

**Catholic Bishop of Northern Alaska**  
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**(907) 374-9500**

21 December 2009

Dear Claimants and Other Creditors,

We are approaching an important milestone in a long reorganization process. As you probably know, with the assistance of the Official Committee of Unsecured Creditors, we have filed a "Joint Third Amended and Restated Plan of Reorganization," which I will call the "joint plan." The joint plan, proposed and supported by the Committee and by us, will allow us to conclude many legal and financial aspects of the reorganization case. It will also allow us to move forward with you toward closure, reconciliation, and healing. I am so pleased we have found common ground with the Committee, and I look forward to the process of mending the torn fabric of our faith communities and villages. This can only be made possible if you vote in favor of the joint plan, and I request that you do so using the ballot enclosed with the packet you are receiving with this letter.

The fact we are working together with the Committee and with the attorneys who represent a significant number of the claimants suggests there is real hope for healing. If you recall, only a few victims had made their claims public in 2002 when I was installed as Bishop of the Catholic Diocese of Fairbanks. I had no way of knowing then that within a few years hundreds of people would step forward to let me know that they suffered at the hands of diocesan volunteers, staff, religious or priests. It has been a very distressing time, in part because the legal process prevented me from approaching those harmed to offer sympathy and pastoral care. What I did do was offer counseling for those who wanted it. I also made sure the Diocese instituted changes and procedures to minimize the chance such harmful acts would be repeated. Under the joint plan, these safeguards and conciliatory measures will continue and additional procedures will be put into place.

This brings me to two considerations I want to underscore: the failure of some insurance providers to accept their responsibility to cover claims; and the breakdown of cooperation between us and the Oregon Province of the Society of Jesus. Both of these developments crippled the Diocese from settling with the Claimants and moving forward with the reorganization in a timelier manner.

You are aware we have fought with some insurance companies to justly compensate many of the Claimants. There have been a few providers, most notably Alaska National Insurance Company and Continental Insurance Company, that participated in settlements to contribute some of the compensation the Claimants will receive under our joint

amended plan. Other insurers unfortunately have not accepted their obligations. The insurers who have not participated in settlements will continue to be pursued.

Also, when the Society of Jesus, Oregon Province chose to pursue its own path towards a global settlement, a fruitful relationship between it and the Diocese was lost. Unfortunately, as events have proven, it was an ultimately damaging choice. While many victims settled with the Society, scores more eventually came forward forcing the Province into its own bankruptcy proceeding.

Regardless of these obstacles, we are now in a position to work together towards healing. That process begins with an act of contrition. As I have done before, I sincerely apologize to each and every one of you who suffered. Each of you who is a Claimant will be receiving a letter from me that will expand upon future efforts to offer amends. Also, I will be visiting your communities to extend these sentiments in person and conduct healing services.

I am heartened we are working together. Rural Alaska is facing many daunting changes and challenges; villages have seen rising energy costs, a rapidly changing environment and the erosion of traditional culture. The Catholic Church must be a partner with villages to find ways of coping with these and other economic, social and environmental challenges. As we have seen in this reorganization case, we must also cope with the past and heal old injuries while moving toward our future together. The joint plan will make this possible and I urge you to vote in support of the joint plan.

I realize it will take years of effort by the Church to restore the bonds of trust that once linked it with Alaskans. However, I believe that is our mission, and that we will be successful in reforging those bonds through the strategies embodied in the joint plan. I look forward to expressing my vision of renewal with you on a personal level once the court approves this plan.

I remain your servant in Christ.

+ Donald J. Kettler

Bishop Donald J. Kettler.