On March 2, 2016, the Diocese filed an update advising the Court of the progress made in the past several months. On March 9, 2016, the U.S. Bankruptcy Court held a further status conference on the Diocese of Stockton’s reorganization case. The Diocese’s update included these developments:

* As previously reported, the Court appointed the Honorable Gregg W. Zive to serve as mediator in this case in all contested matters and in all adversary proceedings that may be commenced.
* The Diocese, the Official Committee of Unsecured Creditors ("Committee") and the Diocese's insurance carriers have participated in two mediation sessions with Judge Zive since the last status conference in November. These sessions occurred in December 2015 and January 2016. The Diocese has requested Judge Zive to set a further mediation session to continue work toward negotiating a consensual pot plan of reorganization similar to other diocese bankruptcy plans. Judge Zive has set a further mediation session in April 2016.
* The initial time period for the Diocese’s bankruptcy estate to bring potential claims for relief against non-debtor third parties under the Bankruptcy Code expired on January 15, 2016. The Diocese, the Committee, and certain non-debtor Catholic entities have agreed to extensions of that statute of limitations (“Extension Stipulations”) to allow all parties additional time to mediate a consensual plan. The current extended deadline is May 26, 2016. As part of those agreements, the Committee will not file a motion seeking standing to bring actions or take discovery with respect to the Committee’s standing to prosecute such claims during the term of the Extension Stipulation. The Extension Stipulations provide that the stipulating parties can agree to further extensions.
* The Diocese expects the further mediation session in April to continue work toward negotiating a consensual plan of reorganization similar to other diocese bankruptcy plans. Such a plan would: (a) allocate the Diocese’s remaining assets fairly among the legitimate competing interests for such property; (b) provide a process to fully, fairly, and expeditiously liquidate claims of victims of sexual abuse; and (c) permit the Diocese to carry on its essential ministries and services so the Diocese can continue to meet the needs of the non-debtor Catholic entities, parishioners, and others who rely on the Diocese’s ministry, education, and charitable outreach.
* The Court set a further status conference for June 22, 2016.

It remains our hope that this process will result in the negotiation of a reorganization plan that will compensate victims of sexual abuse as fairly as possible, and permit the Diocese to continue the ministries and services it provides to families, the poor and communities in our region.