



ARCHDIOCESE
OF
**SAINT PAUL &
MINNEAPOLIS**

Q: Why is the Archdiocese of Saint Paul and Minneapolis filing for Chapter 11 bankruptcy reorganization?

A: We have realized that the way to most fairly respond to victims/survivors, given the limited resources of the archdiocese, was to file for reorganization under Chapter 11 of the Bankruptcy Code (Reorganization). This will allow all resources available to be distributed equitably among victims/survivors and allow the archdiocese to continue essential ministry. The decision to file for Reorganization was reached after months of prayer, careful consideration and consultation with representative clergy and archdiocesan lay leadership groups and outside experts, as well as input from attorneys representing victims/survivors. We must all come together to care for those who have been hurt during this tragic time in our Church's history.

Q: Is filing for bankruptcy a way to avoid compensating victims/survivors of clergy sexual abuse?

A: No. Reorganization is our best option to care for victims/survivors. It is the fairest way to respond because it allows available funds to be distributed equitably to victims/survivors. This is a continuation of our working relationship with victims/survivors' counsel and not a deviation from it. By filing for Reorganization, we are not avoiding our responsibilities, but recognizing them,

Q: What does this mean for my parish or school?

A: Parishes, Catholic schools and other local Catholic entities are separately incorporated and are not filing for Reorganization. (Most Catholic schools are parish ministries. Those that are not, such as most local Catholic high schools, are separately incorporated and are often run by religious orders.)

Q: I thought you settled all the sexual abuse cases against the archdiocese back in October at the time of the announcement with Jeff Anderson and Associates, so why do you need to reorganize?

A: On October 13, 2014 the archdiocese and Jeff Anderson and Associates reached an agreement to settle the Doe 1 litigation. It was not a settlement of all sexual abuse claims. Also, as part of ongoing global settlement negotiations, the archdiocese is proceeding under a set of [17 child protection protocols](#).

Q: Couldn't the archdiocese find another way to fairly resolve these claims?

A: No. We tried to identify other options, but were unable to find a solution that was as fair as Reorganization to address the many current claims and the potential future claims arising from the lifting of the Minnesota civil statute of limitations on sexual abuse of a minor. Reorganization is a process designed to bring parties together to resolve difficult claims fairly and with finality, under the neutral supervision of the bankruptcy court. This process resolves all claims collectively and fairly allocates resources to compensate victims/survivors. Through the court process we will find the fairest resolution possible for those harmed while still fulfilling our mission as a Church to make the name of Jesus Christ known and loved.

Will insurance coverage play a role in compensating victims/survivors?

A: .Yes. The archdiocese had coverage from a number of carriers during the time frame of the abuse claims and we are pursuing coverage for those claims. **Q. Why isn't insurance coverage**

available to fully compensate the victims thereby allowing the Archdiocese to avoid filing bankruptcy?

A: The insurance coverage may not be available to cover every claim or the full amount of every claim. For example, some of the archdiocese's carriers are insolvent, in some cases the archdiocese' policies may require that the archdiocese fund verdicts before the carrier must pay (similar to a deductible on an auto policy) , and policy limits may excuse carriers from covering full verdict amounts.

Q: What does filing for bankruptcy mean for sexual abuse victims/survivors?

A: Fairness. The bankruptcy court will supervise the process so that available funds are gathered and distributed fairly, in a manner that maximizes resources available to victims/survivors. Additional information, including claim forms, will be posted on the archdiocesan website, www.archspm.org, and shared in other ways as soon as it is available.

Q: Will the work of the archdiocese continue after this filing?

A: Yes. During reorganization, the archdiocese plans to continue its ordinary operations while providing victims/survivors time to present their claims and negotiate a plan of compensation. For more than 150 years, thanks to the support of generations of local Catholics, the Archdiocese of Saint Paul and Minneapolis has provided spiritual care, education and formation, and social outreach in our community. We are not stepping back from our mission.

Q: Will the archdiocese sell property in order to pay claims?

A: All archdiocesan property and other assets have been identified in our initial filing on January 16, 2015 and will be taken into account as part of the Reorganization plan. This does not include any parish property. Ultimately, the court will approve or decide what is needed for the archdiocese to continue operations and meet obligations.

Q: How long will this process take?

A: That's unknown. Each Reorganization is different. Cooperation among all parties will shorten the process for the benefit of everyone.

Q: How can I stay updated on this process as it moves forward?

A: Check our website. Documents filed with the court will continue to be posted at www.archspm.org. Information will also be included in *The Catholic Spirit*.

Q: I have remaining questions or comments, how can I share them with archdiocesan leadership?

A: We invite you to do this. If you have a question and don't find the answer on the web site or if you would like to share a comment with archdiocesan leaders regarding Reorganization, please call 651-251-7732 or email reorganization@archspm.org. Or mail your questions or comments to Archbishop John Nienstedt, 226 Summit Avenue, Saint Paul, MN 55102. Depending on the number of calls and emails received, we may not be able to individually respond to each question or comment. We will keep our website updated and answer common questions there.