



Dear Brothers and Sisters in Christ,

As you have heard by now our diocese has a tentative settlement in their bankruptcy which will become final when approved by the bankruptcy court. It is with mixed emotions that I write this letter to you. It gives relief that we know we are nearing the end of the bankruptcy, but it is with pain in my heart that we remember the reasons for this bankruptcy. The grievous sins from past clergy, most of whom are dead, are being paid for now, and the reopening of wounds for those who have been abused is a horrible pain which they never should have had to experience. Priests are to be men devoted to Christ and serving Him and His Holy People. These priests chose abuse rather than choosing what Christ had called them to. I am deeply sorry for the atrocities that these priests committed, and for the failed leadership of the Bishops who did not act swiftly and with transparency.

The details of the settlement are found on the other side of this sheet, but it is helpful to remember that all parishes throughout the diocese, regardless of having any pending claims against them (St. Joseph's has 1, St. Augustine's has 2), were asked to contribute 15% of their unrestricted cash on hand as of June 30, 2018. Trustees and Finance councils of both of our parishes have been in communication about this matter over the last couple of months as it appeared a settlement was becoming a reality. There was a unanimous vote for both parishes from the trustees and finance councils to make this contribution for a few reasons. 1) To be in solidarity with all other parishes and with the diocese to help provide reparation to the victims and have a just resolution to the bankruptcy. 2) Contributing to the settlement releases our parishes from all claims of clergy abuse that took place prior to December 7, 2015 when the diocese filed for bankruptcy. Since we know there are pending claims against both of our parishes, this settlement protects us from costly litigation which we could not afford. 3) Lastly, so we can move towards healing, reconciliation, and making our parishes safe places to be.

Even though we know that most of these claims of clergy sexual abuse of minors are from decades ago, it is still important to know what the Church has been doing to prevent these atrocities from happening again. Our diocese is a trend setter across the country with the safe environment protocols, seminary screening processes, and our Diocesan Review Board that swiftly addresses any sort of clergy misconduct. Our diocese has been leading in these areas since 1992 when they were implemented, and they are always being updated and improved. The seminary system itself across the country does vigorous screenings of candidates for priesthood which include yearly evaluations, monthly formation meetings, and psychological evaluations to enter both college seminary and major seminary. As Bishop Sirba said in his letter, making our parishes, schools, religious education programs and youth activities the safest places for our children to be is the work of a lifetime, and we must never grow weary in this work.

I would like to invite all of you to listening sessions with me in order to clarify or answer any questions you might have. Here are the dates, times and locations:

St. Augustine's: Sunday, May 12 after 9:15 AM Mass in the church
Friday, May 17 at 7:00 PM in the social hall

St. Joseph's: Wednesday, May 15 after 9:00 AM Mass in the social hall
Wednesday, May 15 at 7:00 PM in the social hall
Sunday, May 19 after 8:00 AM Mass in the church

You are welcome to attend any one of the listening sessions listed above. Feel free to contact me anytime, and know that my door is always open to you. In this season of Easter, let us all keep our focus on Jesus Christ, who is our Risen Lord and King, and let us ask Him to purify His Church from all stain of sin, to be His Spotless Bride. St. Joseph and St. Augustine, our patrons, pray for us.

Fr. Seth Gogolin

Pastor: St. Joseph and St. Augustine

RE: Diocese of Duluth Bankruptcy – A Tentative Settlement has been reached with the victims to resolve the abuse claims. This settlement now just awaits approval by the court.

HISTORY: In 2013 MN State Legislature passed the Minnesota Child Victims Act (MCVA). This law lifted the statute of limitations, offering past victims of child sexual abuse three years to sue abusers and the organizations that employed them or directed their volunteer activities. In response to an abuse verdict against the Diocese of Duluth (D.O.D.) for approximately \$4.9M for Doe #30, the D.O.D. declared Chapter 11 Bankruptcy in December of 2015 so that rather than just one victim, all victims affected could be compensated. In May of 2016, the MCVA window closed and 125 victims from 30 parishes in our diocese brought claims against the D.O.D. (of which our parishes: St. Joseph's had 1 claim, and St. Augustine's had 2 claims). In the last 3+ years since the filing, many meetings, hearings, mediations, and insurance company lawsuits were filed to move this toward a settlement.

SINCE THEN? The D.O.D. has now settled with all five insurance companies who provided coverage during the time these abuses occurred. At that point, we were able to partake in mediation with the victim's attorneys and over the course of the last few months a proposed settlement was agreed on by both parties.

WHAT DOES THAT MEAN? The settlement with the 5 insurance companies totaled \$31M. The D.O.D. agreed to pay nearly \$10M, thus totaling just over \$40M, and \$39M of that will be distributed to the victims. Funding will include \$500,000 cash from the diocese, sale of the Bishop's house, and 15% of the unrestricted funds from the diocesan endowments, along with a loan from the diocesan endowments. This is all in addition to the more than \$3.5M in bankruptcy costs paid by the D.O.D. to date. In effort to spread the burden, *all* parishes in the diocese were asked to contribute 15% of their unrestricted cash on hand (as of June 30, 2018) as part of the settlement total. All active priests along with some deacons and retired priests each contributed \$1,000 of their own money towards the settlement as well. Pooling all of these resources totaled the proposed settlement to just over \$40M.

HOW DOES THAT AFFECT OUR PARISHES? 15% of the unrestricted funds totaled \$69,525.82 for St. Joseph's and \$61,552.56 for St. Augustine's. Parish Finance Council approval was an integral step in this process. Once the proposed agreement was accepted, parish finance councils were asked to vote for approval (any parish expense over \$10,000 must have parish finance council approval to move forward). Parish Finance Council Meetings and discussions followed and a unanimous vote was reached. Fiscal responsibility over the last 10 years at both of our parishes along with favorable expenses has resulted in enough cash on hand to contribute toward the settlement. Neither parish has any need to look for funds from savings or any other dedicated parish accounts. We will distribute funds toward this final settlement from the parish checking account.

SO... WHAT'S NEXT? The litigation is essentially over and our total focus can be on healing and prevention. Injunctions will be put in place to protect the D.O.D., Parishes of the diocese, as well as Diocesan and Parish Endowments, for any future claims under the MCVA. A trust has also been established for compensation to any person that was abused prior to December 7, 2015 that was not of legal age or unable to file a claim during the original timeline. This Trust does expire, and if at that time any funds remain, they too will be distributed to the original 125 Claimants. Since 1992, the D.O.D. has implemented a comprehensive Safe Environment Training Standards for all Priests, Staff and Volunteers that work in our churches and schools to continue to protect against abuse of any kind.