



THE CATHOLIC DIOCESE OF ROCKVILLE CENTRE

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MEDIA RELEASE

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THE DIOCESE OF ROCKVILLE CENTRE FILES FIRST AMENDED PLAN OF REORGANIZATION AS ROADMAP TO EMERGENCE

- *Survivors receive immediate cash payout under 'best and final' offer*
- *Filing details procedures for approval of record \$200 million settlement*
- *Funds from insurance proceeds to fund additional substantial payouts to survivors*

ROCKVILLE CENTRE, NY – November [27], 2023 – The Diocese of Rockville Centre (www.drvc.org) (the “Diocese”) filed its Amended Plan and Disclosure Statement today, offering a total of \$200 million in compensation as its best and final proposal for settling with survivors of abuse. This First Amended Plan is the best, most efficient and most effective means to immediately begin compensating all eligible survivors equitably while allowing the Diocese to emerge from bankruptcy and continue its charitable mission.

The Diocese filed this Plan, which includes a record setting settlement offer in the amount of \$200 million from the Diocese, parishes, and related parties to compensate survivors and bring this case to a fair and final resolution. The Diocese agrees with Bankruptcy Court Judge Martin Glenn, who is overseeing the case, that survivors have waited too long for compensation and that any alternative to a global settlement plan creates chaos that puts both survivor compensation and the futures of parishes at risk.

Under the Plan, the \$200 million settlement fund includes a Diocese contribution of \$50 million and a contribution of \$150 million from parishes, co-insured parties, and other



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Catholic ministries. In addition, the Diocese and all affiliate parties are contributing the value of their substantial rights against third-party insurance companies as part of the Plan.

The proposed payout represents the largest settlement offer ever made in a diocesan bankruptcy in the country, both on a total payout and per claimant basis.

The Plan offers an immediate minimum cash payment of \$100,000 to each claimant with a lawsuit against a non-debtor contributor. The Plan offers other claimants without qualifying lawsuits an immediate minimum cash payment of \$50,000. The balance of the remaining settlement funds would be paid to settlement trusts and allocated to creditors based on trust distribution protocols. Funds from insurance coverage proceeds will be added to these settlement trusts to fund additional substantial payouts to survivors.

The Unsecured Creditors' Committee's litigation alternatives are rife with uncertainty. Further litigation will delay compensation for all survivors, may result in unfair compensation for many survivors, and could ultimately leave some survivors with no compensation at all. The alternative path favored by the Unsecured Creditors' Committee will needlessly run up litigation expenses and continue to erode assets of the Diocese, parishes and other co-insureds. Instead of continuing to fund lawyers' fees, this money is better spent compensating survivors.

Under the Plan, survivors will have the opportunity to choose immediate compensation for all survivors. A vote to reject the Plan in sufficient numbers may lead to dismissal of the Chapter 11 case, and force survivors to move their claims back to State Court, where they will once again be in a first-come, first-served litigation dynamic in the trial-court system. This path will also delay any resolution for the overwhelming majority of claimants as approximately 60 percent of the cases involving the Diocese and its affiliates are stayed from proceeding in State Court by the insolvency of the Arrowood Indemnity



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Company. The minority of survivors and their counsel with unstayed cases could race to the front of the line.

Also filed with the court today is a Solicitation Procedures Motion outlining the calendar of activities under the Plan and the deadline for voting on the Plan. The Diocese is endorsing a streamlined calendar to ensure that the survivors can receive their settlement payments in the first quarter of 2024.

The Diocese has already made it clear that it is at the end of its resources. Contrary to assertions that additional funds are available to increase settlements, no independent Catholic organizations are being offered releases through the Diocese's proposed plan other than those that will participate in funding the settlement trusts. Continuing to prolong the case, or dismissing the case, will ensure that payments to survivors only go down from the current settlement offer contained in the Plan.

Survivors deserve a settlement now. The Diocese hopes that all parties, including survivors and their legal advisors, will vote in favor of the equitable and unprecedented offer in the Plan.

As the survivors and their attorneys weigh the Diocese's settlement offer, it is also important to remember the many families on Long Island that depend on the Diocese, parishes, and Catholic ministries to deliver compassionate health care, housing, education, food security, substance abuse, mental health and grief counseling, immigration services, religious and spiritual care. Survivors deserve compensation now, and the Diocese's charitable mission is more important than ever in these uncertain times. Both face a vulnerable and uncertain future if the Plan is rejected.

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