

ARCHDIOCESE
OF
SAINT PAUL &
MINNEAPOLIS

OFFICE OF THE ARCHBISHOP

May 31, 2018

Dear Brothers and Sisters in Christ,

By now, I hope you have heard the good news that an agreement has been reached to resolve the bankruptcy of the Archdiocese. Thank you for your prayers.

The consensual agreement, reached after much hard work, establishes a trust fund totaling approximately \$210 million that will be available for the resolution of the bankruptcy claims. It also includes a provision that will enable the parishes of the Archdiocese and related Catholic institutions to avoid further litigation stemming from these claims, thereby enabling us to carry on our mission of spreading and living the Gospel of Jesus Christ.

I am particularly grateful to the victims/survivors who have bravely come forward. Without their courage and persistence, this resolution would not have been possible. The Church let them down, and we are humbled that they now allow us to begin to make amends. We will all need to do more to let them know that they are always truly welcome in our parishes.

I am also grateful to Judge Robert Kressel for the direction he provided, which led to this settlement, and to Magistrate Arthur Boylan and Paul Van Osselaer for their extraordinary efforts as our mediators. They were true, honest brokers in working with all parties.

Gratitude is owed as well to the many advocates who worked so passionately on behalf of survivors. They, along with the legal counsel representing the parishes, played a vital role in helping us all find a path to a just and fair resolution.

I am especially grateful to our legal team from Briggs and Morgan, who worked tirelessly to analyze, address and advance this matter for over three years, while respecting our Gospel values and objectives. Also, I would be remiss if I failed to thank Tom Abood, the chair of the Archdiocesan Finance Council, who, as chair of our Reorganization Task Force led the negotiations on behalf of the Archdiocese. The advice given by the Finance Council, our Corporate Board, and the College of Consultors proved to be of inestimable value and once again highlighted the importance of consultation.

I realize that many others deserve gratitude, especially those of you who have been so faithful throughout these most difficult of times, relying on our Lord in the Eucharist and on your families, friends, and clergy for strength during these challenging months. I

am grateful that you enabled our parishes to continue to be vibrant centers where all can encounter Christ. Please continue to reach out in love and generosity to those around you who are hurting and are in need of healing.

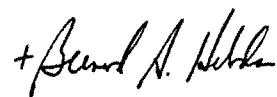
Even as we take this important step forward in providing justice to survivors of abuse, we know our work in this regard is not complete. Our Ministerial Standards and Safe Environment team – under the direction of Judge Tim O'Malley – will continue its work on demonstrable actions to ensure our churches, schools and communities are safe places for all. Our December 2015 Settlement Agreement with the Ramsey County Attorney's Office, establishing what County Attorney John Choi called "unprecedented" child safety policies, continues to be the national standard for maintaining safe environments. Our progress reports to the court since that time give continued evidence of our commitment to permanent change. The bankruptcy settlement gives us yet another opportunity to reaffirm our efforts to protect children and vulnerable adults.

While this agreement marks the end of a difficult period for many, it also signals a new beginning. The completion of the bankruptcy process allows us to pursue a new day that has many realities – atonement, healing and restoration of trust.

In closing, I ask that you continue to pray for those who have been harmed, for your pastors and all the priests who faithfully serve this Archdiocese, and for the faithful men and women who strengthen this local Church by their perseverance, their example, and their generous service.

With every personal best wish and prayer, I remain

Sincerely in Christ,

A handwritten signature in black ink, reading "+ Bernard A. Hebda". The signature is written in a cursive style with a cross at the beginning.

Most Reverend Bernard A. Hebda
Archbishop of Saint Paul and Minneapolis

Archdiocesan Bankruptcy Settlement Q & A

Q: Where is the money for the \$210 million settlement coming from?

A: Approximately \$170 million is from insurance policies purchased by the Archdiocese and parishes over the past 70 years. The remaining \$40 million is a combination of proceeds and cash provided by the Archdiocese and parishes, including excess funds in the Archdiocesan Medical Benefits Plan (AMBP) and the General Insurance Fund (GIF).

Q: Will employee pensions or retirement funds be impacted? I heard something about a pension contribution.

A: No. The contributions of parish money will come from the AMBP, the General Insurance Fund and past insurance coverage. No funds will come from pension plans.

Q: Is there a chance our parish will still be sued for past abuse?

A: No. An important provision added to the agreement is what is called a channeling injunction, which protects all parishes against future sex abuse claims. Any claim or lawsuit filed against a parish as part of the bankruptcy is resolved in the agreement.

Q: When will the bankruptcy process really end?

A: Attorneys representing the Archdiocese and survivors are working together on an official plan of reorganization to file in U.S. Bankruptcy Court soon. From there, Judge Robert Kressel will direct the process and guide it to a full resolution, possibly before the end of the year.

Q: When will the survivors receive money?

A: They will receive it at the end of the bankruptcy process with the amounts determined by an independent, court-appointed representative.

Q: How did the settlement grow from \$156 million last year to \$210 million now?

A: Through mediation, insurance carriers agreed to increase their contributions, as did the Archdiocese and representatives of parishes and related Catholic entities.

Q: Is this really the largest Catholic Church bankruptcy settlement in the country's history?

A: It is largest contribution from insurance carriers in any diocesan bankruptcy settlement. The largest settlement with abuse survivors was the Archdiocese of Los Angeles at more than \$600 million, shared by more than 500 people. The Archdiocese of Los Angeles did not declare bankruptcy.

Q. Are parish assessments expected to increase?

A. Parish assessments are not expected to increase for at least the next two fiscal years