



## DIOCESE OF CAMDEN

### FREQUENTLY ASKED QUESTIONS *The Diocese of Camden Chapter 11 Plan of Reorganization Pursuant to the United States Bankruptcy Code*

1. ***What action did the Diocese of Camden take on February 2, 2022?*** On February 2, 2022, the Diocese submitted to the United States Bankruptcy Court its Second Amended Disclosure Statement that outlines a plan of reorganization to distribute to survivors \$90 million to resolve approximately 300 clergy sex abuse claims.
2. ***When did the Diocese of Camden file for Chapter 11 Reorganization?*** The Diocese began its Chapter 11 reorganization on October 1, 2020.
3. ***Why did the Diocese file for Chapter 11 Reorganization?*** To provide all survivors equitable resources, in a fair manner, rather than having a race to the courthouse whereby the first survivors may receive funds but subsequent survivors would be left with little or nothing after years of protracted litigation.
4. ***What has the happened since the Diocese filed for Chapter 11 Reorganization?*** Over the last 18 months, the Diocese has attempted to work with the Official Committee of Tort Claimants and all other parties in interest to the case. There have been numerous meetings, phone conferences, and exchanges.



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5. ***What effect has Chapter 11 Reorganization had on the Diocese?*** During the process, and especially during the pandemic, the Diocese maintained all daily activities and performed the critical outreach necessary for vulnerable populations in our six counties. We also continued to fulfill our mission for the faithful. The Diocese and parishes remained responsive to the needs of the community while recognizing our responsibility to the survivors.
6. ***Who is responsible for the Chapter 11 Reorganization?*** From the outset of the Chapter 11 proceedings, Bishop Dennis Sullivan, as well as diocesan administrators, have appeared before United States Bankruptcy Judge Jerrold N. Poslusny, Jr. and the court-designated mediator retired Chief United States District Court Judge Jose L. Linares.
7. ***When were claimants required to file?*** The first major bench mark in the process occurred when the Bankruptcy Court fixed a date of June 30, 2021 by which all claims were required to be filed on a confidential basis. This resulted in approximately 300 claims, which have been carefully reviewed by the Diocese, the Tort Claimants Committee and diocesan insurers.
8. ***What about insurance coverage for the Diocese?*** As part of the Chapter 11 process, the Diocese engaged with all insurance companies who provided insurance coverage to obtain resources from them for the survivors. Judge Linares began an active mediation whereby the insurers were requested to provide funds for the survivors as a result of the millions of dollars that the Diocese paid in insurance premiums for many decades. Through this process, insurers agreed to contribute \$30 million to the Dioceses plan of reorganization as part of the trust fund solely for survivors.



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9. ***How much will the settlement cost the Diocese?*** Through much negotiation and analysis, the Diocese and parishes will contribute \$60 million, composed of \$30 million cash and \$10 million on the plan's first, second, and third anniversary. While the contribution will be primarily diocesan funds, parishes will contribute to the overall amount.
10. ***What is the total amount of the funds being provided to Survivors?*** The total fund, including diocesan and insurer contributions, of \$90 million is at the high end of **all** diocesan Chapter 11 cases throughout the United States.
11. ***What is the Diocese's commitment to child safety?*** Besides the \$90 million in funds, the Diocese has and will continue to implement every available safeguard to ensure that clergy abuse will never occur again. No one legitimately disputes the level of scrutiny that exists within the Diocese of Camden at this point through our ironclad child and youth protection policies and procedures. In addition to the various educational components designed to protect children in parishes and schools, any case of alleged abuse is immediately reported to and the County Prosecutor. A full and independent investigation occurs.
12. ***How else does the Diocese support Survivors?*** The Diocese continues to provide for counseling services that offer mental health services for any survivor.



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13. *What happened during the mediation process?* The final settlement timeline follows as

such:

- Beginning on July 28 and 29, 2021 and continuing through August, September, October and November 2021, multiple mediation sessions occurred under the watchful eye of Judge Linares to achieve a settlement. Hundreds of hours were involved.
- Unfortunately, the Tort Claimants Committee then declined to continue those mediation sessions and instead has said that it will not provide any recognition of the Diocese's efforts. On January 12, 2022, with the consent of the Tort Claimants Committee and at the direction of Bankruptcy Judge Poslusny, a 13-hour mediation session occurred in Mt. Laurel. Judge Poslusny attended with the consent of the survivors. Everyone listened intently and the Diocese attempted to finalize a global settlement and final disposition of these matters.
- Ultimately, the January 12 session was not successful in reaching a settlement.
- On January 18, 2022, there was an additional 10- hour mediation session with the insurers at Judge Linares' office in Newark where the insurers finalized their contribution of \$30 million.
- Based upon the amount of claims, the Diocese's efforts and the parishes' contribution, a total fund of \$90 million is now being proposed for the Court's consideration. The Diocese believes this is a fair and equitable settlement and no independent analysis suggests otherwise.



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14. *What is the commitment of the Diocese to Survivors?* The Diocese continues to be committed to every action possible to move forward and recognize the survivors, the history of abuse, ensuring this never occurs again and treating survivors in a fair and equitable manner.
15. *What is the commitment of the Diocese to the Faithful in South Jersey?* The Diocese is also committed to continuing its mission and meeting the requirements of being in our communities with critical programs that support the homeless, veterans, the elderly, sick and other vulnerable persons.