

**SUPREME COURT
STATE OF NEW YORK**

**ROMAN CATHOLIC DIOCESE OF
ALBANY**

Case No. _____

VICTIMS/SURVIVORS' COMPENSATION PLAN¹

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¹ The Victims/Survivors' Compensation Plan and related documents are subject to the review and approval of the RCDA Parties and the Insurers and all rights are reserved.

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INTRODUCTION

The Roman Catholic Diocese of Albany and the Settling Insurers hereby submit this Plan for the payment of Allowed Tort Claims of Victims/Survivors that were asserted under the Child Victims Act by the institution of a State Court Action on or before the date that this Plan becomes effective.

The RCDA extends its apology to the Victims/Survivors and their families for the inexcusable harm that was done to them by those in positions of trust. The RCDA remains committed to preventing abuse, holding accountable those clergy and other individuals who are credibly accused of abuse, and helping survivors find healing. The RCDA has proposed the Plan to accomplish a speedy and fair resolution of the Tort Claims of Victims/Survivors who were tragically harmed by persons purporting to do the work of the Roman Catholic Church.

The RCDA has been named as a defendant, along with various co-defendants (the “Co-Defendants”) in approximately 440 State Court Actions currently pending in the Supreme Court of the State of New York (“New York Supreme Court”) involving claims by Victims/Survivors of abuse which have arisen over the last fifty (50) years. The civil actions are currently pending in the New York Supreme Court before the Honorable Michael Mackey, who has been assigned all of the cases. To date, the RCDA has been required to defend each lawsuit on an individual basis, necessitating substantial expenditure for legal fees and resulting in the delays inherent in litigation. Moreover, disputes among the RCDA, Co-Defendants and Insurers have further added to the complexity of these lawsuits.

The Plan seeks to avoid the expenses and delays associated with piecemeal litigation by implementing a collective framework under the supervision of the Court to establish a fund for payment of claims to Victims/Survivors, a mechanism to determine the allowed amount of each Tort Claim, and a process for distributing the funds to the Victims/Survivors. This framework is similar to that which would be implemented in a Chapter 11 bankruptcy proceeding but without the associated costs and delays, thereby providing Victims/Survivors with a greater recovery in a shorter period of time. RCDA has engaged a number of experienced professionals to assist it in formulating and implementing the Plan, including litigation counsel, insolvency counsel, a retired United States bankruptcy judge with substantial experience in mediation and arbitration, and financial advisors.

The Plan provides for Mediation among the RCDA Parties, the Insurers, and the Victims/Survivors in an effort to reach a Settlement Agreement, which shall include provisions for the RCDA Parties and the Insurers (“Contributing Parties”) to fund a Trust that will be established to make payments to Victims/Survivors. The Contributing Parties shall provide adequate disclosure of material facts necessary for evaluation of the Plan and the reasonableness of the contributions to be made to the Trust, including financial information and applicable insurance coverage. The Plan further provides that the amount of the allowed claim of each Victim/Survivor that is entitled to participate in a distribution from the Trust shall be determined by a Claims Administrator to be appointed by the Court. A Trustee shall be appointed to make distributions from the Trust Assets on a *pro rata* basis to Victims/Survivors holding allowed claims.

The Plan shall permit the implementation of Court-ordered, confidential mediation that has been successful in establishing a fund for payment to victims in Chapter 11 bankruptcy proceedings initiated by other dioceses. Chapter 11, however, is costly and time-consuming, with the professional fees incurred in the Chapter 11 cases pending in various districts in the State of New York averaging approximately \$650,000 per month. Instead, the RCDA will request that the New York Supreme Court exercise its equitable powers and case management authority to enter orders providing for Mediation and implementation of the Plan that provides for a comprehensive and fair resolution of the claims of Victims/Survivors.

In addition to the monetary compensation provided to Victims/Survivors through the Plan, the RCDA is committed to be mindful of the need for vigilance and to maintain and establish policies and procedures to protect the RCDA's most valuable resource – its youth. Toward that end, the RCDA plans to adopt additional remedial protocols and procedures to ensure that the past abuses do not recur and that the RCDA maintains the highest standards to protect its community. These procedures are outlined in Article VII of the Plan.

ARTICLE I

DEFINITIONS AND CONSTRUCTION OF TERMS

For purposes of the Plan, the following terms shall have the meanings specified in this Article I. Wherever from the context it appears appropriate, each term stated shall include both the singular and the plural, and pronouns shall include the masculine, feminine and neuter, regardless of how stated. The words “in the Plan,” “the Plan,” “hereto,” “herein”, “hereunder” and other words of similar import refer to the Plan as a whole and not to any particular Section, sub-Section or clause contained in the Plan. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan.

1.1 “Allowed Tort Claim” shall mean the amount of the Tort Claim of a Victim/Survivor that has been awarded to the Victim/Survivor by the Claim Protocol or by agreement between the Plan Proponents and the Victim/Survivor.

1.2 “CVA” shall mean the Child Victims Act enacted by the State of New York.

1.3 “Claim Administrator” shall mean the Person or Persons appointed by the Court to oversee the Claim Protocol.

1.4 “Claim Protocol” shall mean the process established to review Tort Claims for the purpose of determining the Allowed Tort Claims of Victims/Survivors, as described in Article VII herein and as set forth in the Claim Protocol which shall be established during the Mediation.

1.5 “Court” shall mean the Supreme Court for the State of New York.

1.6 “Effective Date” shall mean the date in which satisfaction of the Conditions Precedent in Article III herein has occurred.

1.7 “Insurers” shall mean those Persons who provided or are alleged to have provided insurance coverage to the RCDA Parties for the Tort Claims of Victims/Survivors, or owe or allegedly owe a duty to defend and/or indemnify any of the RCDA Parties under any binder, certificate or policy of insurance.

1.8 “Mediation” shall mean the process established to conduct a mediation for the purpose of entering into a Settlement Agreement, as set forth in more detail in Article II herein.

1.9 “Mediation Participants” shall mean the representatives of the RCDA Parties, the Insurers, and the Victims/Survivors.

1.10 “Perpetrator” means any individual who personally committed an act of abuse causing a Tort Claim.

1.11 “Person” shall include individuals, partnerships, and corporations, as applicable.

1.12 “Plan” shall mean this Victim/Survivor Compensation Plan including, without limitation, all exhibits, supplements, appendices and schedules to the Plan, as it may be amended from time to time.

1.13 “Plan Proponents” shall mean the RCDA and the Settling Insurers.

1.14 “Protected Parties” shall mean the RCDA Parties and the Settling Insurers, excluding Perpetrators.

1.15 “RCDA” shall mean the Roman Catholic Diocese of Albany.

1.16 “RCDA Parties” shall mean collectively the RCDA and (i) the Persons listed on Exhibit [redacted] to the Plan including all parishes of the RCDA; (ii) any and all Persons named as covered persons under insurance issued by the Insurers and any Person alleged to be covered by such insurance with respect to whom the RCDA has authority to release claims against the Settling Insurers; (iii) each of the past, present and future affiliates, holding companies, merged companies, related companies, divisions and acquired companies of the RCDA and the Persons listed in (i) and (ii) above, each of their respective past, present, and future affiliates, holding companies, merged companies, related companies, divisions and acquired companies, and each of their respective predecessors, successors and assigns; and (iv) any and all past and present shareholders, principals, teachers, staff, members, boards, administrators, priests, deacons, brothers, sisters, nuns, other clergy or religious volunteers and representatives of the RCDA and the Persons listed in (i)-(iii) above, in their capacity as such. For avoidance of doubt, any Perpetrator shall not be and shall not be deemed an RCDA Party under the Plan and shall not be granted a release of liability from any party under the Plan nor receive the benefit of the injunction provided by the Plan.

1.17 “Settlement Agreement” shall mean that agreement reached as a result of the Mediation or otherwise, which shall include provisions for funding the Trust by the RCDA Parties and the Settling Insurers.

1.18 “Settling Insurers” shall mean those Insurers who are parties to the Settlement Agreement.

1.19 “State Court Actions” shall mean those civil actions against the RCDA Parties identified on Exhibit [redacted] to the Plan, as well as any additional civil actions alleging abuse against the RCDA Parties prior to the Effective Date.

1.20 “Tort Claim” means any claim of a Victim/Survivor against any of the Protected Parties that arises out of, relates to, results from, or is in connection with, in whole or in part, directly or indirectly, abuse that took place in whole or in part prior to the Effective Date, including any such claim that seeks monetary damages or any other relief, under any theory of liability, including without limitation vicarious liability; *respondeat superior*; any fraud-based theory, including fraud in the inducement; any negligence-based or employment-based theory, including negligent hiring, supervision, retention or misrepresentation; any other theory based on misrepresentation, concealment, or unfair practice; contribution; indemnity; public or private nuisance; or any other theory, including any theory based on public policy or any acts or failures to act by any of the Protected Parties, or any other Person for whom any of the Protected Parties are allegedly responsible, including any such claim asserted against any of the Protected Parties in the State Court Actions. “Tort Claim” includes: (i) claims by an Insurer against another Insurer relating to the State Court Actions; (ii) claims by a Victim/Survivor against a Settling Insurer under any theory in law or equity authorizing a direct cause of action against the Settling Insurer; (iii) claims against an Insurer for acting in bad faith, breach of duty, or similar claim; and (iv) claims against an Insurer for defense, indemnity, reimbursement, contribution, subrogation or similar relief.

1.21 “Trust” shall mean the trust to be established pursuant to the Plan.

1.22 “Trust Agreement” shall mean the agreement attached as Exhibit [redacted].

1.23 “Trust Assets” shall mean all property or rights transferred, or to be transferred, to the Trust pursuant to the Plan.

1.24 “Trustee” shall mean that Person(s) appointed by the Court to administer the Trust.

1.25 “Victims/Survivors” shall mean those individuals who have asserted Tort Claims by the institution of a State Court Action.

ARTICLE II

MEDIATION AND SETTLEMENT AGREEMENT

2.1 Mediation.

The Mediation Participants shall be mandated to participate in good faith in the Mediation of all disputes relating to the Tort Claims in an attempt to reach an omnibus settlement of all disputes relating to the Tort Claims among the Mediation Participants. The Mediation Participants shall be deemed parties to the Mediation for all purposes. The Mediation pursuant to this Article refers to the process by which the Mediator, a neutral attorney appointed by the Court, shall assist the Mediation Participants in attempting to reach a settlement of the amounts of the contributions to be made by the RCDA Parties and the Settling Insurers to the Trust. The Mediator shall assist the Mediation Participants in attempting to resolve all disputes among the Mediation Participants, including but not limited to: (i) disputes relating to the amount of Plan contributions; (ii) the scope and extent of insurance coverage; and (iii) the claims process. During the period of the Mediation, all State Court Actions shall be stayed and deadlines tolled, as ordered by the Court. The Mediator may make one or more proposals on such terms and conditions as the Mediator determines to be necessary and appropriate to resolve any issue or dispute arising in the Mediation.

By participating in the Mediation, the Mediation Participants do not waive their rights with respect to any issue including, without limitation, the right to demand arbitration or a trial by jury. All such rights of the Mediation Participants, to the extent they existed prior to approval of the Plan, are preserved.

2.2 Appointment of Mediator

The Mediation Participants shall promptly confer on the selection of a Mediator, and absent agreement, each Mediation Participant shall submit a list of two proposed names of a Mediator to be appointed by the Court. The Mediator shall submit an engagement agreement to the Mediation Participants. The RCDA and the Insurers shall contribute equally to the payment of the fees and expenses of the Mediator and the establishment of a fund for payment of the professional fees and expenses for counsel to the appointed representative of the Victims/Survivors.

2.3 Confidentiality of All Aspects of Mediation

All proceedings in the Mediation, and all information and documents disclosed by the Mediation Participants, shall be privileged and confidential. Information, documents, and statements made during the Mediation shall not be introduced into evidence in any other proceeding and are protected by Fed. R. Evid. 408. All Mediation Participants shall execute a Mediation Confidentiality and Non-Disclosure Agreement with terms to be approved by the Mediator, but which shall include terms which allow a Victim/Survivor who is awarded an Allowed Tort Claim to publicly disclose or keep strictly confidential, in such Victim/Survivor's discretion, information regarding such Victim/Survivor's Allowed Tort Claim, exclusive of (i) the proceedings in the Mediation; (ii) information and documents disclosed during the Mediation; and (iii) statements made during the Mediation. Entry of an order of the Court protecting the confidentiality of the Mediation shall be a condition of the Mediation.

2.4 Mediator's Duties and Conduct of Mediation

The conduct of the Mediation shall be subject to the control and discretion of the Mediator, and the Mediator may schedule as many in person or virtual mediation sessions as the Mediator deems necessary. Prior to the scheduling of the first in person Mediation session, the Mediation Participants shall engage in a voluntary exchange of non-privileged documents and information for a period of thirty (30) days. The documents and information to be exchanged by the Mediation Participants during this period shall include, without limitation:

- (i) a list of insurance policies that may cover the Tort Claims of Victims/Survivors, including a copy of any certificate, binder, or policy;
- (ii) all information and documents regarding the substance of the allegations underlying the Tort Claims of Victims/Survivors;
- (iii) financial statements for the RCDA and designated RCDA Parties for the past 5 years;

The Mediator shall have the sole and complete discretion to order the production of documents and information in addition to the documents and information voluntarily produced and exchanged by the Mediation Participants on a schedule to be determined by the Mediator provided, however, that the Mediator will not be authorized to compel the production of any documents that are privileged or confidential. The Mediation shall commence as soon as practicable following the appointment of the Mediator. The Mediator may conduct as many sessions as are necessary in the Mediator's sole discretion. The Mediator shall report to the Court on the status of the Mediation by filing a status report with the Court on the progress of the Mediation every 30 days. The Mediator may terminate the Mediation at any time because of an impasse or if for any reason the Mediator deems it improper, unproductive, or unconscionable to continue. The Mediator will advise the Court of the outcome of the Mediation and will file (or submit) all documents required by the Court. The Mediator shall not disclose to the Court the content of the information discussed in the Mediation or any confidential information exchanged or submitted separately to the Mediator by any Party. Within four (4) months after the initial Mediation session, the Mediation Participants shall report on the omnibus settlement of the disputes among the parties, or request that the Court allow additional time for reaching a negotiated settlement.

2.5 Settlement Agreement

Within fourteen (14) days after reaching an agreement, the RCDA Parties and the Settling Insurers shall execute a settlement agreement and file a motion to approve the settlement agreement with the Court. The Settlement Agreement shall further provide for the RCDA Parties to sell their interests in the insurance policies, free and clear of liens, claims, and encumbrances, to the Settling Insurers. The Settling Insurers payment shall be conditioned upon, among other things, entry of an order by the Court approving the Plan.

2.6 Costs of Mediation

Payment of the reasonable fees and expenses of the Mediator, if any, shall be allocated on terms to be agreed upon by the RCDA Parties and the Insurers. The RCDA shall pay the reasonable fees and expenses of the representative selected by the Victims/Survivors.

ARTICLE III

SOLICITATION OF CONSENT AND CONDITIONS PRECEDENT

3.1 Solicitation of Consent.

Upon Court approval of the Settlement Agreement, the Plan Proponents shall solicit a Release and Consent from each of the Victims/Survivors in the form attached as Exhibit [REDACTED] hereto. The Release and Consent shall constitute both an agreement by the Victim/Survivor to participate in the Claim Protocol and a release of all Tort Claims against the Protected Parties in consideration of the right of the Victim/Survivor to participate in a distribution from the Trust based upon his/her Allowed Tort Claim, as approved in Claim Protocol or established by agreement with the Plan Proponents.

3.2 Conditions Precedent to Effectiveness of Plan.

The following shall be conditions precedent to the occurrence of the Effective Date:

- (a) Approval of the Plan and the Settlement Agreement by the Court;
- (b) Execution of the Release and Consent by each of the Victims/Survivors.

3.3 Waiver of Conditions.

The Plan Proponents may at their election waive the condition precedent to the effectiveness of the Plan set forth in Section 3.2(b) by filing a notice of waiver with the Court. Only Plan Proponents agreeing to the waiver shall be bound by the terms of the Plan. As a condition to waiving the requirement of Section 3.2(b), the Plan Proponents may, with the consent of the consenting Victim/Survivors, reduce the amount to be contributed to the Trust Assets to account for the failure to obtain full participation in the Plan by the Victims/Survivors.

ARTICLE IV

THE TRUST

4.1 Establishment and Funding of Trust

4.1.1 As soon as practicable after Court approval of the Settlement Agreement and satisfaction of the Conditions Precedent set forth in Article III herein:

- (i) the RCDA shall execute the Trust Agreement substantially in the form attached as Exhibit [REDACTED] hereto and request that the Court appoint the Trustee;

- (ii) the Victims/Survivors shall assign their Tort Claims against the Protected Parties to the Trust;
- (iii) the RCDA Parties and the Settling Insurers shall transfer assets to the Trust in accordance with the terms of the Settlement Agreement.

4.1.2. The Trust shall qualify as a Qualified Settlement Fund pursuant to Section 468B of the Internal Revenue Code and the Treasury Regulations promulgated thereunder. The Mediation Participants shall select the Trustee. The Trust Agreement is hereby incorporated by reference.

4.1.3 The Trustee shall establish reserves for various purposes, including the payment of fees and expenses of the Trustee and the Claims Administrator, other costs and expenses of administering the Trust, and payment of Allowed Tort Claims. The Trust shall pay the Allowed Tort Claims in accordance with the terms of the Plan, the Trust, and any orders of the Court. Nothing in the Trust Agreement shall impose any costs, directly or indirectly, upon the Plan Proponents. The determination of the Claims Administrator regarding the amount of a Victim/Survivor's claim shall be final and with no right to further judicial review.

ARTICLE V ALLOWANCE AND PAYMENT OF TORT CLAIMS

5.1 Claim Protocol and Procedures.

In the Mediation, the Mediation Participants shall develop the Claim Protocol for the determination of the amount of the Allowed Tort Claim of each Victim/Survivor. The process for claims determination contemplated by this Article is intended to be a confidential and summary proceeding in order to obtain an expeditious determination of the amount of any Allowed Tort Claim to which a Victim/Survivor may be entitled.

5.2 Appointment of Claim Administrator(s)

The Court shall enter an Order appointing one or more Claim Administrators as soon as practicable after the entry of an order approving the Plan. The Claim Administrator(s) will be responsible for determining the amount of any and all monetary Allowed Tort Claims of Victim/Survivors to participate in a distribution from the Trust. The Order shall provide for the confidentiality of all individual Claim Protocol proceedings, and contain provisions to protect the Claim Administrator from liability and prohibit the Claim Administrator from being called as a witness. The Claim Administrator shall be one or more neutral professionals who shall be licensed attorneys or former judges with substantial experience in the evaluation of similar tort claims of victims. The fees and expenses of the Claim Administrator shall be paid by the Trustee from the Trust Assets. The Claim Administrator shall determine whether to approve any Allowed Tort Claims and the amount of same in accordance with the process set forth herein.

5.3 Participation of Victims/Survivors

Victims Survivors shall be entitled to receive a distribution from the Trust on account of their Allowed Tort Claim on a *pro rata* basis with other Allowed Tort Claims, after deduction for costs of administering the Trust. The amount of the Allowed Tort Claim shall be determined by the Claim Administrator according to the claims procedures described in this Plan and the Claims Protocol. Prior to the commencement of the Claim Protocol, a Victim/Survivor shall execute and deliver the Release and Consent Form, in the same form as attached Exhibit [redacted] to this Plan, to the Claim Administrator. The Claim Administrator shall hold the Release and Consent in escrow until the Claim Administrator has made a decision on the claim of the Victim/Survivor. The determination of the Claims Administrator regarding the amount of a Victim/Survivor's claim shall be final and with no right to further judicial review.

5.4 Claims Procedures

5.4.1. The Claim Administrator shall determine whether to allow a Victim/Survivor's Tort Claim and the amount of any Allowed Tort Claim. The Claim Administrator shall establish the method and procedure to determine the Allowed Tort Claim of any Victim/Survivor in accordance with the factors set forth in the Claim Protocol. All proceedings shall be strictly confidential and cannot be disclosed in any manner by the Claim Administrator or Victim/Survivor absent an order of the Court.

5.4.2 The Trustee shall not distribute any Trust Assets prior to completion of the Claim Protocol for each Victim/Survivor, unless the Claim Administrator is able to provide the Trustee with an estimate of the maximum potential amount of Allowed Tort Claims for all Victims/Survivors. In such case, the Trustee may establish a reserve for the Tort Claims of Victims/Survivors not yet determined by the Claim Administrator and may make an interim distribution to the Victims/Survivors who have Allowed Tort Claims.

5.5 Right to Participate in Trust Assets

Victims Survivors shall be entitled to receive a distribution from the Trust on account of their Allowed Tort Claim on a *pro rata* basis with other Allowed Tort Claims, after deduction for costs of administering the Trust. The fees and expenses of attorneys representing Victims/Survivors who receive a distribution from the Trust on account of an Allowed Tort Claim will be borne by the Victim/Survivor based upon applicable state law and individual arrangements made between such Victim/Survivor and their respective attorneys and shall not be paid from the fund established in Section 2.2 in connection with the Mediation. The Protected Parties, the Trust, and the Trustee will not have any liability for any fees and expenses of attorneys representing any of the Victims/Survivors. The distributions from the Trust shall be in full settlement of the Allowed Tort Claims against the Protected Parties only. No distributions shall be made from the Trust to Victim/Survivors on account of penalty claims, punitive damages, treble damages, and exemplary damages, nor shall interest accrue or be paid on any Allowed Tort Claim.

ARTICLE VI EQUITABLE PROVISIONS

6.1 Releases

6.1.1 In connection with the execution of the Settlement Agreement: (i) the RCDA Parties, on the one hand, and the Settling Insurers, on the other; and (ii) the Settling Insurers amongst themselves, will grant complete mutual releases as to, among other things, any and all past, present, and future claims in connection with, relating to, or arising out of, in any manner or fashion, the Tort Claims.

6.1.2 Victims/Survivors shall: (i) fully release and forever discharge any and all Tort Claims against the Protected Parties which release shall be binding upon any successors, heirs, agents, and representatives; (ii) further represent and warrant that they have not assigned or otherwise transferred any interest in the Tort Claims; and (iii) file a notice of dismissal with prejudice of the State Court Action.

6.2 Channeling Injunction

By executing the Release and Consent attached hereto as Exhibit , each Victim/Survivor shall have agreed to, among other things:

- (i) Participate in the Claim Protocol;
- (ii) Have their Allowed Tort Claim, if any, channeled into the Trust and to be treated, administered, determined, and paid by the Trustee from the Trust Assets under the procedures and protocols and in the amounts established under the Plan, the Trust, and any order of the Court;
- (iii) Be permanently stayed, enjoined, barred, and restrained from taking any action, directly or indirectly, for the purposes of asserting, enforcing, or attempting to assert or enforce any Tort Claim against any of the Protected Parties including:
 - (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any Tort Claim against any of the Protected Parties or against the property of any of the Protected Parties;
 - (b) enforcing, attaching, collecting or recovering, by any manner or means, from any Protected Parties, or from the property of any Protected Parties, with respect to any such Tort Claim, any judgment, award, decree, or order against any Protected Parties;
 - (c) creating, perfecting or enforcing any lien of any kind against any Protected Parties, or the property of any Protected Parties with respect to any such Tort Claim;
 - (d) asserting, implementing or effectuating any Tort Claim of any kind against: (1) any obligation due any Protected Parties; (2) any Protected Parties; or (3) the property of any Protected Parties;

- (e) taking any act, in any manner, in any place whatsoever that does not conform to, or comply with, the provisions of the Plan;
 - (f) asserting or accomplishing any setoff, right of indemnity, subrogation, contribution, or recoupment of any kind against any obligation due any of the Protected Parties or the property of the Protected Parties; and
- (iv) acknowledge that the determination of the Claims Administrator regarding the amount of a Victim/Survivor's claim shall be final and with no right to further judicial review.

ARTICLE VII REMEDIAL PROTOCOLS AND PROCEDURES

The RCDA is committed to redressing the unacceptable harm to Victims/Survivors through this Plan in order to provide fair compensation of abuse claims and to propose continuing non-monetary commitments in the form of remediation and reconciliation procedures. It intends to hold perpetrators accountable, to prevent further abuse, and to help Victims/Survivors to find healing. The RCDA will work to establish robust supplemental procedures to prevent abuse and address allegations of misconduct as a priority of this Plan. RCDA will consult with and work with representatives of the Victims/Survivors to establish policies and procedures to address all of the issues arising from abuse, including enacting policies and guidelines to prevent abuse, dealing proactively with allegations of misconduct, and emphasizing communication of all allegations through the establishment of formal programs as part of this Plan. RCDA recognizes that it needs to be vigilant in ensuring that all protections are not only put in place, but are augmented and improved periodically.

ARTICLE VIII OTHER PROVISIONS

8.1 Governing Law.

Except to the extent the Plan provides otherwise, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of New York, without giving effect to the principles of conflicts of law of such jurisdiction.

8.2 No Admission of Liability.

The contributions by the RCDA Parties and the Settling Insurers to the Trust shall be for the purpose of avoiding the costs and risks associated with continued litigation and to implement the settlement of the State Court Actions embodied in the Plan. The submission of the Plan does not constitute an admission by the Released Parties of any facts or liability or wrongdoing as to any Tort Claim of Victims/Survivors.

8.3 Headings.

Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

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[Signatures]

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