

**FILED**  
Rev (03/04/2002)

**JUL 28 2005**

T.S. MCGREGOR, CLERK  
U.S. BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF WASHINGTON**

In Re:

**THE CATHOLIC BISHOP OF SPOKANE  
a/k/a THE CATHOLIC DIOCESE OF  
SPOKANE,**

Debtor.

Case Number: 04-08822-PCV

Chapter: 11

**ORDER APPROVING  
EMPLOYMENT OF TRAXI, LLC  
IN PART**

This matter came before the Court pursuant to the Application for Order Approving Employment Pursuant to 11 U.S.C. § 1103 (Traxi, LLC) (the "Application") [Docket No. 336] and the Affidavit of Perry Mandarino, CPA, in Support of Application for Order Under 11 U.S.C. § 1103 and 328(a) and Fed. R. Bankr. P. 2014(a) Authorizing and Approving Employment and Retention of Traxi LLC as Financial Advisors for the Official Tort Litigants Committee (the "Mandarino Statement") [Docket No. 338] filed by the Committee for Tort Litigants (the "TLC") on April 12, 2005. On or about April 22 2005, the Catholic Bishop of Spokane (the "Debtor") filed the Debtor's Objection to Application for Order Approving Employment of Traxi, LLC (the "Debtor's Objection") [Docket No. 357]. On or about April 22, 2005, the Committee of Tort Claimants filed the Response of Tort Claimants Committee to Application for Order Approving Employment of Traxi LLC (the "TCC's Comments") [Docket No. 354]. On or about April 28, 2005, the TLC filed the Reply to Debtor's Objection to Application for Order Approving Employment of Traxi, LLC. (the "Reply") [Docket No. 377].

Based upon the Application, the Mandarino Statement, and information contained therein; and the Court having reviewed the TCC's Comments, the Debtor's Objection, which was withdrawn by the Debtor on the record, the Reply and supporting declarations, after hearing thereon, and good cause appearing

therefore,

**IT IS HEREBY ORDERED** as follows:

A. The Application is granted, in part, and denied, in part;

B. Pursuant to 11 U.S.C. § 1103(a) and Rule 2014, Federal Rules of Bankruptcy Procedure, the TLC is authorized to employ and retain Traxi LLC as financial advisors as of March 30, 2005;

C. Traxi may provide limited accounting advice to the TLC so that the TLC understands the overall concept of the Debtor's accounting system, how fund accounting works vis-à-vis the Debtor and the Affiliated Entities (as that term is defined in the Application), to interpret and understand the monthly operating statement, to assist the TLC in formulating questions for depositions, and to ~~analyze what is the financial relationship of the Debtor and the Affiliated Entities.~~ *PLU*

D. To the extent that the TLC sought the retention of Traxi to analyze the assets of the Affiliated Entities, the Application is temporarily denied without prejudice to the right of the TLC to renew the Application after the Court's ruling on the TLC's Motion for Summary Judgment set for hearing on June 27, 2005.

E. Requests for compensation and cost reimbursement from the Debtor's estate shall be subject to approval by Order of the Court.

*July 28, 2005*

*Patricia Williams*  
*Bankruptcy Judge*

Presented By:

/s/ John W. Campbell

Esposito George &  
Campbell P.L.L.C.  
Counsel for Committee of  
Tort Litigants

Agreed to, Objection  
Withdrawn and Notice of  
Presentment Waived:

/s/ Shaun M. Cross  
Paine, Hamblen, Coffin,  
Brooke & Miller LLP  
Attorneys for Debtor

Enterprise Systems Incorporated  
11487 Sunset Hills Road  
Reston, Virginia 20190-5234

# CERTIFICATE OF SERVICE

District/off: 0980-2  
Case: 04-08822

User: kerriel  
Form ID: pdf002

Page 1 of 1  
Total Served: 4

Date Rcvd: Jul 29, 2005

The following entities were served by first class mail on Jul 31, 2005.

aty +Gary W Dyer, U S Trustee, 920 W Riverside, Room 593, Spokane, WA 99201-1012  
aty +George E Frasier, Riddell Williams PS, 1004 4th Ave Ste 4500, Seattle, WA 98104-1109  
aty +James I Stang, Pachulski Stang Ziehl et al, 10100 Santa Monica Blvd #1100,  
Los Angeles, CA 90067-4111  
aty +John W Campbell, Esposito George & Campbell PLLC, 421 W Riverside, Suite 960,  
Spokane, WA 99201-0402

The following entities were served by electronic transmission.  
NONE.

TOTAL: 0

\*\*\*\*\* BYPASSED RECIPIENTS \*\*\*\*\*

NONE.

TOTAL: 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.  
USPS regulations require that automation-compatible mail display the correct ZIP.

I, Joseph Speetjens, declare under the penalty of perjury that I have served the attached document on the above listed entities in the manner shown, and prepared the Certificate of Service and that it is true and correct to the best of my information and belief.

**First Meeting of Creditor Notices only (Official Form 9):** Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jul 31, 2005

Signature:

