

January 4, 2011

Dear Brothers and Sisters in Christ,

May the peace of Christmas and all the blessings of the New Year be with you!

Today is the Feast of St. Elizabeth Ann Seton and my one year anniversary of installation as Archbishop of Milwaukee. Little did I imagine that one year later I would be writing to you with the following news about the Archdiocese of Milwaukee.

After consultation with archdiocesan advisors and after my own prayerful consideration, this morning I directed attorneys for the archdiocese to file a petition for a Chapter 11 reorganization of its financial affairs under the U.S. Bankruptcy Code.

In my installation homily on January 4, 2010, I spoke of the devastation of sin and its effect on us personally and as a community. We see the result of that sin today. This action is occurring because priest-perpetrators sexually abused minors, going against everything the Church and the priesthood represents.

As a result, there are financial claims pending against the archdiocese that exceed our means. Our recent failure to reach a mediated resolution with victims/survivors involved in lawsuits against the archdiocese, along with the November court decision that insurance companies are not bound to contribute to any financial settlement, made it clear that reorganization is the best way to fairly and equitably fulfill our obligations.

In taking this action, we have two goals. First, we want to do as much as we can, as fairly as we can, to compensate victims/survivors with unresolved claims – both those with claims pending and those who will come forward because of this proceeding. Second, we want to carry on the essential ministries of the archdiocese so we can continue to meet the needs of our parishes, parishioners and others who rely upon the Church for assistance.

A Chapter 11 reorganization is the best way to achieve these goals. It enables the archdiocese to use available funds to compensate all victims/survivors with unresolved claims in a single process overseen by a court, ensuring that all are treated equitably. In addition, by serving as a final call for legal claims against the archdiocese, the proceeding will allow the Church to move forward on stable financial ground, focused on its Gospel mission.

As I have said before, we will continue our outreach to victims/survivors as an ongoing ministry of the Church. The archdiocese is committed to making sure that, to the best of our ability, nothing like this can ever happen again. We will continue the policies and practices we have implemented to keep children safe.

As a Church, we have worked for more than two decades to meet the needs of victims/survivors without taking this drastic action. Since the late 1980s, we have directed increasing resources toward providing financial, psychological, pastoral and spiritual support to victims/survivors. Over the past 20 years, we have spent more

than \$29 million to cover costs associated with this tragedy. Since 2002, we have sold property, liquidated savings and investments, eliminated ministries and services, cut archdiocesan staff by nearly 40 percent, and put all available real estate on the market in order to free up resources. As a result, we have succeeded in reaching mediated settlements with more than 190 individuals. But in the end, our available resources fell short.

This bankruptcy proceeding applies only to the archdiocese itself. Parishes, schools or other Catholic entities that are separately incorporated under state law are not affected by this filing.

Many of you may feel disheartened and frustrated by this development. I have experienced the same emotions. For those who may feel anger and resentment that we have come to this moment, STOP. We are here because of one reason: priests sexually abused minors. For that, I feel deeply ashamed. As your bishop, I apologize to victims/survivors for the harm, pain and suffering they are experiencing.

I also want to apologize to all the faithful priests, religious and laity whose good works may have been tarnished by this ongoing tragedy. This can be a difficult time to be a Catholic.

But with humble hearts you persist. You come to Mass. You support your parishes and schools. You contribute at record levels to support the mission of the Church. You do countless good works through Catholic organizations. With you, the Church will continue to serve hundreds of thousands of people, making major contributions to our communities, even as we proceed with this reorganization. You carry on because you understand that while the human dimension of the Church mirrors all of humanity's failings, the Holy Spirit guiding her ultimately prevails.

Your faith is the rock on which we will build a renewed Church in southeastern Wisconsin. This is what gives me hope and confidence as we enter into this process. Just as the pain and suffering of those who have been harmed is beyond imagining, our financial reorganization will be painful, as it should be. This process will lay the groundwork for a new beginning. Like a damaged tree that is pruned drastically, I firmly believe our archdiocese will ultimately grow back, healthier and stronger, as long as our own faith remains rooted in Jesus Christ.

Let me acknowledge there will be many more questions to answer as we move through this legal process. Our Web site – www.archmil.org -- will serve as a repository for information. There are many questions whose answers will only come as the bankruptcy process unfolds. I promise to share information as it becomes available in an open, candid and straightforward way.

One thing I do know is that God is with us always, just as He is with each victim/survivor, each of their loved ones, and all the faithful who make up the Church. Let us, then, place our trust in God, who is our strength and our hope; and who is with us always.

With assurance of prayers and with faith in Jesus Christ who makes all things new, I am,

Sincerely yours in Christ,

+JEL