Joseph E. Shickich, Jr.
George E. Frasier
RIDDELL WILLIAMS P.S.
1001 4th Ave Ste 4500
Seattle WA 98154-1192
(206) 624-3600 Telephone
(206) 389-1708 Facsimile
Counsel to the Tort Claimants' Committee

The Honorable Patricia C. Williams
Chapter 11

UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WASHINGTON
AT SPOKANE

In re THE CATHOLIC BISHOP OF SPOKANE a/k/a The Catholic Diocese of Spokane, Debtor.	Case No. 04-08822 **NARRATIVE SUMMARY RE THIRD INTERIM APPLICATION FOR AWARD OF COMPENSATION FOR SERVICES RENDERED AND REIMBURSEMENT OF EXPENSES (RIDDELL WILLIAMS P.S. - COUNSEL FOR THE TORT CLAIMANTS' COMMITTEE)**

Name of Applicant: **Riddell Williams P.S.**
Position of Applicant: **Attorneys for the Tort Claimants' Committee**
Application Number: **Third** ☒ **Interim** ☐ **Final**
Dates Covered: **September 1, 2005 to December 31, 2005**

This Interim Application concerns the period between September 1, 2005, and December 31, 2005.

I. Background of the Case:

The Catholic Bishop of Spokane (a/k/a The Catholic Diocese of Spokane) is a Washington corporation sole, with its principal offices located at 1023 W Riverside Ave, Spokane, Washington. On December 6, 2004, the Debtor filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code. The Catholic Bishop of Spokane continues to operate as a Debtor-in-Possession under Sections 1107(a) and 1108 of the Bankruptcy Code. The U.S. Trustee appointed the Tort Claimants' Committee on December 23, 2004. The Tort Claimants' Committee was reappointed on February 2, 2005. The U.S. Trustee appointed the Tort Litigants' Committee on February 2, 2005. An order authorizing the employment of Riddell Williams P.S. as counsel to the Tort Claimants' Committee was entered on February 24, 2005.

II. Financial Condition of the Estate:

A. Profit and Loss:

The Debtor's Monthly Financial Report for the month ending August 2006 reports current income of $230,912.65 and year-to-date income of $448,985.18 for the fiscal year beginning July 1, 2006. It reports current expenses of $722,110.33 for August 2006 and expenses of $991,738.12 for the fiscal year-to-date.

The Debtor's Monthly Financial Report for the month ending November 2006, which is the most recent Report, shows current income of $254,686.33 and year-to-date income of $1,243,639.18 for the fiscal year beginning July 1, 2006. It reports current expenses of $422,330.16 for November 2006 and expenses of $2,841,712.35 for the fiscal year-to-date. See ECF Docket No. 1580.

B. Amount of Cash on Hand or on Deposit:

As set forth in the Debtor's unedited internally prepared financial statement for the period ending December 31, 2006, Debtor had Total Cash Accounts of $2,443,080.63. On January 23, 2007, the Debtor closed the sale of the Chancery Building and received net proceeds of $1,834,251.08.

C. Amount of Accrued Unpaid Administrative Expenses:

Pursuant to data collected by the Debtor, the unpaid administrative expenses of the professionals involved in this case as of December 31, 2006, are:

Firm – Paid	Balance Costs	Balance Fees
Paine Hamblen	37,713	2,081,539
Gordon Murray Tilden	6,565	419,493
Turner Stoeve	-	48,000
Langenhorst CPAs	-	3,716
BMC Group	35,489	9,673
Riddell Williams	15,601	975,891
Pachulski Stang	59,163	1,537,867
Esposito Campbell	3,079	249,227
Traxi LLC	500	39,125
Bush Strout (FCR)	2,001	267,985
Hamilton (FCR Expt)-	-	28,037
Totals	**160,111**	**5,660,553**

D. Amount of Unencumbered Funds in the Estate:

The total cash accounts listed in II(B) above appear to be unencumbered.

III. Status of the Case:

The Catholic Bishop of Spokane, a/k/a The Catholic Diocese of Spokane ("Debtor"), filed this Case on December 6, 2004. The Plan Proponents filed the "Debtor's Plan of Reorganization Jointly Proposed by Executive Committee of the

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Association of Parishes, Debtor, Future Claims Representative and Tort Claimants' Committee" (the "Plan") on January 4, 2007 (ECF Docket No. 1582). The Plan Proponents are the Debtor, the Tort Claimants' Committee, the Future Claims Representative and the Executive Committee of the Association of Parishes. The Plan Proponents intend to file and serve a Disclosure Statement on or before February 1, 2007. The hearing on any objections to the Disclosure Statement is set for March 8, 2007, at 10:00 a.m. The Notice of Approval of the Disclosure Statement together with a ballot, the Disclosure Statement, Plan, list classifying claims, letters of support from various parties-in-interest, letter from plan proponents, and return envelope, are expected to be filed on March 15, 2007, and served that day pursuant to LBR 3018-1. All objections to the proposed Plan of Reorganization are expected to be filed and all ballots returned no later than April 13, 2007. The Confirmation Hearing is set for April 24, 2007, at 9:00 a.m., and shall continue on April 25, 2007, if necessary.

IV. Description of Tasks or Projects for which Compensation is Sought:

The Third Interim Application for Compensation and Reimbursement of Expenses for Riddell Williams are organized by: (1) matter (case); (2) Uniform Task Based Billing Codes developed by the American Bar Association and the American Corporate Counsel Association; and (3) within each Task Code, time entries are itemized by date and then, for each date, by Activity Code.

A. In re Catholic Bishop of Spokane
U.S. Bankruptcy Court (ED WA – Spokane) Case No. 04-08822

Riddell Williams incurred a total of 281.20 hours on matters related to this matter between September 1, 2005, and December 31, 2005:

Summary of Fees by Task Code	
B110 Case Administration	$8,797.00
B120 Asset Analysis & Recovery	$6,514.00
B130 Asset Disposition	$1,251.50
B150 Meetings & Commun w/Creditors	$429.00
B160 Fee/Employment Applications	$5,943.00
B170 Fee/Employment Objections	$11,543.00
B230 Financing/Cash Collections	$66.00
B310 Claims Administration & Object	$31,446.00
B320 Plan & Disclosure Stmt	$22,506.00
L510 Appellate Motions & Submission	$464.00
Total Fees by Task Code	$88,959.50

Riddell Williams' invoices for this matter are attached as Exhibit A.

During this Period, Riddell Williams participated in substantially all material aspects of the Debtor's bankruptcy administration. Riddell Williams regularly conferred with the Tort Claimants' Committee members, as well as with counsel for the Debtor-in-Possession, the U.S. Trustee, the Tort Litigants' Committee, the Future

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Claims' Representative, and the Association of Parishes regarding a variety of issues.

Applicant took the lead in drafting and negotiating the bar date notice, form proof of claim, and Protocol for Sharing Proofs of Claim and the publication schedule. Applicant met with mental health professionals and then, taking their advice into account, drafted the short form and long form bar date notice and the form proof of claim in clear and explanatory language. Applicant negotiated and drafted the Protocol for Sharing Proofs of Claim. Applicant was involved in the engagement in the appraiser, G.V. Kidder, and the development of the appraisal protocol. Applicant reviewed the proposed sale of the Cedar Street Property. Applicant reviewed, analyzed, and responded to Debtor's First proposed Plan of Reorganization and Disclosure Statement. Applicant responded to and compromised the U.S. Trustee's objection to Applicant's First Interim Application.

B. Pacific Ins. Co., et al. v. The Catholic Bishop of Spokane, et al.
U.S. Bankruptcy Court (ED WA – Spokane) Adv. No. 05-80024

Riddell Williams incurred a total of 45.80 hours on matters related to this matter between September 1, 2005, and December 31, 2005:

Summary of Fees by Task Code	
L120 Analysis/Strategy	$4,840.50
L190 Other Case Assessment	$2,445.50
L210 Pleadings	$762.00
L230 Court Mandated Conferences	$4,921.50
L240 Dispositive Motions	$842.50
Total Fees by Task Code	$13,812.00

Riddell Williams' invoices for this matter are attached as Exhibit B.

During this period, Applicant conferred with special counsel for the Debtor on insurance matters, including coverage issues. It worked with special counsel and responded to issues re confidentiality of sexual abuse victims in the coverage case. Applicant reviewed the Debtors insurance policies and analyzed the Debtor's coverage position. Applicant attended and participated in hearings before the U.S. District Court on coverage issues.

C. Committee of Tort Litigants v. The Catholic Diocese of Spokane, et al.
U.S. Bankruptcy Court (ED WA - Spokane) Adversary No. 05-80038

Riddell Williams incurred a total of 49.90 hours on matters related to this matter between September 1, 2005, and December 31, 2005:

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Summary of Fees by Task Code	
B110 Case Administration	$66.00
L120 Analysis/Strategy	$315.00
L240 Dispositive Motions	$2,227.00
L510 Appellate Motions & Submission	$12,873.00
Total Fees by Task Code	$15,481.00

Riddell Williams' invoices for this matter are attached as Exhibit C.

During this period, Applicant reviewed and assisted in responding to motions by the Debtor and the Association of Parishes for stay pending appeal and motions to dismiss.

D. Michael Shea v. The Catholic Bishop of Spokane
U.S. Bankruptcy Court (ED WA – Spokane) Adversary No. 04-00291

Riddell Williams incurred a total of 0.40 hours on matters related to this matter between September 1, 2005, and December 31, 2005:

Summary of Fees by Task Code	
B110 Case Administration	$66.00
L240 Dispositive Motions	$33.00
L510 Appellate Motions & Submission	$11.00
Total Fees by Task Code	$110.00

Riddell Williams' invoices for this matter are attached as Exhibit D.

During this period, Applicant reviewed and revised the joinder of TCC in opposition to motions for stay pending appeal and reviewed motion to refer issues to Supreme Court.

E. Summary of All Matters and Attorney Profiles

A summary of all matters is attached as Exhibit E and profiles of attorneys and staff are attached as Exhibit F.

V. If a Chapter 11 Case:

A. Status of the Plan and Disclosure Statement:

The Catholic Bishop of Spokane, a/k/a The Catholic Diocese of Spokane ("Debtor"), filed this Case on December 6, 2004. The Plan Proponents filed the "Debtor's Plan of Reorganization Jointly Proposed by Executive Committee of the Association of Parishes, Debtor, Future Claims Representative and Tort Claimants' Committee" (the "Plan") on January 4, 2007 (ECF Docket No. 1582). The Plan Proponents are the Debtor, the Tort Claimants' Committee, the Future Claims Representative and the Executive Committee of the Association of Parishes. The Plan Proponents intend to file and serve a Disclosure Statement on or before February 1, 2007. The hearing on any objections to the Disclosure Statement is set

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B. Status of Submission of Monthly Operating Statements:

The last Monthly Financial Report was filed on December 28, 2006, and covered the period November 2006.

C. Payment of Quarterly U.S. Trustee Fees:

Unknown.

VI. Other Information:

None.

Dated as of the 30th day of January, 2007.

RIDDELL WILLIAMS P.S.

By: /s/ Joseph E. Shickich, Jr.
Joseph E. Shickich, Jr., WSBA No. 8751
George E. Frasier, WSBA No. 1857
Counsel to the Tort Claimants' Committee
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