



May 26, 2016

Dear Brothers and Sisters,

On January 16, 2015, the Archdiocese filed for bankruptcy. Today, I write to tell you that we have filed a Plan of Reorganization as part of that bankruptcy process. Filing the Plan is an important and required step on our path to a fair resolution.

In preparation for filing the Plan, the Archdiocese sold available real estate assets, including our properties in Saint Paul, we will be leasing less expensive office space, and we have continued to cut our budget. For over a year, we have worked cooperatively with others. We have also participated in mediation to help determine the value of insurance coverage. Although progress has been made, the insurance companies and attorneys for those asserting claims of sexual abuse have not been able to agree on the proper value of the insurance proceeds for the claims. According to attorneys for claimants, the claims are worth hundreds of millions of dollars. The insurance companies disagree and place the value much lower.

Our Plan stands on three pillars. First, the unprecedented Settlement Agreement last December with the Ramsey County Attorney, which is incorporated into the Plan to ensure that we continue to do all we can to protect children. Second, the funding of a \$500,000 victim counseling fund to promote healing for those who have suffered abuse. And third, the creation of an independent Trust. The Archdiocese has proposed that the Trust will initially be funded by \$65 million or more in proceeds from Archdiocesan cash and the sale of our properties, proceeds from insurance settlements, and contributions of insurance settlements from our parishes. In addition, all insurance proceeds, including those that have not yet been agreed upon between the insurance companies and those filing claims, will be put in the Trust. A court-appointed Trustee will then control the Trust and have the authority to pay claimants.

Victims/survivors cannot be compensated until a Plan of Reorganization is finalized and approved. The longer the process lasts, more money is spent on attorneys' fees and bankruptcy expenses; and, in turn, less money is available for victims/survivors. In other dioceses, that approval process has taken years. For example, in Milwaukee, the process took more than five years and only \$21 million was available to compensate claimants. We

are submitting our Plan now in the hope of compensating victims/survivors and promoting healing sooner rather than later.

While we believe that this Plan is fair, we also know that some well-intentioned people may raise objections. Reorganizations sometimes involve modifying an initial Plan. We are committed to working earnestly with everyone involved to find a fair, just and timely resolution.

This week, some attorneys claimed that we failed to disclose all of our assets in the bankruptcy case. Let me be clear: The Archdiocese has disclosed all of our assets and has followed all of the rules set forth by the Court and all directives from the judge. I know that for at least the last 11 months we have been working extremely hard to marshal and maximize our assets with the hope of providing the most for the most.

We will never be able to undo the harm caused, but, we will compensate those harmed, help in any way we can with their healing, and create and maintain safe environments for all children today and always.

I thank you for your support as we move forward with full awareness of our past and a commitment to a better future, and I ask for your continued prayers and support for all victims of sexual abuse and their families.

Sincerely in Christ,

A handwritten signature in black ink that reads "+ 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