

NEWS

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NOTICE TO AREA MEDIA
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Statement from Bishop John M. LeVoir of the Diocese of New Ulm Regarding Settlement

NEW ULM (June 26, 2019) - The Diocese of New Ulm, area parishes, and victims and survivors of clergy sexual abuse have reached a \$34,000,000 settlement in our bankruptcy case. The settlement represents our commitment to finding a fair resolution for victims and survivors of sexual abuse while continuing our ministry for those we serve throughout south and west central Minnesota.

The settlement funds are made up of insurance coverage settlements and cash and property contributions from the diocese and parishes, including parishes that do not have claims against them. When claimants approve the settlement plan, it will result in a “channeling injunction”, which will prevent claims against the diocese and parishes based on events that occurred before confirmation of the plan.

When approved, the settlement will resolve our Chapter 11 bankruptcy case. The Diocese of New Ulm filed for financial reorganization under Chapter 11 in March 2017. Since then, under the supervision of the Federal Bankruptcy Court, we have worked with representatives for victims and survivors of clergy sexual abuse to resolve fairly claims made against the Diocese of New Ulm and parishes within the geographic area the diocese serves. These claims were filed under the Minnesota Child Victims Act, which temporarily lifted the civil statute of limitations on historical childhood sexual abuse claims for a three-year period ending in May 2016.

The next steps are for the diocese to file with the court the formal plan of reorganization and a disclosure statement, which will provide the claimants the information they need to decide how to vote. The bankruptcy judge will then review the disclosure statement and approve it if it provides adequate information. Then, the plan and disclosure statement will be sent to the claimants who will respond by sending in their ballots. When two-thirds of voting claimants approve the plan, it will be up to the bankruptcy judge to determine if all of the requirements of the bankruptcy law have been met. When they have been met, then the judge will issue an order confirming the plan. After confirmation of the plan, a trust will be created consisting of



the assets described in the plan. We expect this process will be completed by the end of this year. A plan trustee, approved by the court, will then make payments to the claimants.

The Diocese of New Ulm remains committed to preventing sexual abuse, holding accountable those clergy who are credibly accused of abuse and helping victims and survivors find healing. For more than 15 years, all priests and deacons, diocesan staff, parish and Catholic school employees, as well as volunteers having regular or unsupervised interaction with minors have been required to meet safe environment requirements. These requirements include adherence to a Code of Conduct, undergoing a criminal background check that results in no disqualifying crimes in a person's history and participation in sexual abuse awareness and prevention training.

In addition, the diocese has committed to disclosing the names of all clergy with credible claims of abuse made against them. The diocese also follows strict standards for determining suitability of clergy serving in the diocese, starting during the seminary formation process and including verifying the credentials of priests visiting from other dioceses or from religious orders.

The diocese promptly contacts law enforcement to report any allegations it receives regarding sexual misconduct by clergy or others involved in ministry within the geographic area the diocese serves. Diocesan representatives have been in contact with local law enforcement officials regarding procedures for handling any such allegations in the best possible way.

We continue to encourage anyone who has suffered sexual abuse to report such abuse to local law enforcement, regardless of when it occurred. Victims and survivors of clergy sexual abuse are also encouraged to contact the diocese's victim assistance coordinator at 507-233-5313 or at 1421 6th Street North, New Ulm, MN 56073 for counseling or other assistance in healing. I invite victims and survivors of clergy sexual abuse to meet with me if they wish as part of their healing process.

I wish to thank all those involved in this process toward finding a fair settlement, including attorneys representing the claimants and the insurance companies, U.S. Bankruptcy Court Judge Robert Kressel who oversees the case and retired U.S. Judge Gregg Zive, who provides mediation assistance. Most of all, I wish to thank claimants for their courage in coming forward to tell their stories, their perseverance in pursuing justice and their patience during this very thorough process.

I again extend my deepest apologies on behalf of the Diocese of New Ulm to victims and survivors of clergy sexual abuse. Victims and survivors have courageously worked to raise awareness about the tragedy of childhood sexual abuse and how we must address it. I hope and pray that today's settlement helps victims and survivors on their healing journey.