



IT IS ORDERED

Date Entered on Docket: September 29, 2014

The Honorable David T. Thuma
United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW MEXICO

In re:

ROMAN CATHOLIC CHURCH OF THE
DIOCESE OF GALLUP, a New Mexico
corporation sole,

Debtor.

Jointly Administered with:

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

This pleading applies to:

- ☒ All Debtors.
☐ Specified Debtor.

Chapter 11

Case No. 13-13676-t11

Jointly Administered with:

Case No. 13-13677-t11

ORDER GRANTING PARTIAL RELIEF FROM CERTAIN ORDERS AND
APPROVING CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT WITH
NEW MEXICO PROPERTY AND CASUALTY INSURANCE GUARANTY
ASSOCIATION

This matter came before the Court in relation to the “Order Granting Debtor’s Motion
Authorizing Debtor to File Portions of Schedule F, the Master Mailing List and Other Pleadings”

and Documents Under Seal and Related Relief,” [Dkt. No. 63] (the “**Sealing Order**”), and the “Order Fixing Time for Filing Proofs of Claim, Approving Claim Forms, and Approving Manner and Form of Notice,” [Dkt. No. 218] (the “**Claims Order**” and together with the Sealing Order, the “**Confidentiality Orders**”). The Confidentiality Orders were previously entered by the Court to, among other things, “maintain the confidentiality of those injured by sexual abuse at the hands of workers of the Catholic Church.” [See Dkt. No. 63 at p. 2.]

At a status hearing on September 23, 2014, the Roman Catholic Church of the Diocese of Gallup (“**RCCDG**”) and the Bishop of the Roman Catholic Church of the Diocese of Gallup (the “**Arizona Entity**” and collectively with RCCDG, the “**Debtors**”) and the Official Committee of Unsecured Creditors (the “**Committee**”) expressed their agreement that the Confidentiality Orders should be slightly modified so that the Debtors and Committee may share sufficient confidential information with various parties, including the New Mexico Property and Casualty Insurance Guaranty Association (“**NMPCGIA**”) to allow it to perform the necessary review and obtain information to determine, among other things, the extent of any insurance coverage available to the Debtors in relation to certain confidential proofs of claim.

Therefore, the Debtors request that the Court approve the Debtors entering into the “Confidentiality and Non-Disclosure Agreement” with NMPCGIA (the “**NMPCGIA Agreement**”), a copy of which is attached hereto as **Exhibit “A.”** The NMPCGIA Agreement will allow, among other things, the Debtors to provide NMPCGIA with copies of the confidential proofs of claim and other information which should be deemed confidential as described in the NMPCGIA Agreement.

The Debtors have worked with the Committee and the NMPCGIA on the form of the NMPCGIA Agreement and the Committee does not object to entry of an Order of the Court allowing the Debtors to enter into the NMPCGIA Agreement.

Based upon the statement of the parties on the record at the September 23, 2014 status hearing, the entire record before the Court, and for good cause shown,

IT IS HEREBY ORDERED:

A. The Debtors are hereby authorized to enter into and abide by the NMPCGIA Agreement attached hereto as Exhibit "A"; and

B. The terms of this Order shall amend the terms of the Confidentiality Orders only to the extent necessary to allow the Debtors to provide the confidential proofs of claim to NMPCGIA and otherwise comply with the NMPCGIA Agreement.

XXX END OF ORDER XXX

Submitted by:

/s/ Lori L. Winkelman

Susan G. Boswell (AZ Bar No. 004791)
Lori L. Winkelman (AZ Bar No. 021400)
Elizabeth S. Fella (AZ Bar No. 025236)

Admitted Pro Hac Vice

QUARLES & BRADY LLP

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-and-

Thomas D. Walker

WALKER & ASSOCIATES, P.C.

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Albuquerque, New Mexico 87102
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Counsel for Debtors

Approved by:

/s/ James I. Stang

James I. Stang

Admitted Pro Hac Vice

PACHULSKI STANG ZIEHL & JONES LLP

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*Counsel for The Official Committee
Of Unsecured Creditors*

/s/ Edward A. Mazel

Edward A. Mazel

ASKEW MAZEL LLC

320 Gold Ave. S.W., Suite 300A
Albuquerque, NM 87102
(505) 433.3097

*Counsel for The New Mexico Property and
Casualty Insurance Guarantee Association*

Exhibit "A"

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

I. RECITALS:

- A. On November 12, 2013, the Roman Catholic Church of the Diocese of Gallup, a New Mexico corporation sole (“**RCCDG**”), and the Bishop of the Roman Catholic Church of the Diocese of Gallup, an Arizona corporation sole (the “**Arizona Entity**” and collectively, the “**Debtors**”), filed their voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the District of New Mexico (the “**Bankruptcy Court**”), commencing Case Numbers 13-bk-13676-t11 and 13-bk-13677-t11 (collectively, the “**Reorganization Cases**”). The Reorganization Cases are jointly administered under Case Number 13-bk-13676-t11 (referred to herein as “**RCCDG Dkt.**”).
- B. On November 25, 2013, the Bankruptcy Court entered an “Order Granting Debtor’s Motion Authorizing Debtor to File Portions of Schedule F, the Master Mailing List and Other Pleadings and Documents Under Seal and Related Relief,” [RCCDG Dkt. No. 63] (the “**Sealing Order**”). The Sealing Order directs the Debtors to “maintain the confidentiality of those alleged to be injured by sexual abuse at the hands of workers of the Catholic Church including names of claimants, any other identifying information such as social security numbers, addresses, telephone numbers, names of close relatives, e-mail addresses, or other similar information and information regarding the specifics of the claimed abuse (the ‘**Confidential Identifying Information**’).” [*Id.* at p. 2.]
- C. On December 17, 2014, the United States Trustee appointed an Official Committee of Unsecured Creditors (the “**Committee**”). [RCCDG Dkt. No. 118.]
- D. On April 11, 2014, the Bankruptcy Court entered an “Order Fixing Time for Filing Proofs of Claim, Approving Claim Forms, and Approving Manner and Form of Notice,” [RCCDG Dkt. No. 218] (the “**Claims Order**”). The Claims Order authorizes all claimants alleging claims against the Debtors arising from sexual abuse (“**Tort Claims**”) to file their proofs of claim (the “**Tort Claim Forms**”) under seal, to be shared with the Committee under a Court-approved confidentiality agreement. [RCCDG Dkt. No. 243.] The completed Tort Claim Forms and all attachments thereto, and other similar information may describe claims against the Debtors as to which the Debtors contend are, or may be, covered by insurance pursuant to a policy or policies issued by The Home Insurance Company (the “**Insurer**”), which Debtors contend are or may be covered by the New Mexico Property and Casualty Insurance Guaranty Association (the “**NMPCGIA**”) pursuant to applicable New Mexico statutes and its statutory obligations. In addition, the Debtors may produce other information to NMPCGIA that relate to the Tort Claims which should also be confidential. Hereinafter the completed Tort Claim Forms and all attachments thereto, and other similar information including any other documents produced with respect to Tort Claims will be referred to as the “**Confidential Documents**”.

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- E. In order to evaluate claims and enter into discussions regarding coverage and covered claims and engage in settlement discussions regarding such claims, NMPCGIA must have access to the Confidential Documents, which contain Confidential Identifying Information.
- F. For purposes of this Agreement, Confidential Identifying Information and Confidential Documents shall collectively be referred to as "**Confidential Information**"; notwithstanding anything to the contrary herein, however, the term "Confidential Information" does not include information regarding the identity of a claimant who has made any written waiver of the confidentiality in the proof of claim.

Now, therefore, the Debtors, Committee, and NMPCGIA hereby agree to and adopt the following procedures (the "Procedures") for protection and sharing of Confidential Information:

II. OPERATIVE PROVISIONS:

- A. The Debtors will file a Motion, acceptable in form to the Committee, requesting the Bankruptcy Court to approve this Agreement. The Debtors shall not be authorized to share any Confidential Information with NMPCGIA unless and until the Bankruptcy Court has entered an Order authorizing the Debtors and Committee to enter into this Agreement.
- B. The Debtors shall provide un-redacted, true and correct copies of Confidential Information to NMPCGIA upon execution of this Agreement by NMPCGIA. NMPCGIA shall not share this information with anyone other than its employees who have a need to know such information to evaluate claims and to participate in discussions, any reinsurers of insurance issued by Insurer to the Debtors, NMPCGIAR's counsel or other professionals to the extent such professionals have a need to know such information to advise NMPCGIA regarding these matters including any employees of NMPCGIA or professional persons. (Each employee and professional who may receive the Confidential Information is referred to herein as a "**Recipient**"). Each Recipient shall execute a Compliance Declaration (the form of which is attached hereto as Appendix "1") prior to receiving any Confidential Information; provided, however, that if there are multiple Recipients in a firm or company that is receiving Confidential Information, only one Compliance Declaration need be executed on behalf of such firm or company. If any information that is identified as Confidential Information is provided to an NMPCGIA by the Committee, the terms of this Agreement shall apply to such Confidential Information provided or produced by the Committee and the Committee and the NMPCGIA do not need to enter into a separate agreement.
- C. NMPCGIA and each Recipient shall hold in complete confidence and shall not permit any third party to, disclose, produce, publish, permit access to, or reveal all or part of any Confidential Information to any party (including claimants or other insurance companies) without first obtaining the written consent of the Debtors and the Committee. In the event of any dispute between NMPCGIA and the Debtors or the Committee regarding disclosure of

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Confidential Information, the Bankruptcy Court shall have jurisdiction to hear all disputes regarding the scope or enforcement of this Agreement and any dispute regarding disclosure of any Confidential Information by NMPCGIA to any third parties. In the event NMPCGIA is served with a subpoena or other court process to produce any Confidential Information, NMPCGIA shall immediately give notice to the Debtor and the Committee of service of such subpoena or court process.

- D. NMPCGIA and each Recipient shall forever maintain the confidentiality of the Confidential Information, together with any copies thereof that are in their possession and any documents created by the Recipient or the NMPCGIA that described the Confidential Information, including without limitation after the Reorganization Cases have concluded. Notwithstanding the foregoing, and unless there are disputes between NMPCGIA and the Debtors that survive the effective date of a confirmed plan of reorganization of the Debtors, NMPCGIA shall return or destroy all copies of written Confidential Information upon the occurrence of the effective date of such plan.
- E. Nothing contained in this Agreement shall affect or modify any confidentiality agreements or orders entered thereon between the Debtors and the Committee.

III. REMEDIES AND INJUNCTIVE RELIEF:

The Confidential Information is potentially distressing and harmful to certain individuals if disclosed without their consent. In many instances, the individuals who have confided in the Debtors by giving their Confidential Information have done so only because they were assured such information would be kept confidential. Accordingly, if NMPCGIA or any Recipient fails to perform any of its obligations hereunder or otherwise fails to comply with any terms or conditions hereof, the individuals who are the subjects of the Confidential Information and the Debtors may suffer immediate, irreparable harm for which monetary damages may not be adequate compensation. In addition to any other remedies available to it at law or in equity, therefore, the Debtors may be entitled to injunctive relief to specifically enforce the terms of this Agreement. The Committee (and any successor thereto under any plan of reorganization confirmed in the Reorganization Cases) will have standing to appear and be heard in any proceeding regarding enforcement of this Agreement.

IV. GENERAL:

- A. This Agreement sets forth the entire understanding and agreement between the Debtors, Committee, and NMPCGIA with respect to the subject matter hereof and supersedes all other oral or written representations and understandings. This Agreement may only be amended or modified by a writing signed by the Debtors, NMPCGIA and the Committee and approved by the Bankruptcy Court, or by order of the Bankruptcy Court.
- B. If any provision of this Agreement is held to be illegal, invalid or unenforceable, such provision shall be eliminated or limited to the minimum extent such that the legality, validity and enforceability of the remaining provisions will not be affected or impaired.

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- C. This Agreement is binding upon the successors, assigns and legal representatives of the Debtors and NMPCGIA, and protects the individuals that are the subjects of the Confidential Information and their successors or assigns.
- D. Any litigation regarding the interpretation, breach, or enforcement of this Agreement will be filed in and heard by the Bankruptcy Court, and the Debtors, the Committee and NMPCGIA hereby submit to the jurisdiction of such court.
- E. The obligations imposed on NMPCGIA and Recipients under this Agreement shall not terminate and shall survive termination of the Reorganization Cases, including without limitation any conversion, dismissal or closing of the Reorganization Cases, and any confirmation of any plan of reorganization.

NMPCGIA

By: [Signature]

Printed Name: EDWARD MAZEL

Title: NMPCGIA's Counsel

*attorney in fact for New Mexico
Property + Casualty Insurance
Guaranty Association.*

September 23, 2014

Roman Catholic Church of the Diocese of Gallup, a New Mexico corporation sole, and Bishop
of the Roman Catholic Church of the Diocese of Gallup, an Arizona corporation sole

By: [Signature]

Printed Name: Lon Winkelman

Title: Debtors' Counsel

September 23, 2014

APPENDIX 1

COMPLIANCE DECLARATION

The undersigned declares:

- 1) I have read and understand the foregoing Confidentiality and Non-Disclosure Agreement (the "Agreement"), which is incorporated herein by this reference.
- 2) I certify that I am a Recipient contemplated by the Agreement as authorized to receive true and complete copies of Confidential Information.
- 3) I agree to comply with and be bound by the Agreement.
- 4) I am aware that contempt sanctions or other sanctions may be entered for my violation of the Agreement or Procedures.
- 5) I agree to submit to the personal jurisdiction of the United States Bankruptcy Court for the District of New Mexico for the enforcement of the Agreement and Procedures.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Dated this 23 day of September, 2014.



Printed Name: EDWARD MAZEL

Firm: Asken & Mazel, LLC

Title or Position: Managing member

Address: 520 Gold Ave SW, Suite 3004
Alb, NM 87102

Telephone Number: 505-433-3097

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- 5) I agree to submit to the personal jurisdiction of the United States Bankruptcy Court for the District of New Mexico for the enforcement of the Agreement and Procedures.

I DECLARE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Dated this 24 day of Sept, 2014.


Printed Name: Mark C. Ish
Firm: Felker, Ish, Ritchie + Geer PA.
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Notice Recipients

District/Off: 1084-1
Case: 13-13676-t11

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TOTAL: 6