



## DIOCESE OF DULUTH

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### DIOCESE OF DULUTH PRESS RELEASE

The Diocese of Duluth, Minnesota, and the Official Committee of Unsecured Creditors, comprised of survivors of clergy sexual abuse, have reached agreement for a consensual resolution of the Diocese of Duluth Chapter 11 bankruptcy proceeding, which includes the filing of a Disclosure Statement and a Joint Plan of Reorganization, which will be filed in the near future. This constitutes an agreement in principle toward a complete resolution of the Diocese's bankruptcy.

The Disclosure Statement and Joint Plan of Reorganization will be expressly subject to approval by the United States Bankruptcy Court for the District of Minnesota and will require that a Disclosure Statement be approved prior to the balloting for the Plan that will be sent out to the survivors for their approval. The Plan terms have the support of counsel for nearly all of the survivors in the Duluth case, Jeff Anderson and Associates.

The Plan anticipates contributions from the Diocese itself and virtually all of the 75 parishes of the Catholic community in the Diocese, as well as other Catholic entities. In addition to substantial contributions from these parties, the majority of the funding of the Plan will come from the insurance carriers for the Diocese.

The Plan ultimately will distribute approximately \$40 million, with more than \$39 million funding a Distribution Trust for the benefit of the survivors, upon conclusion of the Court proceedings that require approval of the Disclosure Statement and allow for voting on the joint Plan. It is anticipated this will be a three- to four-month process.

Both the Diocese and the survivors Committee are committed to moving the process forward as quickly as possible, while still fully complying with the legal procedures necessary to obtain Bankruptcy Court approval.

For further information, please contact Ford Elsaesser, 208-661-5773 [ford@eaidaho.com](mailto:ford@eaidaho.com); Phillip Kunkel, 320-202-5335 [Phillip.Kunkel@gpmLaw.com](mailto:Phillip.Kunkel@gpmLaw.com)

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