

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF NEW YORK

In re:

The Diocese of Buffalo, N.Y.,

Debtor.

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)  
) Case No. 20-10322

)  
) Chapter 11  
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)

**MOTION FOR ENTRY OF AN ORDER PURSUANT  
TO BANKRUPTCY RULES 1007(c) AND 9006(b)(1) EXTENDING  
TIME TO FILE SCHEDULES OF ASSETS AND LIABILITIES,  
SCHEDULES OF CURRENT INCOME AND EXPENDITURES,  
SCHEDULES OF EXECUTORY CONTRACTS AND UNEXPIRED  
LEASES AND STATEMENTS OF FINANCIAL AFFAIRS**

The Diocese of Buffalo, N.Y. (the “Diocese”), by and through its undersigned counsel, hereby files this motion (this “Motion”) for entry of an order pursuant to rules 1007(c) and (c) and 9006(b)(1) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), substantially in the form attached hereto as *Exhibit A*, extending the time to file schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases and statements of financial affairs (collectively, the “Schedules and Statements”). In support of this Motion, the Diocese respectfully represents as follows:

**BACKGROUND**

1. On February 28, 2020 (the “Petition Date”), the Diocese filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (11 U.S.C. § 101 *et seq.*, the “Bankruptcy Code”) with the United States Bankruptcy Court for the Western District of New York (the “Court”), commencing the Diocese’s chapter 11 case (this “Chapter 11 Case”). The Diocese continues to operate its business and manage its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for a trustee or

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examiner has been made in this Chapter 11 Case, and as of the date of this filing, no official committees have been appointed or designated.

2. Information regarding the Diocese's history, business operations and structure, and the events leading up to this Chapter 11 Case is set forth in the *Affidavit of Rev. Peter J. Karalus Regarding Structure and Pre-Filing History of The Diocese of Buffalo and in Support of the Chapter 11 Petition and First Day Pleadings* and the *Affidavit of Charles Mendolera Regarding the Diocese's Assets and Operations and in Support of the Chapter 11 Petition and First Day Pleadings*, each of which was filed on the Petition Date and is incorporated herein by reference.

### **JURISDICTION**

3. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.
4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
5. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).
6. The statutory and rule-based predicates for the relief requested herein are sections 105(a) and 521 of the Bankruptcy Code, and Bankruptcy Rules 1007(c), 2003(a) and 9006(b)(1).

7. The Diocese does not, by filing its petition for relief and other documents in this Chapter 11 Case, waive any of its rights under any applicable law, including, without limitation, the Code of Canon law, the First Amendment of the United States Constitution, the Constitution for the State of New York, the Religious Freedom Restoration Act, the church autonomy doctrine, charitable trust law, New York trust law, and the rights to object to disclosure of information and to contend that certain assets which may be discussed in the Motion are not property of the estate.

### **RELIEF REQUESTED**

8. By this Motion, the Diocese respectfully requests that the Court enter an order extending the time to file the Schedules and Statements through and including March 31, 2020 (an

extension of 17 days, for a total of 31 days from the Petition Date), without prejudice to the Diocese's ability to request additional time should it become necessary.

### **BASIS FOR RELIEF**

9. Pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007(c), the Diocese ordinarily would be required to file the Schedules and Statements within 14 days after the Commencement Date. This Court is authorized to extend the filing deadline "for cause" by Bankruptcy Rules 1007(c) and 9006(b)(1).

10. Section 105(a) of the Bankruptcy Code also provides this Court with the power to grant the relief requested by the Diocese herein. Section 105(a) states that a bankruptcy court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a).

11. The Diocese anticipates that there will be more than 700 creditors and interested parties involved in this Chapter 11 Case, including over 400 individuals whose claims relate to alleged instances of abuse and whose names and other identifying information will be sought to be filed under seal to protect their privacy in accordance with the *Motion for an Order Authorizing the Debtor to file Portions of Schedule F, the Master Creditor Mailing Matrix, and Other Pleadings and Documents Under Seal* filed contemporaneously herewith. Given the need for confidentiality, preparing the Schedules and Statements accurately and with sufficient detail and adherence to confidentiality requires significant attention from the Diocese's personnel and advisors. Further, the Diocese's personnel will be heavily involved with public relations outreach in the days following the Petition Date, to facilitate the stabilization of the Diocese's operations and in support of its mission.

12. In addition to the reasons set forth above, the Diocese respectfully submits that the complexity of its operations, the limited staff available to perform the required internal review of financial records and affairs, the numerous critical operational and mission stabilization matters that the Diocese's personnel must address in the early days of this Chapter 11 Case, the pressure incident to the commencement of this Chapter 11 Case, and the fact that certain prepetition invoices may not be received or entered into the Diocese's accounting system prior to the Petition Date provide ample cause justifying the requested extension of the deadline to file the Schedules and Statements.

13. The Diocese submits that focusing the attention of key personnel on critical operational and chapter 11 compliance issues during the early days of this Chapter 11 Case will help the Diocese make a smoother transition into chapter 11 and, therefore, will ultimately maximize the value of the Diocese's estate for the benefit of creditors and all parties in interest. Consequently, it is in the best interests of the Diocese and its creditors to obtain an extension of the filing deadline set forth under Bankruptcy Rule 1007(c), which would provide the Diocese with a total of 31 days from the Petition Date to file the Schedules and Statements.

14. This Court has previously found cause to extend the filing deadline in other chapter 11 cases. *See, e.g., In re The Diocese of Rochester*, Case No. 19-20905 (Bankr. W.D.N.Y., September 13, 2019) [Docket No. 29]; *In re Jimlyn Enters., Inc.*, Case No. 19-20309-PRW, (Bankr. W.D.N.Y. Apr. 10, 2019) [Docket No. 17]; *In re Brico Techs., Inc.*, Case No. 18-21082-PRW, (Bankr. W.D.N.Y. Nov. 2, 2018) [Docket No. 36]; *In re Warnerworks, LLC*, Case No. 17-20537-PRW, (Bankr. W.D.N.Y. June 2, 2017) [Docket No. 18]; *In re Airborne, Inc.*, Case No. 16-20934-PRW, (Bankr. W.D.N.Y. Sep. 6, 2016) [Docket No. 34]; *In re Rondaxe Props., LLC*, Case No. 15-20222-PRW, (Bankr. W.D.N.Y. Mar. 26, 2015) [Docket No. 28]; *In re Seneca BioEnergy*,

*LLC*, Case No. 14-21470-PRW, (Bankr. W.D.N.Y. Dec. 17, 2014) [Docket No. 12]; and *In re National Air Cargo, Inc.*, Case No. 14-12414-MJK, (Bankr. W.D.N.Y. Oct. 31, 2014) [Docket No. 41].

15. The Diocese submits that this extension should not prevent the Schedules and Statement of Financial Affairs from being filed sufficiently in advance of the initial meeting of creditors.

**NO PRIOR REQUEST**

16. The Diocese has not previously sought the relief requested herein from this or any other court.

WHEREFORE, the Diocese respectfully requests that the Court enter an Order, substantially in the form of the proposed order attached hereto as *Exhibit A*, granting the relief requested herein and providing such other and further relief as the Court deems just and proper.

Dated: February 28, 2020

BOND, SCHOENECK & KING, PLLC

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**EXHIBIT A**

Proposed Order

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF NEW YORK

In re:

The Diocese of Buffalo, N.Y.,

Debtor.

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) Case No. 20-[ 10322 ]  
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) Chapter 11  
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**ORDER PURSUANT TO BANKRUPTCY RULES 1007(c) AND  
9006(b)(1) EXTENDING THE TIME TO FILE SCHEDULES OF  
ASSETS AND LIABILITIES, SCHEDULES OF CURRENT INCOME  
AND EXPENDITURES, SCHEDULES OF EXECUTORY CONTRACTS  
AND UNEXPIRED LEASES AND STATEMENTS OF FINANCIAL AFFAIRS**

Upon the motion of The Diocese of Buffalo, N.Y. (the “Diocese”) for entry of an order (this “Order”) pursuant to Rules 1007(c) and 9006(b)(1) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) extending the time to file schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases and statements of financial affairs [Docket No. \_\_\_\_] (the “Motion”);<sup>1</sup> and it appearing that the Court has jurisdiction to consider the Motion 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 it appearing that proper and adequate notice of the Motion has been given under the circumstances and that, except as otherwise ordered herein, no other or further notice is necessary; and the Court having reviewed the Motion and the record in this Chapter 11 Case and determined that granting the relief requested in the Motion on an interim basis is in the best

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<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

interests of the Diocese, its estate, creditors and other parties in interest; and after due deliberation thereon, and good and sufficient cause appearing therefor;

**IT IS HEREBY ORDERED THAT:**

1. The Motion is granted as set forth herein.
2. The time within which the Diocese shall file the Schedules and Statements is extended, pursuant to Bankruptcy Rules 1007(c) and 9006(b), through and including March 31, 2020, without prejudice to the Diocese's right to seek an additional extension upon cause shown therefor.
3. All time periods set forth in this Order shall be calculated in accordance with Rule 9006(a) of the Federal Rules of Bankruptcy Procedure.
4. The Diocese is hereby authorized to take all actions it determines are necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion.
5. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
6. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Interim Order.

Dated: \_\_\_\_\_, 2020  
Buffalo, New York

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Hon. Carl L. Bucki  
United States Bankruptcy Judge