



Media Contact:
Ashley Doubleday
(504) 250-1802
adoubleday@tegpr.com

Bill Kearney
wkearney@tegpr.com

STATEMENT FROM ARCHDIOCESE OF NEW ORLEANS' VICAR OF FINANCE REGARDING DECISION TO PURSUE CHAPTER 11 REORGANIZATION

NEW ORLEANS - (May 1, 2020) - The following is a statement from Fr. Patrick Carr, CPA, Vicar of Finance for the Archdiocese of New Orleans:

“The Archdiocese of New Orleans has officially decided to file for Chapter 11 reorganization. Under Chapter 11, we will be allowed to satisfy current financial obligations and to reorganize our operations with a commitment to a future ministry that is stronger financially and strengthened in its mission. This process will affect only our administrative offices and will not materially affect the individual parishes, their schools, schools run by religious orders, sponsored schools or the various ministries of the church.

The decision to file was made by Archbishop Gregory Aymond, in consultation with a committee of trusted advisors made up of laypersons and clergy. Filing for Chapter 11 is a voluntary action that will allow the Archdiocese to implement a financial reorganization plan detailing how available assets and insurance coverage will be used to settle claims and negotiate reasonable settlements.

This does not mean that the Archdiocese of New Orleans is closing. Under the Court’s supervision, we will continue to minister to the people of our local church and to responsibly meet our payroll obligations and other costs. Current creditors of the Archdiocese will be assured payment via a Chapter 11 plan of reorganization that will be approved and controlled by the Court.

The prospect of more abuse cases while facing prolonged litigation, together with pressing operational needs and external challenges, has created an impossible situation. Additionally, the unforeseen circumstances surrounding COVID-19 have added more financial hardships to an already difficult situation. This route to reorganization will allow for our administrative offices to continue and to be better prepared financially for the future. Very importantly, taking this action will allow us to address remaining clergy abuse claims, all of which stem from allegations dating back several decades ago, in a way that will allow funds to go directly to victims, instead of funding costly litigation. No money from parish collections will be used to resolve claims. Parish funds are separate from archdiocesan accounts and the pastor decides how those are used for parish ministry.

It is our goal that this process be done in a fair and timely manner and it is our prayer that this independent process brings about healing for those who have been harmed as a result of abuse by members of the clergy. The healing of victims and survivors remains very important to Archbishop Aymond, to me and to the church. It is our promise to do our best to provide clarity about this

reorganization. As such, we have developed a website which will be updated with announcements and resources.

Through God's grace, the Archdiocese of New Orleans will emerge from this reorganization stronger and with a renewed commitment to the mission of the church."

For more information, visit – www.nolacatholic.org/renew.

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