



Diocese of Davenport

WALKING TOGETHER IN FAITH

News

For Immediate Release

DATE: December 3, 2007
TO: Media
FROM: Deacon David Montgomery
Diocese of Davenport
montgomery@davenportdiocese.org
PHONE: 563-324-1911
FAX: 563-324-5842
RE: Settlement Reached Between the Diocese of Davenport and the
Official Committee of Unsecured Creditors

The Diocese of Davenport and the Official Committee of Unsecured Creditors reached a settlement at 1 a.m. on Thursday, November 29, 2007, after four days of mediation in Chicago. Most Rev. Martin J. Amos, Bishop of Davenport, personally participated in the negotiations.

Details of the \$37M settlement will be included in the Joint Consensual Plan of Reorganization anticipated to be filed by the Diocese and the Creditor's Committee in the near future. The Plan must be approved by the Honorable Lee M. Jackwig, Chief Judge of the United States Bankruptcy Court, Southern District of Iowa, to be effective. The parties anticipate that the Plan will be approved around April 1, 2008.

"The settlement provides the best opportunity for healing and for the just and fair compensation of those who have suffered sexual abuse by priests in our Diocese," said Bishop Amos. "The settlement also provides the best way to continue the Church's mission in the Diocese of Davenport. While this settlement will not end the suffering by some victims of abuse, I pray that the healing process for them might begin."

The Future Claims Representative in conjunction with the Creditor's Committee will determine the amount of money to be set aside for any future claims. Victims will have their confidentiality maintained. Distributions should begin around July 1, 2008 after the Plan has been confirmed and the claims procedures have commenced.

In addition to the monetary settlement, the Diocese will implement several non-monetary undertakings in order to help bring healing and closure to the victims of sexual abuse. These include continuing to offer counseling for survivors of abuse, visits by Bishop Amos to parishes where abuse occurred, and publishing names of abusers. Details will be given in the Plan.

In an effort to have a complete resolution, Bishop Amos negotiated a global settlement that includes all Catholic entities in the Diocese of Davenport. Bishop Amos said, "In the beginning, the Diocese of Davenport alone entered bankruptcy, but we were able to include all other Catholic entities in the Diocese so that they all will be protected from future claims." While each entity is independently incorporated, all parishes, schools and Catholic entities are now included in the global settlement. As a result, when the Plan is approved, all the Catholic entities will be released from liability for past cases of abuse that occurred before October 10, 2006. Contributions by some of the entities toward the settlement have yet to be determined by their boards.



Diocese of Davenport

WALKING TOGETHER IN FAITH

News
For Immediate Release

Part of the Diocesan portion of the settlement will come from the sale of the St. Vincent Center in Davenport by the Creditor's Committee. The Diocese will deed the St. Vincent property to the Settlement Trustee as the Diocese does not have the funds necessary to purchase the property. The chancery staff and resident priests may move to other office space and apartments. All other property owned by the Diocese has already been sold including the bishop's residence and a farm in Davenport. Investments held by the Diocese, other entities and insurance companies will fund the balance of the settlement.

All of the assets owned by the Diocese are included in the settlement except gifts donated to the Diocese for specific purposes and donations to the Annual Diocesan Appeal that fund the ongoing operation of the chancery.

The Diocese wishes to thank retired Judge Nudelman for his assistance in the mediation process.

Further details will be provided when the Reorganization Plan is filed and following the approval of the Plan by Judge Jackwig.

Bishop Amos said, "I apologize for the pain caused by the actions of some priests in the past 50 years. The priests who abused children betrayed the people who trusted them and they betrayed the Church. This has been a sad and difficult time for all of us as we attempt to offer healing to all victims of abuse. We are committed to ensuring that the Diocesan safe environment program will prevent this type of abuse from happening again."