

PRESS RELEASE

Diocese of Helena

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U.S. Bankruptcy Court Confirms Reorganization Plan

On March 4, 2015, Chief Bankruptcy Judge Terry L. Myers confirmed the Chapter 11 bankruptcy Reorganization Plan of the Diocese of Helena, Montana. The Plan was jointly proposed by the Diocese of Helena and the Official Committee representing the interests of the sexual abuse claimants, and brings to a close a mediated litigation process that began nearly four years ago. The Plan received nearly unanimous approval in voting by the sexual abuse victims and other creditors, and the confirmation order by Judge Myers resolves all outstanding sexual abuse claims against the Diocese of Helena. The Chapter 11 Plan confirmation also resolves claims against the Western Province of Ursuline, who joined in the reorganization process and made a substantial contribution to the overall settlement.

“The confirmation of the plan proposed by the Diocese of Helena and the Claimants Committee provides for nearly immediate compensation to the sexual abuse victims; reflects the permanent commitment on the part of the Diocese in the form of nonmonetary provisions to address the harm to the victims in a pastoral manner; and leaves the Diocese in a position to go forward on firm financial footing,” said Bishop George Leo Thomas.

“The confirmation of this joint plan is a direct result of a mediation-based approach to the hundreds of claims brought against the Diocese,” said Michael A. Patterson, of the firm of Patterson Buchanan Fobes & Leitch, which led the group of attorneys defending the Diocese when multiple claims began to be brought in 2011. “Energy and dollars that would have otherwise been used in court battles were redeployed to the mediation and settlement process. This enabled the Diocese, the plaintiffs, and the insurers to hand off the basics of a deal to the bankruptcy process,” said Patterson.

“We wish to thank all of the parties, including the sexual abuse victims, our insurers, our counsel, and the entire Catholic community of western Montana, for helping bring this very difficult chapter in the history of our church to an equitable resolution,” said Bishop Thomas.