1 2 3 4 5 6 7	STEVEN H. FELDERSTEIN, State Bar No. PAUL J. PASCUZZI, State Bar No. 148810 JENNIFER E. NIEMANN, State Bar No. 142 FELDERSTEIN FITZGERALD WILLOUGHBY & PASCUZZI LLP 400 Capitol Mall, Suite 1750 Sacramento, CA 95814 Telephone: (916) 329-7400 Facsimile: (916) 329-7435 sfelderstein@ffwplaw.com ppascuzzi@ffwplaw.com	2151			
8	Proposed Attorneys for The Roman Catholic Bishop of Stockton				
9	UNITED STATES BANKRUPTCY COURT				
10	EASTERN DISTRICT OF CALIFORNIA				
11	SACRAMENTO DIVISION				
12	In re:	CASE NO.	14-20371-C-11		
13	THE ROMAN CATHOLIC BISHOP OF STOCKTON, a California corporation sole,	DCN: FWP-5			
14		Date: February 26, 2014			
15	Debtor-In-Possession.	Time: Courtroom:	10:00 a.m. 35		
16 17			501 I Street, 6th Floor Sacramento, CA		
18					
19	MOTION FOR AUTHORITY TO EMPLOY HEENAN COMMUNICATIONS AS PUBLIC RELATIONS CONSULTANT				
20	The Roman Catholic Bishop of Stockton, a California corporation sole, the Debtor and				
21	Debtor in Possession herein (the "Debtor" or the "RCB"), hereby requests authority to employ				
22	Heenan Communications as its public relations consultant, and in support of this Motion,				
23	respectfully represents the following:				
24	JURISDICTION AND VENUE				
25	1. This Court has jurisdiction over this case and this matter pursuant to 28 U.S.C. §§				
26	157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. §157(b)(2)(A). Venue				
27	is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.				
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1	2. The statutory predicates for the relief requested herein are sections 105(a), 328,
2	and 363(b) of title 11 of the United States Code, 11 U.S.C. §§ 101, et. seq. (the "Bankruptcy
3	Code"). This motion is made pursuant to Bankruptcy Code sections 328, Bankruptcy Rules 2014,
4	2016 and 5002, and the Guidelines of the Office of the United States Trustee ("UST Guidelines").
5	BACKGROUND
6	3. On January 15, 2014, the Debtor filed a voluntary Chapter 11 Bankruptcy Petition
7	("Petition Date"). The Debtor remains in possession of its estate, no trustee having been
8	appointed. The Debtor is operating and managing its business as a debtor-in-possession pursuant
9	to the provisions of Sections 1107 and 1108 of the Bankruptcy Code.
10	RELIEF REQUESTED
11	4. By this Motion, the Debtor respectfully request the entry of an order, pursuant to
12	Bankruptcy Code section 328, or in the alternative, section 363(b) (i) authorizing the employment
13	and retention of Heenan Communications whose address is 504 Southgate Road, Sacramento,
14	California 95815, as its public relations consultant effective as of the Petition Date, and (ii)
15	approving the engagement agreement between the Debtor and Heenan Communications
16	("Engagement Agreement"), attached as Exhibit B to the Exhibit Document filed with this
17	Motion.
18	REASON FOR SELECTION
19	5. On January 15, 2014, the RCB commenced its chapter 11 reorganization case.
20	The RCB filed this case in order to reorganize its financial affairs pursuant to a plan of
21	reorganization that will, among other things, fairly, justly, and equitably compensate victims of
22	sexual abuse by clergy or others associated with the RCB and bring healing to victims,
23	parishioners and others affected by past acts of sexual abuse. The RCB has limited funds with
24	which to respond to the variety of demands from its creditors. The RCB requires the bankruptcy
25	court's protection and the protection of the bankruptcy laws to make fair and equitable payment
26	on all of the claims against it, including the claims by victims of abuse, trade creditors, the
27	parishes and others, while continuing its ministries and support it offers to Catholic parishes and
28	communities.

6. 1 The Debtor recognizes and has accepted the responsibility to share information with the faithful and the communities it serves throughout the bankruptcy process. It further 2 recognizes that satisfying this responsibility is likely to require assistance and expertise from a 3 consultant experienced in external and internal communications. Given the unique and sensitive 4 nature of this matter, the Debtor has requested the services of Heenan Communications as its 5 6 public relations consultant. Heenan Communications has substantial knowledge and experience that will enable them to perform services of special benefit to the Debtor and its estate in a cost 7 effective manner and ensure transparency of the process to the Catholic parishes and communities 8 9 the Debtor serves. 7. Heenan Communications has agreed to provide advice, counsel and support related 10 to the Debtor's internal and external communications. 11 DISINTERESTEDNESS 12 8. Except as set forth in the verified statement of Michael Heenan filed herewith, 13 pursuant to Rule 2014, and to the best of Mr. Heenan's knowledge, information and belief, 14 Heenan Communications (i) does not have any disqualifying connections with the Debtor, its 15 creditors, or with any parties in interest, or with their attorneys and accountants, or with the office 16 of the United States Trustee, or with any person employed in the office of the United States 17 Trustee which would preclude employment, and (ii) does not now hold or represent any interest 18 19 materially adverse to the interests of the estate or of any class of creditors or equity security holders. 20 **COMPENSATION** 21 9. Heenan Communications has agreed to undertake this matter for a lower than 22 23 customary monthly fee of \$5,000 plus reimbursement of related and reasonably incurred expenses, subject to prior approval by the Debtor. The monthly fee is roughly half of the normal 24 fee Heenan Communications charges in the ordinary course of its business. The Debtor has 25 agreed to maintain a retainer in the amount of \$10,000 against which Heenan Communications 26

will draw its monthly fee to be replenished in the ordinary course of business.

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1	LEGAL ANALYSIS
2	10. The primary basis for this motion is section 328(a). However, in the alternative,
3	the Debtor relies on section 363(b). Section 363 of the Bankruptcy Code provides, in relevant
4	part, that a debtor in possession "after notice and hearing, may use, sell or lease, other than in the
5	ordinary course of business, property of the estate." 11 U.S.C. § 363(b). Under applicable case
6	law in this and other circuits, courts will approve a debtor's proposed use of its assets under
7	section 363(b) if it represents a sound business purpose on the part of the debtor. See, e.g., In re
8	240 North Brand Partners, Ltd., 200 B.R. 653, 659 (9th Cir. BAP 1996) ("[D]ebtors who wish to
9	utilize § 363(b) to dispose of property of the estate must demonstrate that such disposition has a
10	valid business justification."); In re Montgomery Ward Holding Corp., 242 B.R. 147, 153 (Bankr.
11	D. Del. 1999) ("In evaluating whether a sound business purpose justifies the use, sale or lease of
12	property under Section 363(b), courts consider a variety of factors, which essentially represent a
13	business judgment test."); In re Martin, 91 F.3d 389, 395 (3d Cir. 1996) (courts defer to a
14	trustee's judgment concerning use of property under § 363(b) when there is a legitimate business
15	justification); In re Delaware & Hudson R.R. Co., 124 B.R. 169, 175-76 (D. Del. 1991) (courts
16	have applied the "sound business purpose" test to evaluate motions brought pursuant to section
17	363(b)). Under the business judgment rule, a court will not interfere with the judgment of a board
18	of directors unless there is a showing of "gross and palpable overreaching." In re Marvel Entm't
19	Group, Inc., 273 B.R. 58, 78 (Bankr. D. Del. 2002) ("under the business judgment rule, a board's
20	'decisions will not be disturbed if they can be attributed to any rational purpose' and a court 'will
21	not substitute its own notions of what is or is not sound business judgment") (citing Sinclair Oil
22	Corp. v. Levien, 280 A.2d 717, 719-20 (Del. 1971)). In the alternative, the Debtor requests
23	employment under section 328 of the Bankruptcy Code.

11. The Debtor submits that the employment of Heenan Communications is a sound
exercise of its business judgment and satisfies section 363 of the Bankruptcy Code as the services
of Heenan Communications are necessary and essential to the Debtor's reorganization efforts and
overall administration of this bankruptcy case. In addition to the specific knowledge they have
acquired about the Debtor's business, Mr. Heenan and the additional personnel to be assigned to

1	this engagement have extensive experience providing management services to distressed		
2	companies.		
3	CONCLUSION		
4	12. The Debtor believes it is essential that Heenan Communications be employed to		
5	provide the services described above and that Heenan Communications be permitted to bill and		
6	be paid as described herein.		
7	WHEREFORE, based upon the foregoing, the Debtor requests that the Court enter an		
8	order authorizing:		
9	1. The employment of Heenan Communications, LLC under sections 328(a), or in		
10	the alternative, sections105(a) and 363 of the Bankruptcy Code, as its public relations consultant		
11	on the terms and conditions set forth above;		
12	2. The employment to be effective as of January 15, 2014, and		
13	3. For such other and further relief as the Court may deem proper in the		
14	circumstances.		
15	Dated: January 23, 2014		
16	FELDERSTEIN FITZGERALD WILLOUGHBY & PASCUZZI LLP		
17	WILLOUGHBT & FASCUZZI LLF		
18	By: <u>/s/ Paul J. Pascuzzi</u> PAUL J. PASCUZZI		
19	Proposed Attorneys for The Roman Catholic Bishop of Stockton		
20	The Roman Catholic Bishop of Stockton		
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	-5- MOTION TO EMPLOY PUBLIC RELATIONS CONSULTANT		