

- **What is a Chapter 11 reorganization?**

Chapter 11 reorganization is an action undertaken voluntarily by an entity to allow it to reorganize financially. The goal of reorganization is to respond to the claims of creditors and to emerge with its operations intact so the diocese can continue its mission. Reorganization immediately stops all efforts to collect debts and all legal actions against the entity. Chapter 11 does not mean the Diocese is going out of business or is insolvent.

- **Why is the Diocese seeking reorganization under Chapter 11 now?**

As a result of the New York State Child Victim Act, the Diocese is currently facing 124 claims of sexual abuse of a minor, all dating back decades. Litigation costs and settlements would likely exceed many millions of dollars. The Diocese simply does not have the resources to settle or litigate these claims.

- **What if the Diocese didn't file for reorganization?**

The Diocese would face 124 civil actions, which would require years of court involvement. Claimants who resolve their claims first would receive all funds available to pay survivors. As a result, later claimants would receive little or nothing. Most importantly, these lengthy proceedings would delay justice for victims, prolonging their pain and suffering.

- **How will a reorganization affect victims' rights to their day in court?**

Without reorganization, the Diocese would continue to face multiple civil actions; a slow, unpredictable, time consuming and costly process that would require years of court involvement. Most significantly, such lengthy lawsuits would delay justice for the survivors and only prolong their pain and suffering. In reorganization, all claims are resolved in one court where all survivors' claims can be heard and be given due consideration while allowing the Diocese to continue to fulfill its day-to-day ministries to the people of Northern New York.

- **How is filing for reorganization fair to abuse victims?**

As part of our ministry, the Diocese desires to respond to the claims of survivors in a way that acknowledges their suffering and helps them find some sense of peace. Reorganization ensures survivors are treated fairly. Without such a filing, large awards or settlements for cases that move through the legal system early could exhaust available resources and leave little or nothing for survivors whose cases move through the legal system later. Reorganization is fairer to all.

- **What does the Chapter 11 filing mean for parishes?**

It is our sincere hope and prayer that the process to resolve claims will have minimal effect on the celebration of sacraments and regular parish life. Some parishes have been directly sued under the CVA, and that does create the potential for some parish liability. While we hope to keep parish involvement to a minimum, it is likely all parishes will be asked to contribute to funds which will be available to address survivors' claims.

- **What does this mean for Catholic schools?**

Some schools also have been sued under the CVA. Therefore, there is a potential for liability for such schools. However, we hope to resolve claims against the schools and parishes through the framework of the Diocese's reorganization plan. It is our sincere hope that this process will have minimal impact on the operation of Catholic schools in the diocese.

- **Does reorganization mean that the Diocese of Ogdensburg is going out of business?**

Chapter 11 does not mean that the Diocese of Ogdensburg has run out of money or will cease operations. We remain committed to ensuring we can continue to provide the sacraments and essential ministries. We expect that we can continue our ministries and operations while the reorganization case is pending and successfully emerge from reorganization as a stronger, even more vibrant organization.

- **Does reorganization mean the Diocese can avoid having to release the files of clergy abusers?**

Hiding information about abuse cases is not the purpose of reorganization. In a reorganization case, victims, their attorneys, and the court will be able to review documents and information relating to their claims, just like they could outside of reorganization. Documents and information related to claims will be available to victims and their legal teams.

- **How many claims does the Diocese face?**

138 CVA lawsuits were filed against the diocese following the August 2019 implementation of the Child Victims Act (CVA) in New York State. Over the last three years, 14 of the claims have been resolved by settlement or dismissal. The CVA allowed individuals who claim they are survivors of sexual abuse to file lawsuits against their abusers and their abusers' employers regardless of when the alleged abuse took place.

- **How much will it cost to settle the lawsuits?**

Specific dollar figures are not cited in the claims. In the reorganization case, each case is evaluated independently, and a determination is made of how much will be awarded to each survivor. We remain committed to ensuring all survivors are treated justly.

## **Are my weekly donations to my parish going to pay for settlements?**

Your weekly parish donations go first and foremost to support your parish, as well as to provide funding for important ministries of the Diocese that support your parish and serve the faithful of the North Country. While the Diocese reorganizes, these needs continue and can only be met with your financial support.

## **• What about my Bishop's Fund, Planned Giving and capital campaign contributions? Will they be used for settlements?**

The Bishop's Fund Appeal supports essential ministries in our diocese, including education of seminarians, Camp Guggenheim, the Good Samaritan Fund, the training of lay ministers and deacons and other ministries. These vital ministries rely on the support of the Church in the North Country. It is our intent to use Bishop's Fund, Planned Giving and capital campaign donations for the essential ministries of the diocese for which they were donated. Funds donated to the capital campaign were designated for specific parish and diocesan projects meant to renovate our Church facilities and programs, and it is our intention to use those funds for their intended purpose.

## **• Will you be laying off employees?**

The Diocese is determined to fulfill its mission to teach, serve and sanctify. We do not know if it will be necessary to lay off employees as we reorganize. It is not our desire to reduce our workforce. We will try to maintain a satisfactory level of service to our parishes and entities while evaluating the financial realities we face. At the present time, the Diocese does not plan to lay off employees as a result of reorganization.

## **• How will this impact Catholic Charities?**

Catholic Charities is a legally incorporated entity separate from the Diocese of Ogdensburg. Catholic Charities provides vital services to individuals and families in need, following Christ's call to feed the hungry, clothe the naked and heal the sick. As a separate incorporated entity, the ministries and operations of Catholic Charities should not be directly affected by the Diocese's reorganization.

## **• Will you be cutting programs?**

We will be working with the courts to evaluate all operations and ensure the Diocese continues to conduct its mission of proclaiming Christ and the Gospels to the North Country and serving those in need in the most efficient way possible, while ensuring all debts can be settled and justice can be given to survivors.

## **• Are Diocesan retirees in jeopardy of losing their pensions? Will employee salaries or benefits be affected?**

In reorganization, it is generally the case that retirement plan assets cannot be used to satisfy debts to creditors or claimants. The Diocese plans to take the position in the chapter 11 case that retirement plan assets are not available to satisfy the claims of general creditors. During the chapter 11 case, the Diocese will continue to provide employees and retirees with salaries and benefits.

- **How does reorganization work?**

Chapter 11 is a voluntary action taken by an organization to reorganize financially. It has two principal goals: (a) to respond to the financial claims of those to whom it owes money, and (b) to emerge with its operations intact. A Chapter 11 filing immediately stops all efforts at collection of debts and legal actions against the organization. Chapter 11 does not mean that the organization is going out of business. Under Chapter 11, the organization generally maintains its normal operations and continues to provide employees with salaries and benefits, and retiree benefits. An organization in Chapter 11 continues to carry on its mission.