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Press Release

FOR IMMEDIATE RELEASE

FAIRBANKS DIOCESE WELCOMES AGREEMENT

The Catholic Diocese of Fairbanks welcomed the outcome of a federal Bankruptcy Court hearing Tuesday afternoon. Lawyers representing the diocese, the committee of unsecured creditors, the claimants and certain insurance companies briefed Judge Donald MacDonald on an agreement that will lead to a consensual resolution of the Chapter 11 reorganization.

“This agreement achieves an important milestone,” said Bishop Donald Kettler. “More importantly it starts us down a road of healing and the restoration of trust.”

Under the terms of the agreement a trust that will pay compensation to claimants will be formed and will receive 9.8 million dollars. The agreement expands on a plan filed with the court last month; most of the funding would come with the exchange of diocesan property for cash from an Endowment Trust. The plan sees additional contributions from the parishes and the Monroe Foundation an organization that supports the Catholic Schools of Fairbanks.

Almost 300 individuals have filed claims since the diocese filed for reorganization in 2008.

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