

June 23, 2026

EDWARD J. EMMONS, CLERK

U.S. BANKRUPTCY COURT

NORTHERN DISTRICT OF CALIFORNIA



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The following constitutes the order of the Court.

Signed: June 23, 2026

A handwritten signature in black ink, reading "William J. Lafferty, III", is written over a horizontal line.

William J. Lafferty, III

U.S. Bankruptcy Judge

Attorneys for Debtor and Debtor in Possession,

Franciscan Friars California, Inc.

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION**

In re:

FRANCISCAN FRIARS OF
CALIFORNIA, INC.,

Debtor.

Case No. 23-41723 WJL

Chapter 11

**ORDER (I) APPROVING DISCLOSURE
STATEMENT AND (II) ESTABLISHING
PROCEDURES FOR PLAN
SOLICITATION, NOTICE, AND
BALLOTING**

Judge: Hon. William J. Lafferty

1 This matter coming before the Court on the motion of The Franciscan Friars of California,
2 Inc., the debtor and debtor in possession (the “**Debtor**”) in the above-captioned chapter 11
3 bankruptcy case (the “**Chapter 11 Case**”) and the Official Committee of Unsecured Creditors
4 (the “**Committee**,” and together with the Debtor, the “**Plan Proponents**”) for entry of an order,
5 under Sections 105, 1123(a), 1124, 1125, 1126 and 1128 of title 11 of the United States Code (the
6 “**Bankruptcy Code**”), Rules 2002, 3016, 3017, 3018 and 9006(c) of the Federal Rules of
7 Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rules 3017-1 and 3020-1 of the
8 Bankruptcy Local Rules for the Northern District of California (the “**Local Rules**”), approving:

- 9 (i) the adequacy of the *First Amended Disclosure Statement in Support of Second*
10 *Amended Joint Plan of Reorganization for the Franciscan Friars of California,*
11 *Inc. Dated June 22, 2026* [Docket No. 1732] (together with all schedules and
12 exhibits thereto, and as may be modified, amended, or supplemented from time to
13 time, the “**Disclosure Statement**”);
- 14 (ii) procedures (the “**Solicitation Procedures**”) for solicitation and tabulation of votes
15 to accept or reject the *Second Amended Joint Plan of Reorganization for the*
16 *Franciscan Friars of California, Inc. Dated June 22, 2026* [Dkt. No. 1731]
17 (together with all schedules and exhibits thereto, and as may be modified,
18 amended, or supplemented from time to time, the “**Plan**”), including:
- 19 a. the proposed record date for voting on the Plan (the “**Voting Record**
20 **Date**”);
- 21 b. the contents of solicitation packages to be transmitted to creditors;
- 22 c. the form of ballots for submitting votes to accept or reject the Plan (the
23 “**Ballots**”);
- 24 (iii) procedures for releases by Holders of Channeled Claims;
- 25 (iv) the procedure for tabulating votes;
- 26 (v) scheduling certain dates and deadlines in connection with the confirmation hearing
27 of the Plan (“**Confirmation Hearing**”) and the form and manner of notices related
28 to the Plan and the Confirmation Hearing (“**Confirmation Hearing Notice**”); and
- (vi) other related relief.

26 A hearing was held on June 11, 2026 at 10:00 a.m. to consider the relief requested in the
27 Motion (the “**Hearing**”); and upon all of the proceedings before the Court; and the Court having
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1 determined that the legal and factual bases in the Motion establish just cause for the granted
2 relief; and it appearing that the relief requested in the Motion is in the best interests of the Debtor,
3 its estate and its creditors; and after due deliberation and sufficient cause appearing therefor;

4 **IT IS HEREBY FOUND AND DETERMINED THAT:**

5 A. This Court has jurisdiction to consider the Motion and the relief requested therein
6 including approval of the Disclosure Statement, in accordance with 28 U.S.C. §§ 157, 1334. This
7 matter is a core proceeding under 28 U.S.C. § 157(b).

8 B. The Disclosure Statement contains adequate information about the Plan under
9 Section 1125 of the Bankruptcy Code.

10 C. The Disclosure Statement (including all applicable exhibits thereto) provides
11 sufficient notice of the injunction, exculpation, and release provisions contained in the Plan, in
12 accordance with Bankruptcy Rule 3016(c).

13 D. Due and proper notice of the Disclosure Statement, the Motion, the Hearing, and
14 the deadline for filing objections to the Disclosure Statement was provided and no further notice
15 is necessary.

16 E. The forms of Ballots approved herein are consistent with Official Form No. 314,
17 address the particular needs of this Chapter 11 Case, and are appropriate for the Holders of Class
18 2, Class 3, Class 4, Class 5, Class 6, and Class 8 Claims entitled to vote to accept or reject the
19 Plan. The voting instructions attached to the Ballots contain adequate information to instruct all
20 members of the Voting Classes how to submit their vote.

21 F. Holders of Claims in Class 1 (Priority Non-Tax Claims) are unimpaired and
22 conclusively presumed to accept the Plan, and Holders of Claims in Class 7 (Inbound
23 Contribution Claims) are impaired and deemed to reject the Plan (Class 1 and Class 7 Claims are
24 collectively, the **“Non-Voting Classes”**). Accordingly, members of the Non-Voting Classes are
25 not entitled to receive a Ballot or to vote to accept or reject the Plan.

G. The period, as set forth below, during which the Plan Proponents may solicit acceptances to the Plan is a reasonable period of time for entities entitled to vote on the Plan to make an informed decision whether to accept or reject the Plan.

H. The procedures for the solicitation and tabulation of votes to accept or reject the Plan set forth herein provide for a fair and equitable voting process and are consistent with Section 1126 of the Bankruptcy Code.

I. The procedures proposed in the Motion for confirming the consent of Holders of Class 5 and Class 6 Abuse Claims to the Plan's Release of Channeled Claims¹ of third parties and related injunctions, including without limitation a channeling injunction that permanently channels all Channeled Claims to the extent set forth in the Plan to a Trust (as defined and further described in the Disclosure Statement and Plan) are fair and equitable.

NOW, THEREFORE, IT IS ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

2. Any and all objections to the Motion, including without limitation any objections to the adequacy of the Disclosure Statement, not otherwise settled or withdrawn are hereby overruled in their entirety.

3. The following dates and times are hereby approved:

Event	Date
Voting Record Date	Date on which this Order is entered
Deadline to File Plan Supplement	June 25, 2026
Mailing of Confirmation Hearing Notice	No later than July 1, 2026
Solicitation Date	July 1, 2026
Voting Deadline	August 5, 2026
Deadline to File Voting Declaration	August 12, 2026
Deadline to File Brief in Support of Confirmation	August 12, 2026
Deadline to File Rule 3018 Motion	August 14, 2026
Deadline to Object to Confirmation	August 19, 2026

¹ Capitalized terms used but otherwise not defined herein shall have the meaning ascribed to them in the Motion, Disclosure Statement, or Plan, as applicable.

Deadline to Reply to Objections to Confirmation	September 9, 2026
Confirmation Hearing	September 21, 2026, at 9:00 a.m. (Pacific Time), or as soon thereafter as convenient for the Court

Approval of Documents

4. The Disclosure Statement is hereby approved under 11 U.S.C. § 1125(b) and Fed. R. Bankr. P. 3017(b).

5. The Ballots are hereby approved for purposes of solicitation and voting on the Plan in substantially the forms attached to the *Notice of Revised Form of Plan Solicitation Documents* [Dkt. No. 1733] (the “**Solicitation Documents Notice**”) as **Exhibits 3 through 8**.

6. The form of Confirmation Hearing Notice is approved in substantially the form attached to the Solicitation Documents Notice as **Exhibit 10**.

7. The form of Notice of Non-Voting Status is approved in substantially the form attached to the Solicitation Documents Notice as **Exhibit 9**.

8. The Plan Proponents are authorized to include a Committee Cover Letter with the Solicitation Package.

9. The Plan Proponents shall publish the Confirmation Hearing Notice (in an abridged and/or modified format for publication) once in the San Francisco Chronicle, Wall Street Journal, Seattle Times, Spokesman-Review, Oregonian, Statesman Journal, East Bay Times, Mercury News, Sacramento Bee, The Californian, Fresno Bee, San Luis Obispo Tribune, Monterey Herald, Los Angeles Times, Orange County Register, Santa Barbara Independent, San Diego Union Tribune, Record Gazette, Arizona Republic, Arizona Daily Star, Gallup Independent, Las Cruces Sun News, Albuquerque Journal, Las Vegas Review Journal, Pueblo Chieftain, Gric News (GRIN), Apache Messenger, and Lakota Times (or publications of similar circulation) on or before **July 1, 2026**.

The Confirmation Hearing

10. The Confirmation Hearing shall commence at **9:00 a.m. (prevailing Pacific time)** on **September 21, 2026**, and continue thereafter as necessary.

1 11. The Confirmation Hearing may be adjourned or continued from time to time by
2 the Court or jointly by the Plan Proponents without further notice except for as announced in
3 open court or as filed on the Court's docket. The Plan may be modified under Section 1127 of
4 the Bankruptcy Code before, during, or as a result of the Confirmation Hearing, in each case
5 without further notice to parties in interest.

6 12. Objections or responses to confirmation of the Plan, if any, must (a) be in writing;
7 (b) conform to the Bankruptcy Rules and the Local Rules; (c) state the basis for the objection, and
8 the specific grounds therefor; and (d) be filed with the Court and served so as to be received not
9 later than **August 19, 2026** (the "**Confirmation Objection Deadline**"), by (i) counsel to the
10 Debtor, Binder Malter Harris & Rome-Banks LLP, 1625 The Alameda, Suite 101, San Jose, CA
11 95126, Attn: Robert G. Harris (**rob@bindermalter.com**), Julie H. Rome-Banks
12 (**julie@bindermalter.com**), and Reno Fernandez (**reno@bindermalter.com**); (ii) the Office of
13 the United States Trustee for the Northern District of California, Office of the United States
14 Trustee, 450 Golden Gate Avenue, Room 05-0153, San Francisco, CA 94102, Attn: Jason
15 Blumberg (**jason.blumberg@usdoj.gov**); (iii) counsel to the Official Committee of Unsecured
16 Creditors, Keller Benvenuti Kim LLP, 101 Market Street, Suite 1950, San Francisco, CA 94104,
17 Attn: Gabrielle L. Albert (**galbert@kbkllp.com**), Lowenstein Sandler LLP, One Lowenstein
18 Drive, Roseland, NJ 07068, Attn: Jeffrey D. Prol (**jprol@lowenstein.com**) and Brent
19 Weisenberg (**bweisenberg@lowenstein.com**), and Burns Bair LLP, 10 East Doty Street, Suite
20 600, Madison, WI 53703, Attn: Timothy W. Burns (**tburns@burnsbair.com**) and Jesse J. Bair
21 (**jbair@burnsbair.com**); and (iv) those who have formally appeared and requested service in
22 this case under Rule 2002 of the Federal Rules of Bankruptcy Procedure. All objections not
23 timely filed and served in accordance with the provisions of this Order are hereby deemed waived
24 and will not be considered by this Court.

25 13. The Plan Proponents and any other party in interest supporting the Plan shall file
26 any reply to any objections to confirmation no later than **September 9, 2026**.

1 **Solicitation Procedures**

2 14. For the purposes of determining (a) upon whom service must be made following
3 approval of the Disclosure Statement under Rule 3017(d), and (b) which Holders of Claims are
4 entitled to vote on the Plan under Rule 3018(a), the Voting Record Date shall be the date on
5 which the Disclosure Statement Order is entered.

6 15. The Voting Record Date shall also be the record date for purposes of determining
7 which Creditors are entitled to receive a Notice of Non-Voting Status.

8 16. No later than **July 1, 2026** (the “**Solicitation Deadline**”), the Plan Proponents
9 shall complete service of Solicitation Packages upon all Holders of Claims in Classes 2 (General
10 Unsecured Claims), 3 (SAF Claim), 4 (Province of St. John the Baptist Claim), 5 (Abuse Claims
11 Other Than Unknown Abuse Claims), 6 (Unknown Abuse Claims), and 8 (Non-Abuse Litigation
12 Claims) (collectively, the “**Voting Classes**”), entitled to vote on the Plan as of the Voting Record
13 Date.

14 17. Solicitation Packages distributed to Holders of Claims in Voting Classes shall
15 contain a copy of (i) the Confirmation Hearing Notice; (ii) this Order; (iii) the appropriate Ballot
16 to accept or reject the Plan, with detailed voting instructions and a pre-addressed, postage prepaid
17 return envelope; (iv) the Disclosure Statement and Plan, which may be provided in USB drive or
18 QR Code form, at the discretion of the Plan Proponents; and (v) such other material as the Court
19 may direct. The Plan Proponents are authorized to make non-substantive changes to the
20 Disclosure Statement, the Plan, and related documents without further order of the Court,
21 including ministerial changes to correct typographical and grammatical errors, and to make
22 conforming changes among the Disclosure Statement, the Plan, and any other materials in the
23 Solicitation Packages, before mailing the Solicitation Packages.

24 18. Solicitation Packages shall be provided to all Holders of Claims in the Voting
25 Classes who filed Proofs of Claim before the applicable Bar Date (or whose Claims were deemed
26 timely by order of this Court). Notwithstanding the foregoing, all persons who filed a Proof of
27 Claim asserting an Abuse Claim shall receive a Solicitation Package containing a Ballot for voting
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1 on the Plan, regardless of the contingent, unliquidated, and disputed nature of such Claim, and
2 notwithstanding any pending objections to their Claims.

3 19. The Debtor's solicitation agent, Donlin Recano & Company, LLC ("**DRC**") will
4 transmit the Solicitation Package to the known Holders of Claims in the Voting Classes, other
5 than Class 5 or Class 6, based upon names and addresses in the Proofs of Claim filed by the
6 claimants, or the Debtor's schedules if no Proof of Claim was filed by the Voting Record Date.

7 20. All Solicitation Packages for Holders of Abuse Claims in the Voting Classes shall
8 be served via the noticing address included on their Proof of Claim, if any, based on the
9 information reflected on DRC's claims register as of the Voting Record Date. If such noticing
10 address is the address of the attorney for the holder of the Abuse Claim, the holder of the Abuse
11 Claim will be served the Solicitation Package through such attorney unless they have notified the
12 Plan Proponents or DRC that the attorney's representation has terminated. To avoid duplication
13 and reduce expenses, the Plan Proponents may serve attorneys who represent more than one
14 Holder of a Class 5 Abuse Claim with only one copy of the Solicitation Package, provided the
15 Plan Proponents shall provide separate Ballots for each such Holder of a Class 5 Claim. Holders
16 of Abuse Claims not represented by counsel, or who have notified the Plan Proponents or DRC
17 that the representation has terminated, will be provided notice on record as set forth above.

18 21. The Plan Proponents shall provide the Unknown Abuse Claims Representative
19 with a single Class 6 Ballot for purposes of voting to accept or reject the Plan in their capacity as
20 representative for all Holders of Class 6 Claims. Compliance with this paragraph shall constitute
21 sufficient notice and service of the Solicitation Package with regard to Class 6 Claims.

22 22. The Plan Proponents may provide creditors who have more than one Claim
23 with only one Solicitation Package and one Ballot for each Voting Class to which they belong.

24 23. The Plan Proponents are not required to distribute a Solicitation Package to any
25 person who holds a Claim as to which no Proof of Claim has been filed and that either (i) is
26 scheduled as contingent, unliquidated, or disputed, or (ii) is not scheduled in an amount greater
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1 than \$0, unless the Holder of such Claim files a motion for temporary allowance of a claim under
2 Bankruptcy Rule 3018.

3 24. Not later than the Solicitation Deadline, the Plan Proponents shall serve Holders
4 of Claims in the Non-Voting Classes with (i) the Confirmation Hearing Notice, and (ii) the Notice
5 of Non-Voting Status.

6 25. Not later than the Solicitation Deadline, the Plan Proponents shall distribute
7 copies of the Confirmation Hearing Notice, this Order, and the Disclosure Statement and Plan,
8 which may be in USB drive or QR Code form, at the discretion of the Plan Proponents, to: (a) the
9 United States Trustee; (b) counsel for the Committee; (c) the United States Attorney for the
10 Northern District of California; and (d) all other persons that have filed notices of appearances
11 and requests for documents in the Chapter 11 Case, to the extent such persons are not separately
12 receiving a Solicitation Package or Notice of Non-Voting Status.

13 26. Not later than the Solicitation Deadline, the Plan Proponents shall distribute a
14 copy of the Confirmation Hearing Notice to any other persons listed on the master mailing matrix
15 maintained for the Chapter 11 Case, to the extent such persons are not separately identified herein
16 to receive notice.

17 27. The Plan Proponents are not required to distribute physical copies of the Plan,
18 Disclosure Statement, or Disclosure Statement Order to any Holder of a Claim in a Non-Voting
19 Class, or any Holder of an Unclassified Claim, unless such party makes a request for copies of
20 such documents by (a) calling the Debtor's toll-free restructuring hotline at (888) 444-4055
21 (U.S./Canada), or (b) e-mailing **ffcinfo@AngeionGroup.com**.

22 28. Any party-in-interest may obtain free of charge an electronic or paper copy of the
23 Plan, Disclosure Statement, this Order, or related documents by (a) calling the Debtor's toll-free
24 restructuring hotline at (888) 444-4055 (U.S./Canada), or (b) e-mailing
25 **ffcinfo@AngeionGroup.com**.

26 29. The Ballots, the Notice of Non-Voting Status, and the Confirmation Hearing
27 Notice shall be distributed in paper format, but because the Plan and Disclosure Statement may
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1 be cumbersome and costly to print and mail, the Plan Proponents are authorized to distribute, or
2 cause to be distributed, the Plan, Disclosure Statement, and this Order via USB drive or QR Code,
3 at the Plan Proponents' discretion.

4 30. Service of the Confirmation Hearing Notice together in accordance with this
5 Order is hereby found to be adequate and reasonably calculated under the circumstances to
6 comply with the due process rights of all creditors and parties in interest, including, without
7 limitation, all Holders of Claims that may be subject to the Release by Holders of Channeled
8 Claims provided for under the Plan, and no other or further notice of the Confirmation Hearing is
9 necessary or shall be required.

10 **Voting and Tabulation**

11 31. To be counted as a vote to accept or reject the Plan, all Ballots must be properly
12 completed, signed, dated and returned by only one of the following return methods: (a) first-class
13 mail (whether in the return envelope provided with each Ballot or otherwise); (b) overnight
14 courier; (c) hand delivery; or (d) electronic, online transmission, through a customized online
15 balloting portal (the "**E-Balloting Portal**") on the Bankruptcy Case website maintained by DRC.
16 Any parties entitled to vote on the Plan may cast an electronic Ballot which allows the claimant
17 to electronically sign and submit a Ballot instantly by using the E-Balloting Portal. To be counted,
18 Ballots must be received by DRC no later than **9:00 p.m. prevailing Pacific Time on August 5,**
19 **2026** (the "**Voting Deadline**"). The Plan Proponents may extend the Voting Deadline in their
20 discretion as to any individual Claim or Claims or as to all Claims.

21 32. The Tabulation Procedures and Supplemental Abuse Claim Tabulation
22 Procedures, as set forth in the Motion, are hereby approved.

23 33. The following Ballots will not be counted or considered for any purpose in
24 determining whether the Plan has been accepted or rejected: (i) any Ballot received after the Voting
25 Deadline unless the Plan Proponents, in writing, grant an extension of the Voting Deadline with
26 respect to such Ballot; (ii) any Ballot that is illegible or contains insufficient information to permit
27 the identification of the voter; (iii) any Ballot cast by a person or entity that does not hold a Claim
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1 in a Class entitled to vote to accept or reject the Plan; (iv) any unsigned Ballot; and (v) any Ballot
2 submitted by email, facsimile, or any other means of electronic submission other than use of the
3 E-Balloting Portal, unless the Plan Proponents specifically consent in writing to receipt of such
4 Ballot by such means.

5 34. If any creditor seeks to challenge the allowance or disallowance of its Claim for
6 voting purposes in accordance with the above procedures, such creditor shall serve a motion for an
7 order under Bankruptcy Rule 3018(a) temporarily allowing such Claim for purposes of voting
8 to accept or reject the Plan on or before the tenth (10th) business day after service of the
9 Confirmation Hearing Notice.

10 35. Upon the expiration of the Voting Deadline, DRC will certify in writing (the
11 **“Voting Declaration”**) the amount and number (as applicable) of Allowed Claims in the Voting
12 Classes that voted to accept or reject the Plan. The Plan Proponents shall file the Voting
13 Declaration and copies of all voting ballots not later than three days before the Confirmation
14 Hearing under Local Bankruptcy Rule 3020-1(a).

15 **Other Matters**

16 36. The Plan Proponents and DRC are authorized and empowered to take such
17 steps, expend such monies, and perform such acts as may be necessary to implement and
18 effectuate the terms of this Order.

19 37. The terms and conditions of this Order shall be immediately effective and
20 enforceable upon its entry.

21 38. This Court retains jurisdiction over any and all matters arising out of or related
22 to the interpretation or implementation of this Order.

23 *** END OF ORDER ***
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COURT SERVICE LIST

None.