



August 25, 2026

My dear Sisters and Brothers in Christ,

I want to share an update on our Chapter 11 reorganization proceedings. As I shared in May, the diocese, parishes, schools and other Catholic entities (“Catholic Family”) in the diocese, had reached a settlement in principle with the Official Committee of Unsecured Creditors (“Committee”), which represents the interest of survivors in the Chapter 11 case.

Under this settlement, the details of which will be set out in the diocese’s Plan of Reorganization (“Plan”), the Catholic Family will contribute \$45 million to a survivor trust to be established under the Plan. Every member of the Catholic Family will contribute. The trustee of that Trust will determine how the funds will be disbursed to resolve all the claims of the survivors. I will give you updates on the Plan as the details are worked out.

The Plan is a pathway to comprehensive resolution of all claims against the diocese, parishes, and other Catholic entities. Success of the Plan and the contributions to the survivors Trust is critical not only to the diocese, but also to the parishes and other Catholic entities.

In June 2024, the US Supreme Court issued a decision that changed a bankruptcy strategy that was the pathway to confirmation of plans in Diocesan Chapter 11 cases.

The solution that has emerged to protect the diocese, parishes and other entities is a “Rapid Pre-Pack Chapter 11” case for each parish. We are advised it is the only viable and realistic way to obtain comprehensive relief for the entire Catholic Family. This approach has been successful in the Diocese of Rockville Centre and the Archdiocese of New Orleans.

Each of our parishes will file a Chapter 11 case at the very last moment, after we know whether we have sufficient votes to confirm the Plan. We expect our parishes will be in bankruptcy approximately 48 hours. Cases will remain open for a period of time, but parishes will emerge from bankruptcy quickly. The only claims addressed in these bankruptcies will be abuse claims. All other creditors and vendors will be paid in the ordinary course of business.

The result is that the Diocese and parishes will receive a bankruptcy discharge of all alleged abuse claims as of the date of the parish’s pre-packed bankruptcy is filed. Going forward, no abuse claims may be brought against parishes from prior to that date. This gives parishes maximum protection from future litigation.

The Catholic Family contribution will come from three sources. Parishes and schools will pay approximately \$28.6 million, the diocese and other entities will pay approximately \$6.47 million, and the diocese will borrow an additional \$10 million to contribute to the settlement.

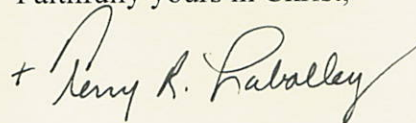
You may ask why the parishes, and other entities should join in the settlement. The majority of our parishes (or their predecessors, by way of merger or consolidation) and some entities are named defendants in already-filed abuse cases, placing them at significant risk of direct liability in State Court actions. The litigation costs, settlements or jury awards would far exceed the resources available. By contributing to the survivors Trust, parishes and other entities will have their claims settled under the Plan.

Most importantly, as a Catholic Family, it is our moral obligation to provide reparation and share a role in the healing to the survivors. As in 1 Corinthians 12:26, if one part of the body suffers, all the parts suffer with it.

I know I have included a lot of information, and it will take time to reflect on it. We will continue to provide information as we move forward. For the past decade we have attempted to achieve justice for the survivors while maintaining the mission of the Church. Resolving of abuse claims and coming out of Chapter 11 is at hand. We are hopeful our Plan will be approved in the next few months and that we may be able to move forward with great hope, free from the threat of continued litigation. Please keep the survivors in your prayers. Also, please keep me and my advisors, and every member of the Catholic Family in your prayers. With the grace of God, we will support and encourage each other throughout the Diocese as we continue the mission of sharing the Gospel with our lives.

Asking God to bless you, I am

Faithfully yours in Christ,

A handwritten signature in black ink, reading "Terry R. LaValley". The signature is written in a cursive style with a large, stylized initial "T".

Most Reverend Terry R. LaValley
Bishop of Ogdensburg