

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

In re:	)	
	)	Chapter 11
	)	
CATHOLIC DIOCESE OF WILMINGTON, INC., a Delaware Corporation, <sup>1</sup>	)	Case No. 09-13560 (CSS)
	)	
Debtor.	)	<b>Voting Deadline: June 30, 2011 at 5:00 p.m. (ET)</b>
	)	<b>Confirmation Obj. Deadline: June 30, 2011 at 4:00 p.m. (ET)</b>
	)	<b>Confirmation Hearing Date: July 8, 2011 at 10:00 a.m. (ET)</b>

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**NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) DEADLINE FOR  
VOTING ON PLAN, (III) HEARING TO CONSIDER CONFIRMATION OF PLAN,  
AND (IV) DEADLINE FOR FILING OBJECTIONS TO CONFIRMATION OF PLAN**

**PLEASE TAKE NOTICE OF THE FOLLOWING:**

**APPROVAL OF DISCLOSURE STATEMENT**

1. By order dated May 20, 2011 (the “Disclosure Statement Order”), the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) approved the *Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code with Respect to the Second Amended Chapter 11 Plan of Reorganization of Catholic Diocese of Wilmington, Inc.* (as the same may be amended, modified, and/or supplemented, the “Disclosure Statement”) as containing adequate information within the meaning of section 1125 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”).

**CONFIRMATION HEARING**

2. On **July 8, 2011 at 10:00 a.m. (prevailing Eastern Time)**, or as soon thereafter as counsel may be heard, a hearing (the “Confirmation Hearing”) will be held before the Honorable Christopher S. Sontchi, United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Courtroom #6, Wilmington, Delaware 19801 to consider confirmation of the *Second Amended Chapter 11 Plan of Reorganization of Catholic Diocese of Wilmington, Inc.* (as the same may be amended, modified, and/or supplemented, the “Plan”).<sup>2</sup> The Confirmation Hearing may be adjourned from time to time without further notice to creditors or other parties in interest other than by an announcement of such an adjournment in open court at the Confirmation Hearing. The Plan may be modified in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the terms of the Plan, and other applicable law, without further notice, prior to, or as a result of, the Confirmation Hearing.

**ENTITLEMENT TO VOTE ON PLAN**

3. In accordance with the terms of the Plan and the Bankruptcy Code, holders of Claims that are unimpaired by the Plan are deemed to have accepted the Plan and therefore are not entitled to vote on the Plan. Holders of Claims against the Debtor that are impaired by the Plan and that will receive a distribution on account of such Claims are entitled to vote on the

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<sup>1</sup> 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.

<sup>2</sup> All capitalized terms used in this Notice but not otherwise defined herein shall have the meanings ascribed to such terms in the Disclosure Statement Order or Plan, as applicable.

Plan. The Parish-Only Survivor Claimants are entitled to vote on the Plan solely as to its confirmation as a Settlement Plan. Holders of Claims that are expected to receive no distribution under the Plan are deemed to have rejected the Plan and therefore are not entitled to vote.

4. **May 20, 2011** has been established by the Bankruptcy Court as the record date (the “Voting Record Date”) for determining the creditors entitled to receive solicitation or notice materials in connection with the Plan.

#### **DEADLINE FOR VOTING ON THE PLAN**

5. By the Disclosure Statement Order, the Bankruptcy Court established **June 30, 2011 at 5:00 p.m. (prevailing Eastern Time)** (the “Voting Deadline”) as the deadline by which Ballots accepting or rejecting the Plan must be voted. To be counted, your original Ballot must be actually received on or before the Voting Deadline by The Garden City Group, Inc. (the “Balloting Agent”). Ballots may be (i) mailed to The Garden City Group, Inc., Attn: CDOW Ballot Processing, P.O. Box 9561, Dublin, Ohio 43017-4861, or (ii) delivered by hand or overnight courier to The Garden City Group, Inc., Attn: CDOW Ballot Processing, 5151 Blazer Parkway, Suite A, Dublin, Ohio 43017, during normal business hours. Except in the Debtor’s sole discretion, any Ballot transmitted to the Balloting Agent by facsimile or other electronic means shall not be counted.

#### **INJUNCTIONS, RELEASES, AND EXCULPATION**

6. The Plan contains certain injunction and exculpation provisions. Parties are encouraged to review Article XVI of the Plan.

##### **Section 16.2 – Discharge Injunction**

**Except as otherwise expressly provided in the Plan or in the Confirmation Order, and subject fully to Section 11.2(b) and (c) of the Plan (if the Plan is confirmed as a CDOW-Only Plan), on the Effective Date, pursuant to § 1141(d) of the Bankruptcy Code, the Debtor shall be discharged from any Claim that arose prior to the Effective Date, and all Persons who have held or asserted, hold or assert, or may in the future hold or assert a Discharged Claim shall be permanently stayed, enjoined, and restrained from taking any action, directly or indirectly for the purposes of asserting, enforcing or attempting to assert or enforce any Discharged Claim, including: (i) commencing or continuing in any manner, any action or any other proceeding of any kind with respect to any Discharged Claim against the Debtor, the Reorganized Debtor, or property of the Reorganized Debtor; (ii) seeking the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree, or Order against the Debtor, the Reorganized Debtor, or property of the Reorganized Debtor, with respect to any Discharged Claim; (iii) creating, perfecting, or enforcing any encumbrance or lien of any kind against the Debtor, the Reorganized Debtor, or property of the Reorganized Debtor with respect to any Discharged Claim; (iv) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due to the Reorganized Debtor with respect to any Discharged Claim; and (v) taking any act, in any manner and in any place whatsoever, that does not conform to or comply with provisions of the Plan. In the event any Person takes any action that is prohibited by, or is otherwise inconsistent with the provisions of the discharge injunction in Section 16.2 of the Plan, the remainder of the Plan or Confirmation Order, then, upon notice to the Bankruptcy Court by an affected party, the action or proceeding in which the Claim of such Person is asserted will automatically be transferred to the Bankruptcy Court or the District Court for enforcement of the Plan. In a successful action to enforce the**

injunctive provisions of Section 16.2 of the Plan in response to a willful violation thereof, the moving party (i) shall be entitled to an award of costs (including reasonable attorneys' fees) against the non-moving party, and (ii) may seek such other legal or equitable remedies as are just and proper.

#### **Section 16.4 – Exculpation; Limitation of Liability**

From and after the Effective Date, none of the Exculpated Parties shall have or incur any liability for, and each Exculpated Party shall be released from, any Claim, Cause of Action or liability to any other Exculpated Party, to any holder of a Claim, or to any other party in interest, for any act or omission that occurred during and in connection with the Chapter 11 Case or in connection with the preparation and Filing of the Chapter 11 Case, the formulation, negotiation, and/or pursuit of confirmation of the Plan, the consummation of the Plan, and/or the administration of the Plan and/or the property to be distributed under the Plan, except for Claims, Causes of Action or liabilities arising from the gross negligence, willful misconduct, fraud, or breach of the fiduciary duty of loyalty of any Exculpated Party, in each case subject to determination of such by Final Order of a court of competent jurisdiction and provided that any Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) under the Plan. Without limiting the generality of the foregoing, the Debtor and its officers, member, employees, attorneys, financial advisors, and other Professionals shall be entitled to and granted the benefits of § 1125(e) of the Bankruptcy Code. For the avoidance of doubt, Section 16.4 of the Plan shall not, directly or indirectly, inure to or for the benefit of the Holy See (State of Vatican City), any Religious Order, or any Perpetrator.

#### **Section 16.3 – Channeling Injunction in Settlement Plan**

If the Plan is confirmed as a Settlement Plan, then on and after the Effective Date, in consideration of (a) the promises and obligations of the Debtor, the Reorganized Debtor, the Bishop, and the Non-Debtor Catholic Entities under the Plan (including the provision of the NDCE Settlement Contribution and the non-monetary undertakings set forth in Sections 17.5(b)-(c) of the Plan), and (b) consideration provided, or to be provided, by the Settling Insurers, all Persons who have held or asserted, hold or assert, or may in the future hold or assert any Survivor Claim arising prior to the Effective Date (other than a Survivor Claim that is an Administrative Claim) shall be forever barred and permanently enjoined from pursuing such Survivor Claim against any Protected Party based upon or in any manner arising from or related to any acts or omissions of any Protected Party including (w) for damages of any type, including bodily injury, personal injury, emotional distress, wrongful death and/or loss of consortium, (x) for exemplary or punitive damages, (y) for attorneys' fees and other expenses, fees or costs, (z) for any remedy at law, in equity or admiralty whatsoever, heretofore, now or hereafter asserted against any Protected Party; and all Survivor Claims arising prior to the Effective Date (other than a Survivor Claim that is an Administrative Claim) shall be channeled to and shall be treated, administered, determined, and, if Allowed, paid under the procedures and protocols and in the amounts as established under the Plan and the Settlement Trust Agreement as the sole and exclusive remedy for all Survivor Claimants. This channeling injunction is an integral part of the Plan and essential to its consummation and implementation. It is intended that the channeling of the Survivor Claims as provided in Section 16.3 of the Plan shall inure to and for the benefit of the Protected Parties and shall not, directly or indirectly, inure to or for the benefit of the Holy See (State of Vatican City) or any Non-Settling Insurer, Religious Order, or Perpetrator. In a successful action to enforce the injunctive provisions of Section 16.3 of the Plan in response to a willful violation thereof, the moving party (i) shall be entitled to an award of

costs (including reasonable attorneys' fees) against the non-moving party, and (ii) may seek such other legal or equitable remedies as are just and proper.

**DEADLINE FOR OBJECTIONS TO CONFIRMATION OF THE PLAN**

7. Any objection, comment, or response to confirmation of the Plan (including any supporting memoranda) must be filed with the Clerk of the Bankruptcy Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, together with proof of service, on or before **June 30, 2011 at 4:00 p.m. (prevailing Eastern Time)** (the "Confirmation Objection Deadline") and must (i) be in writing, (ii) state the name and address of the objecting party, (iii) state the amount (if applicable) and nature of the Claim of such party, (iv) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection, and (v) be served on the following parties on or before the Confirmation Objection Deadline: (a) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: David M. Klauder, Esq.; (b) counsel for the Debtor, Young Conaway Stargatt & Taylor, LLP, P.O. Box 391, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, Delaware 19801, Attn: Robert S. Brady, Esq.; (c) counsel for the Creditors' Committee, Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Boulevard, 11th Floor, Los Angeles, California 90067, Attn: James I. Stang, Esq. and Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19801, Attn: Curtis A. Hehn, Esq.; and (d) proposed counsel for the Lay Employees Committee, Pepper Hamilton LLP, Hercules Plaza, Suite 5100, 1313 Market Street, Wilmington, Delaware 19801, Attn: Donald J. Detweiler, Esq.

**COPIES OF PLAN AND DISCLOSURE STATEMENT**

8. Copies of the Plan and the Disclosure Statement may be obtained by contacting the Debtor's court-appointed Balloting Agent either by mail at The Garden City Group, Inc., Attn: CDOW Ballot Processing, P.O. Box 9561, Dublin, Ohio 43017-4861, or by phone at (800) 761-6220. In addition, copies of the Plan and the Disclosure Statement can be accessed (i) via the Balloting Agent's case-designated website at [www.cdowreorganization.com](http://www.cdowreorganization.com); (ii) during regular business hours at the office of the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801; or (iii) for a fee at the Bankruptcy Court's website at [www.deb.uscourts.gov](http://www.deb.uscourts.gov). A PACER login and password are required to access documents on the Bankruptcy Court's website and these can be obtained through the PACER Service Center at [www.pacer.psc.uscourts.gov](http://www.pacer.psc.uscourts.gov).

Dated: May 31, 2011  
Wilmington, Delaware

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/s/ Robert S. Brady

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