

Debtor in Possession

OFFICE OF THE BISHOP

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November 3, 2022
Month of All Souls

My dear brothers and sisters in Christ:

I am writing to inform you that on this date, November 3, 2022, after extensive review and discussions with the major consultative bodies and upon the advice of legal counsel, the Diocese has filed a motion seeking approval by the U.S. Bankruptcy Court of Western New York of a Restructuring Support Agreement that would outline how survivors of sexual abuse by clergy, religious and laity would ultimately be compensated for claims brought against the Diocese and related Catholic entities.

This Agreement represents a comprehensive agreement reached with the Official Committee of Unsecured Creditors, which, if approved by the Bankruptcy Court, will pave the way for the Diocese to emerge from Chapter 11. Among other things, the plan is expected to (a) establish a trust for the benefit of survivors of sexual abuse, (b) provide for participation by the Diocese, its parishes and related Catholic entities in the amount of \$55 million to compensate survivors of sexual abuse, and (c) provide for potential additional recoveries for the benefit of survivors from insurance issued to the Diocese, its parishes and other related Catholic entities.

As I indicated in my September 12, 2019 letter to the faithful, it was my hope that our parishes and related Catholic entities would not be directly affected by the Diocese's Chapter 11 proceeding; however, this changed over the past three years. Because individual parishes and other related Catholic entities were named in individual lawsuits and bear substantial risk of direct liability to claimants in individual state court actions, the parishes and other related Catholic entities understand that they will benefit from their participation in this Agreement by obtaining a "channeling injunction" which will channel all existing and future claims to the Trust established for this purpose. Long term litigation costs and settlements or jury awards would have far exceeded the resources which the Diocese and its related Catholic entities have or could obtain to settle or litigate these claims. We believe that this Restructuring Support Agreement represents the fairest approach for the survivors and most viable path forward for the Diocese and its related Catholic entities to continue our shared mission of healing and reconciliation.

Once again, while I know my words may seem hollow, simply repeating a rehearsed apology, I renew with sincerity my deep apology to the survivors of sexual abuse. The history of sexual abuse of children in our Church has caused tremendous pain, hardship, alienation, and understandable anger. It seriously has impacted survivors, their families, our priests and others in diocesan ministries who had no part in these egregious acts. This chapter in the life of our Church has also impacted everyone who has felt their own faith shaken by those who violated a sacred trust to protect the vulnerable and live according to the teachings of Jesus Christ.