

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

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| In re: |) | |
| |) | Chapter 11 |
| CATHOLIC DIOCESE OF WILMINGTON, INC., a Delaware Corporation, ¹ |) | Case No. 09-13560 (CSS) |
| Debtor. |) | Objection Deadline: n/a Hearing Date: n/a |
| |) | |

**DEBTOR’S MOTION PURSUANT TO DEL. BANKR. L.R. 9006-1(e) FOR EXPEDITED
HEARING AND SHORTENED NOTICE ON THE DEBTOR’S MOTION FOR AN
ORDER UNDER SECTIONS 105(a) AND 362 OF THE BANKRUPTCY CODE
RENEWING THE EXISTING EXTENSION OF THE AUTOMATIC STAY TO THE
PARISHES TO PREVENT THE CONTINUATION OF THE PARISH CO-DEFENDANT
CASES AND THE NON-DEBTOR INSURANCE CASE**

The above-captioned debtor and debtor in possession (“CDO” or the “Debtor”), hereby moves (the “Motion to Shorten”) the Court, pursuant to Del. Bankr. L.R. 9006-1(e), for entry of an order, substantially in the form attached hereto as Exhibit A, (i) shortening the applicable notice period and scheduling an expedited hearing on the *Debtor’s Motion for an Order Under Sections 105(a) and 362 of the Bankruptcy Code Renewing the Existing Extension of the Automatic Stay to the Parishes to Prevent the Continuation of the Parish Co-Defendant Cases and the Non-Debtor Insurance Case* (the “Motion”)² filed contemporaneously herewith, and (ii) fixing the deadline by which objections to the Motion, if any, must be filed with the Court and served upon the undersigned counsel for the Debtor. For the reasons set forth below and in the Motion, the Debtor proposes that a hearing on the relief requested in the Motion (the “Hearing”) be heard at the Court’s earliest convenience, and that objections, if any, to the relief requested in

¹ The last four digits of the Debtor’s federal tax identification number are 5439. The Debtor’s mailing address is 1925 Delaware Avenue, P.O. Box 2030, Wilmington, Delaware 19899-2030.

² Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion.

the Motion be filed and served no later than three (3) days prior to the Hearing. In support of this Motion to Shorten, the Debtor respectfully represents as follows:

1. Local Rule 9006-1(c)(i) requires at least fourteen (14) days' notice prior to the hearing date for a motion seeking the relief requested in the Motion. See Fed. R. Bankr. P. 2002(a). Pursuant to Local Rule 9006-1(e), however, such period may be shortened by order of the Court upon written motion specifying the exigencies supporting shortened notice. The Debtor submits that there is sufficient cause to justify shortening the notice period for the hearing on approval of the relief requested in the Motion.

2. On February 4, 2010, the Court entered an order [Docket No. 321] (the "Parishes Stay Order") extending the automatic stay to the Parish Co-Defendant Cases until sixty (60) days after the deadline for creditors to file prepetition claims in the Bankruptcy Case – the Bar Date – which was subsequently fixed as April 15, 2010 by order of the Court. Thus, in accordance with the Parishes Stay Order, the extension of the automatic stay with respect to the Parish Co-Defendant Cases was originally set to expire on June 14, 2010.

3. On February 10, 2010, the Court entered an order [Docket No. 321] (the "Parishes Stay Order") extending the automatic stay to certain parishes to prevent the continuation of the Parish Co-Defendant Cases (as such term is defined in the Parishes Stay Order) until June 14, 2010. By order dated June 1, 2010 [Docket No. 514], the Court further extended the automatic stay applicable to such actions through and including July 30, 2010 (the "Original Stay Period").

4. Although the Debtor believes that, pursuant to Del. Bankr. L.R. 9006-2, the filing of the Motion prior to the expiration of the Original Stay Period serves to automatically extend the Original Stay Period without the necessity for the entry of a bridge order, until the Court

rules on the Motion, the Debtor acknowledges that the applicability of Del. Bankr. L.R. 9006-2 to the Motion is unclear. Thus, the Debtor has filed the Motion to Shorten so that the Hearing may be conducted as soon as possible to reduce the uncertainty surrounding the application of Del. Bankr. L.R. 9006-2 and to minimize the possible disruption of the Bankruptcy Case should some parties in interest proceed as if the Original Stay Period expires as of July 30, 2010.

5. As set forth fully in the Motion, the Debtor filed the Motion to prevent the continuation of the Parish Co-Defendant Cases in their entirety until ninety (90) days after the conclusion of the Mediation (the "New Stay Period"). By the Motion, the Debtor also seeks to extend the automatic stay to include the Non-Debtor Insurance Case. The Debtor submits that absent the renewed extension of the stay to the Parishes for the duration of the New Stay Period, the Debtor, its estate and creditors will suffer real and substantial harm. Thus, in light of the uncertainty surrounding the expiration of the Original Stay Period while the Motion is pending and the possible adverse consequences to Debtor and its estate should some parties take actions inconsistent with the automatic stay, a prompt determination of the Motion is appropriate and warranted.

6. In order to allow interested parties sufficient time to respond to the Motion and the Motion to Shorten, the motions are being served by overnight delivery or hand delivery on (i) the U.S. Trustee; (ii) counsel to the Creditors' Committee; (iii) counsel to the Lay Employees' Committee; (iv) State Court Counsel; (v) the respective courts in which the Parish Co-Defendant Cases and Non-Debtor Insurance Case are pending; and (vi) all parties entitled to notice under Del. Bankr. L.R. 2002-1(b).

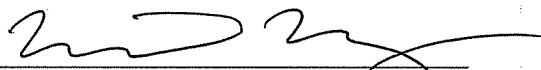
7. Moreover, if the Court grants expedited consideration of the Motion and shortens notice thereof, the Debtor will immediately serve, by hand delivery and overnight mail, as

applicable, a copy of such Order and Notice of the Motion on the same parties who were served with the Motion and the Motion to Shorten. In light of the foregoing, the Debtor submits that all parties in interest will not be unduly prejudiced because they will have appropriate notice of the Hearing and an opportunity to object to the Motion. The Debtor believes that such notice of fair and adequate in light of the nature of the relief requested in the Motion.

WHEREFORE, the Debtor respectfully requests that the Court enter an order substantially in the form attached hereto as Exhibit A approving this Motion to Shorten, scheduling a hearing on the Motion at the Court's earliest convenience, and requiring that any responses or objections to the Motion to be filed and served no later than three (3) days prior to the hearing on the Motion.

Dated: Wilmington, Delaware
July 28, 2010

YOUNG CONAWAY STARGATT & TAYLOR, LLP



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Counsel to the Debtor and Debtor in Possession

EXHIBIT A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

| | | |
|---|---|-------------------------|
| In re: |) | |
| |) | Chapter 11 |
| CATHOLIC DIOCESE OF WILMINGTON, INC., a Delaware Corporation, ¹ |) | Case No. 09-13560 (CSS) |
| |) | |
| Debtor. |) | Ref. Docket Nos. _____ |
| |) | |

**ORDER SCHEDULING AN EXPEDITED HEARING AND SHORTENING NOTICE ON
THE DEBTOR’S MOTION FOR AN ORDER UNDER SECTIONS 105(a) AND 362 OF
THE BANKRUPTCY CODE RENEWING THE EXISTING EXTENSION OF THE
AUTOMATIC STAY TO THE PARISHES TO PREVENT THE CONTINUATION OF
THE PARISH CO-DEFENDANT CASES AND THE NON-DEBTOR INSURANCE CASE**

Upon consideration of the motion (the “Motion to Shorten”)² of the above captioned debtor and debtor in possession (the “Debtor”) for entry of an order (i) shortening the notice period and scheduling an expedited hearing on the *Debtor’s Motion for an Order Under Sections 105(a) and 362 of the Bankruptcy Code Renewing the Existing Extension of the Automatic Stay to the Parishes to Prevent the Continuation of the Parish Co-Defendant Cases and the Non-Debtor Insurance Case* (the “Motion”), and (ii) fixing the deadline by which objections, if any, to the Motion must be filed and served on counsel for the Debtor; and the Court having determined that granting the relief requested in the Motion to Shorten is appropriate; and it appearing that due and adequate notice of the Motion to Shorten has been given under the circumstances, and that no other or further notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED that the Motion to Shorten is granted as set forth herein; and it is further

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² Capitalized terms not defined herein shall have the meanings given to them in the Motion to Shorten.

ORDERED that the hearing to consider the relief requested in the Motion will be held on _____, at __:00 __.m. (ET) (the "Hearing"), and any response to the relief requested in the Motion must be filed and served on the Debtor no later than three (3) days prior to the Hearing; and it is further

ORDERED that, pursuant to Del. Bankr. L.R. 9006-2, the automatic stay currently applicable to the Parish Co-Defendant Cases shall remain in full force and effect pending the determination of the Motion; and it is further

ORDERED that this Court shall retain jurisdiction over any and all matters arising from or related to the interpretation and/or implementation of this Order.

Dated: Wilmington, Delaware
_____, 2010

Christopher S. Sontchi
United States Bankruptcy Judge