

**FOR IMMEDIATE RELEASE**  
**TO: News Media**  
**FROM: The Honorable Gregg W. Zive**  
**January 4, 2007 12:00pm**

Reno, Nevada---The Honorable Gregg W. Zive, Chief Bankruptcy Judge, United States Bankruptcy Court for the District of Nevada, announced today that the mediation in the bankruptcy case of the Catholic Diocese of Spokane, Washington, which has been pending before him since July 2006, has resulted in a successful resolution of the material issues in the case. Judge Zive said, "This has been a long and difficult process. The parties and counsel involved in this case have worked diligently to ensure that an equitable resolution of the case could be reached. It has been a complex and often emotional process, but one that was essential to avoid protracted, debilitating, risky and expensive legal disputes."

The global settlement is represented in a consensual Plan of Reorganization that will be filed today with the United States Bankruptcy Court for the Eastern District of Washington in Spokane. The parties participating in the mediation and settlement process were the Catholic Diocese of Spokane, the Tort Litigants Committee, the Tort Claimants Committee, the Future Claims Representative, and the Executive Committee of the Association of Parishes.

The Plan will go through the normal confirmation process before the Honorable Patricia C. Williams, United States Bankruptcy Judge for the Eastern District of Washington. The Plan will be reviewed and submitted to creditors for voting consistent with the United States Bankruptcy Code.

Judge Zive explained, "The economic portion of the global settlement totals at least \$48 million and provides a mechanism for the payment of future claims. In addition to the sale of Diocesan assets, contributions of more than \$20 million from six insurance carriers, and

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contributions from various Catholic entities in the Diocese, the Parishes will be responsible for raising \$10 million. As important as the economic terms of the Plan are, the Plan contains numerous non-monetary provisions that are as critical as the monetary provisions of the Plan. These non-economic terms were absolutely essential to arriving at a consensual plan. It is hoped that the resolution of this case will help provide the survivors with some measure of closure and allow them to move forward and continue the healing process. At the same time, the settlement will allow the Catholic Diocese of Spokane to continue its ministry and to begin its own journey of renewal, healing and hope.”