

NEWS

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NOTICE TO AREA MEDIA
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Statement from Bishop John M. LeVoir of the Diocese of New Ulm Regarding Filing of Plan of Reorganization

NEW ULM (November 14, 2019) - Today, we have taken another step in the legal process to fairly resolve sexual abuse claims made against the Diocese of New Ulm. We have filed a plan of reorganization and a disclosure statement with the U.S. Bankruptcy Court.

The plan of reorganization filed today details how the Diocese of New Ulm will meet its obligations in the \$34,000,000 settlement in our bankruptcy case. The settlement funds are made up of insurance coverage settlements and cash contributions from the diocese and parishes, including parishes that do not have claims against them. The disclosure statement provides summary information to be sent to claimants to help them determine whether they wish to approve the settlement.

The next steps are for the bankruptcy judge to review the disclosure statement and approve it if it provides adequate information. Then, the plan and disclosure statement will be sent to the claimants who will respond by sending in their ballots. When two-thirds of voting claimants approve the plan, the bankruptcy judge will hold a hearing to determine if all of the requirements of the bankruptcy law have been met. When they have been met, then the judge will issue an order confirming the plan. After confirmation of the plan, a trust will be created consisting of the assets described in the plan. A plan trustee, approved by the court, will then make payments to the claimants.

The Diocese of New Ulm filed for bankruptcy in March 2017. In June 2019, we reached a settlement with representatives of victims and survivors of clergy sexual abuse who have made claims against the diocese and parishes within the geographic area the diocese serves. The Diocese of New Ulm is committed to finding a fair resolution for victims and survivors of sexual abuse while continuing our ministry for those we serve throughout south and west central Minnesota.

