

# Judge grants motion to dismiss bankruptcy

SAN DIEGO – The San Diego Diocese said Nov. 1 it was grateful Judge Louise DeCarl Adler granted its motion to dismiss its bankruptcy case.

“This gets us one step closer to implementing the terms of the global settlement agreement,” it said in a statement released the same day as the ruling.

On Sept. 7 the San Diego Diocese and the San Bernardino Diocese, which was split off from its southern neighbor in 1978, announced an agreement to pay \$198.1 million to settle lawsuits with 144 people for abuse suffered between 1938 and 1993.

“Nevertheless, it is extremely disappointing that the presumption continues, as if it were a conclusion, that the assets of nondiocesan Catholic institutions and parishes are available to the diocese for the financial resolution of the sexual abuse cases,” the diocese said Nov. 1.

“This issue was not resolved in the bankruptcy proceeding,” it added.

According to the San Diego Union-Tribune daily newspaper, Adler “scolded” the diocese as she handed down her ruling, saying it had been “disingenuous” about its finances and claimed the diocese had plenty of property to sell to pay its abuse settlement.

In September the San Diego Diocese said the settlement “takes us beyond available resources and will result in some damaging consequences for the mission of the church in this diocese for a number of years.”

San Diego Bishop Robert H. Brom asked his priests to give up a month’s salary to help pay the diocese’s multimillion-dollar abuse settlement. In an Oct. 2 memo to priests, Bishop Brom also asked parish priests to request donations from their parishioners.

According to the Union-Tribune, the request for parishioners to donate money

prompted Adler to rebuke the diocese in her courtroom.

She was reported as saying that originally she was going to make her ruling without comment but then she received a plea from her former parish for donations to help pay the abuse settlement and changed her mind. The letter included information on the diocese's finances.

Diocesan chancellor Rodrigo Valdivia told the Union-Tribune the diocese was disappointed with the judge's comments and said the diocese "is not disingenuous" about its finances.

In an Oct. 10 telephone interview with Catholic News Service, Valdivia said that in fact some diocesan properties likely will be sold to help cover the cost of the settlement, although it was too early in the process for the diocese to figure out which properties will be made available.

He said the sites of two high schools - both of which have been reopened in new locations - top the list of parcels likely to be sold. One is in the choice real estate location of Linda Vista/Mission Valley, he said.

Under the settlement reached in September, the San Diego Diocese will pay \$77 million and its insurer, Catholic Mutual, will cover another \$75.7 million for a total of 111 cases. San Diego will pay another \$30.2 million for 22 cases involving members of religious orders. A statement from the San Diego Diocese said it is hoped that at least part of that amount will be recovered from the religious orders. The settlement also included 11 cases that will be covered by the San Bernardino Diocese and Catholic Mutual for \$15.1 million.