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NEWS RELEASE
Diocese of St. Cloud

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December 4, 2020

BANKRUPTCY COURT APPROVES PLAN FOR REORGANIZATION

The Minnesota Bankruptcy Court today approved a plan for reorganization jointly submitted by the Diocese of St. Cloud and the creditors' committee of clergy abuse survivors.

The plan provides for a \$22.5 million trust to compensate survivors of clergy sexual abuse. The funds will be made up of insurance coverage settlements (\$14 million); property sales, including the St. Cloud Children's Home (\$5.25 million); contributions from parishes and a line of credit (\$3.25 million). The plan also includes non-monetary protocols for the protection of children.

"I again want to apologize on behalf of the Church to the survivors of clergy sexual abuse," Bishop Donald Kettler said. "Coming forward took a great deal of courage. The Church failed them, and I hope this helps them to move further along the path of healing and peace. I remain committed to ensuring the Church does everything it can to prevent sexual abuse."

"This reorganization plan represents the culmination of several years of respectful negotiations among all the parties involved," Bishop Kettler added. "Because of that, we were able to make today's announcement less than six months after the diocese filed its bankruptcy petition with the court. This rapid process reduced the administrative expenses that would have been incurred in a longer process and preserved more funds for the survivors."

The Diocese of St. Cloud filed a voluntary petition June 15 for relief under Chapter 11 of the bankruptcy code after the diocese and abuse survivors reached agreement in May on a framework for a resolution of all clergy sexual abuse claims against the diocese and area parishes.

Today's order confirming the diocese's Chapter 11 reorganization plan is available on a special reorganization webpage at www.stcdio.org/reorganization. The webpage includes other reorganization-related information, such as public statements, legal documents, frequently asked questions, a list of clergy likely to have abused minors, how to report abuse, and safe environment resources.