

FOR IMMEDIATE RELEASE:

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Diocese of Albany Files for Reorganization

The Roman Catholic Diocese of Albany today filed for reorganization under Chapter 11 of the United States Bankruptcy Code. Parishes and Catholic schools of the Diocese are separately incorporated under New York State's Religious Corporations Law and are not part of the filing.

The mission and ministries of the Diocese and parishes will continue during the reorganization proceedings.

According to the United States Courts, "A case filed under Chapter 11 of the United States Bankruptcy Code is frequently referred to as a 'reorganization' bankruptcy. Usually, the debtor remains 'in possession,' has the powers and duties of a trustee, may continue to operate its business, and may, with court approval, borrow new money. A plan of reorganization is proposed, creditors whose rights are affected may vote on the plan, and the plan may be confirmed by the court if it gets the required votes and satisfies certain legal requirements."

"We maintain global mediation would have provided the most equitable distribution of the Diocese's limited financial resources," said Bishop Edward B. Scharfenberger, Bishop of Albany, "but as more Child Victims Act (CVA) cases reached large settlements, our limited self-insurance funds which have been paying those settlements, have been depleted. The Chapter 11 filing is the best way, at this point, to ensure that all Victim/Survivors with pending CVA litigation will receive some compensation. The decision to file was not arrived at easily and I know it may cause pain and suffering, but we, as a Church, can get through this and grow stronger together."

With the Chapter 11 filing, legal actions against the Diocese will stop, allowing the Diocese to develop a reorganization plan that will determine the available assets, along with the participation of its insurance carriers, that can be used to negotiate reasonable settlements with Victim/Survivors in addition to other creditors.

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This filing also puts on hold the lawsuits involving the St. Clare's pensioners. That was not the Diocese's purpose for filing. While questions remain regarding the St. Clare's pension fund, the plight of the pensioners is of great concern to Bishop Scharfenberger. "The St. Clare's pensioners are certainly close to my heart and, as I would do with anyone in a difficult situation, I offer my pastoral care."

Regarding those who have filed CVA lawsuits, Bishop Scharfenberger said our role in the healing process is far from over: "I hope that financial outcomes through reorganization bring some degree of peace and a sense that some aspect of justice has been accomplished." Speaking to Victim/Survivors he added, "I am not satisfied that by giving out money we will have done all that we can. I continue to open my heart to all who will allow me to walk with them on the road to healing. You do not have to walk alone."

Anyone in need of non-financial or pastoral/healing assistance should reach out. This is not just for those who filed CVA lawsuits, the help is available to anyone in need. Noelle Marie, Diocesan Assistance Coordinator, can start individuals on the path to healing. You can reach her at 518-453-6646 or by email at assistance.coordinator@rcda.org.

The Diocese apologizes to the Victim/Survivors and their families for the inexcusable harm that was done to them by those in positions of trust. The Diocese is also committed to enhancing and strengthening its Hope and Healing programs for Victim/Survivors. That includes facilitating mental health services, opportunities for spiritual healing, and continued training and screening of Church personnel through the Diocese's Safe Environment Program for protecting children, including continued enhancement of child protection safety protocols to ensure they continue to meet the highest standards. You can learn more about the Diocese's Hope and Healing effort at <https://www.rcda.org/hopeandhealing>.

"Sex abuse is a blight on our society that affects and harms so many innocent people," said Bishop Scharfenberger. "As a Church and as a community of faith, we recognize that the Victim/Survivors are our sons and daughters, our brothers and sisters, and all of us, without exception, must find ways to assist them in their recovery."

There is no timeline for bringing Chapter 11 to a conclusion. In other dioceses in New York State and across the country, reorganization has continued for several years.

For more information, visit: www.rcda.org/reorganization.