



Diocese of Fairbanks
Planned Reorganization Under Chapter 11
Questions and Answers
February 13, 2008



Why are we seeking reorganization now?

The Diocese of Fairbanks faces over 140 claims of childhood sexual abuse that go back decades. Litigation costs would exceed many millions of dollars. We have tried but we haven't been able to settle all the claims. Our key insurer has failed to participate in any meaningful manner in a resolution of these claims. In order for there to be just compensation to everyone affected, and to insure the continued operation of the mission, this is the most prudent course of action.

What is Chapter 11?

Reorganization under Chapter 11 is a process Congress enacted to allow organizations facing unanticipated claims to compensate their creditors without severely curtailing operations. Other dioceses, among them Portland, Spokane, Davenport and Tucson, have pursued the same path in an effort to respond in the most pastoral manner.

What does this do for the victims?

This Diocese has limited resources. We believe and hope that the Chapter 11 will provide the victims, any other claimants, the Diocese and its insurers with a place where all of these claims can be settled and the victims compensated in a timely manner. Prior to the filing of the Chapter 11, the Diocese provided counseling, including travel expenses, to anyone seeking it. We intend to continue to provide those services while we are in Chapter 11.

Who made this decision?

Bishop Donald Kettler, after extensive consultation with advisors, the Finance Council and Presbyteral Council, determined that reorganization is the most pastoral and prudent course of action to fairly address both the needs of victims as well as the continued mission of the Diocese.

What does this mean for my parish?

It is our position that the parish property is not part of the Diocese and not part of the Chapter 11 filing. That position may be disputed by the victims. We do not anticipate any changes in the day to day operations of the parishes. There is no plan to close parishes.

What does this mean for our schools?

We do not anticipate the reorganization to adversely affect the operation of the Catholic Schools of Fairbanks.

Where is my tithe or donation going?

When you designate where your donation is to be used, it will be used for that purpose.

What's the timeline?

We are hoping to work with a Committee of creditors to come up with a plan for settling these claims. It is our hope and desire that this be done cooperatively. Under the Bankruptcy Code, the Diocese has the exclusive right to propose a plan within the first 120 days after filing. If we are not able to reach agreement on a plan, it would be our intent to file a plan within that exclusive period.

Does this mean the Diocese is admitting guilt?

Reorganization is not about guilt or innocence, but about addressing decades old incidents in a pastorally healing manner.

If I have more questions where do I go?

Contact the Office of Communications at (907) 374-9578 or litigation@cbna.org with any questions. Your message will be answered in a timely manner.