



NEWS RELEASE

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Diocese Files for Reorganization Under Chapter 11 of the U.S. Bankruptcy Code

Rochester, NY – Faced with multiple legal claims under the New York State Child Victims Act that exceed its resources to settle or litigate, the Roman Catholic Diocese of Rochester today filed for reorganization under Chapter 11 of the U.S. Bankruptcy Code.

The parishes of the Diocese and the agencies of Catholic Charities of the Diocese of Rochester are not part of the Chapter 11 filing. The 86 parishes are separately incorporated under New York State's Religious Corporation Law. Charitable entities such as Catholic Charities are separately incorporated under New York's Not for Profit Corporation Law. Their ministries and operations of parishes should not be directly affected by the Diocese's Chapter 11 proceeding.

"This is a very difficult and painful decision," Bishop of Rochester Salvatore R. Matano said in a Letter to the Faithful and video message today.

"After assessing all reasonable possibilities to satisfy the claims, reorganization is considered the best and fairest course of action for the victims and for the well-being of the Diocese, its parishes, agencies and institutions. We believe this is the only way we can provide just compensation for all who suffered the egregious sin of sexual abuse, while ensuring the continued commitment of the Diocese to the mission of Christ."

Chapter 11 is a voluntary action taken by a company or entity to reorganize financially, settle claims of those to whom it owes money and emerge with its operations intact. Under Chapter 11, an entity generally maintains its normal operations. It continues to do business in a routine manner.

"I begin by renewing my sincere apology to all those who have suffered sexual abuse by those clerics or Church personnel who violated their position of trust. I am so very sorry for the suffering you have endured, and I pray for you every day. The Diocese remains committed to helping victims find hope and healing and to creating a safe environment for all, especially our children."

*~ Bishop Matano
Message to the Faithful*

“A Chapter 11 filing stops the collection of debts and legal actions and enables the Diocese to form a Reorganization Plan that will detail how available assets will be used to settle claims and negotiate reasonable settlements,” Bishop Matano said. “Had the Diocese not filed under Chapter 11, it would face multiple civil actions, a slow, unpredictable and costly process that would require years of court involvement and those claimants who filed suits first would receive all available funds to pay victims. As a result, later claimants would receive nothing. Most importantly, such lengthy proceedings delay justice for the victims and only prolong their pain and suffering.”

As part of the Reorganization Plan, the Diocese intends to create a Victims Fund with a pool of funds from the Diocese and insurance carriers. The Diocese is working with insurance carriers to determine the extent of coverage.

There is no set schedule for an entity in Chapter 11. The Diocese’s hope is to bring the Chapter 11 process to a conclusion as soon as is possible.

A detailed FAQ and Key Facts on the Diocese’s Reorganization can be accessed at www.dor.org, along with other resources. Bishop Matano’s video message can be viewed at <https://youtu.be/EkLpjBceiRk>.