite 2550 Phoenix, AZ 85012 repastor@mjpattorneys.com *Attorneys for Tort Claimants*

Richard T. Fass Perdue & Kidd, LLP 510 Bering Dr., Suite 550 Houston, TX 77057 rfass@perdueandkidd.com *Attorneys for Tort Claimants*

Ally Bank P.O. Box 380902 Bloomington, MN 55438 Secured Creditor Thomas D. Walker Walker & Associates, P.C. 500 Marquette N.W., Suite 650 Albuquerque, NM 87102 twalker@walkerlawpc.com *Proposed Co-Counsel for Debtor and Debtorin-Possession*

John Manly Manly & Stewart 19100 Von Karman Ave., Suite 800 Irvine, CA 92612 jmanly@manlystewart.com *Attorneys for Tort Claimants*

Pinnacle Bank of Colorado P.O. Box 147 Fort Lupton, CO 80621 Secured Creditor

List of 20 Largest Unsecured Creditors

/s/ Susan G. Boswell

Susan G. Boswell

EXHIBIT "A"

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UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW MEXICO

In re:

BISHOP OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF GALLUP, an Arizona corporation sole, Chapter 11

Case No. 13-13677-t11

Debtor.

NOTICE OF ORDER LIMITING NOTICE AND OF REQUIREMENTS FOR PLACEMENT ON THE LIMITED NOTICE LIST

Because of the large number of creditors and other parties in interest in this case and the significant expense of mailing notices, on November/December ___, 2013 the Court entered an order limiting notice of certain matters (the "**Order**"). The Order provides that, when allowed by the Bankruptcy Code and Rules, the Debtor and other parties may limit notice of matters brought before the Court to creditors and other parties who specifically request placement on the limited mailing list ("**Limited Notice List**"). Certain matters will not be subject to limited notice; notice of those matters will still be given to all creditors and other parties in interest listed on the full mailing list.

If you wish to be placed on the limited mailing list, you must file with the Clerk of Court a completed request for placement on the limited mailing list. A request form is attached. If you don't use the form, the request you file must be substantially similar.

If you file request more than 21 days after this notice was served, you will be added to the Limited Notice List the next time it is updated, but you may miss notice of some matters in the meantime.

/s/ Susan G. Boswell (AZ Bar No. 004791) Lori L. Winkelman (AZ Bar No. 021400) Elizabeth S. Fella (AZ Bar No. 025236) *Pro Hac Vices Pending* QUARLES & BRADY LLP One S. Church Ave., Suite 1700 Tucson, Arizona 85701 (520) 770-8700 Fax: (520) 623-2418 susan.boswell@quarles.com lori.winkelman@quarles.com elizabeth.fella@quarles.com -and-

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Proposed Counsel for Debtor

EXHIBIT "B"

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UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW MEXICO

In re:

BISHOP OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF GALLUP, an Arizona corporation sole, Chapter 11

Case No. 13-13677-t11

Debtor.

REQUEST FOR PLACEMENT ON LIMITED NOTICE LIST

To: United States Bankruptcy Court Clerk 500 Gold Avenue SW, 10th Floor P.O. Box 546 Albuquerque, NM 87103-0546

Please place my name and address, shown below, on the Limited Notice List in this case.

[Signature]	
Name:	
Name of Company (if applicable): _	
Title (if applicable):	
Notice Address:	