

# ARCHDIOCESE OF AGANA

CHANCERY OFFICE

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Protocol No. 2023-013

## A TIME FOR UNITY AND HEALING The Vicar General's Pastoral Message on Implementation of Bankruptcy Plan of Reorganization

The peace of Jesus Christ be with you. I wish to supplement the short pastoral message that was read at our churches on Sunday, February 5, 2023, with this longer message updating the faithful.

Our archdiocese reached a significant milestone in the complex and emotional journey of bankruptcy that we embarked on four years ago. On October 4, 2022, Chief District Judge Frances Tydingco-Gatewood approved the confirmation of the Fifth Amended Joint Plan of Reorganization. It means that our archdiocese reached a formal agreement of reparation and compensation with the victim-survivors of clergy sexual abuse who were harmed by former members of our archdiocese.

The judge's ruling defines the final conditions or terms under which the bankruptcy status for our archdiocese will be lifted. It is a major achievement and provides the guidance we need to fulfill our part.

It is also the time for healing to begin. As we march into 2023, let us be strong and united in Christ, knowing that our Almighty God is with us every step. We are one in the Body of Christ. Our loving Lord has been with us in calm waters and turbulent seas. He is always present in our journey.

In this new chapter, we ask for your prayers for all members of His Church, that we bear all together and, with His grace, emerge together with leaner but healthy parishes and schools which make a stronger archdiocese. Please pray, too, that in all instances, everyone will rise to know the Lord and the peace that He gives through his mercy and love.

It must be the providence of Our Lord that in this month of February, we welcome the International Pilgrim Virgin Statue of Our Lady of Fatima, enter the Holy season of Lent on February 22, 2023, Ash Wednesday, and mark the 42nd anniversary of Pope John Paul II's historic visit here on February 22 & 23, 1981.

In this longer pastoral message today, we will share some details of the progress of implementing the court-approved Joint Plan of Reorganization.

Since the judge approved the Fifth Amended Joint Plan of Reorganization last October, our archdiocese has remained extremely busy attending to the many details and its obligations to resolve the claims of the victim-survivors of clergy abuse as well as the Archdiocese's creditors.

What are the final conditions or terms that must be met?

**Replacement Mortgages** – The archdiocese will effect replacement mortgages in the amount of \$4,700,000 less payments made since the petition date, with the Bank of Guam on the real property amortized, using a thirty (30) year amortization schedule at 3% fixed interest with a 20-year maturity. The first payment will be due six months after the effective date. Payments may be made prior to the 6-month extension to assist in lowering the actual balance.

**Real Estate** – The archdiocese will transfer the parcels of real property with an estimated value of \$18,358,034 to the Trust, free and clear of all claims, liens, and encumbrances.

**Cash Contribution from All Entities** - The archdiocese will transfer in total \$6,609,998.29 to the Trust.

**Settling Insurer Contributions** - The insurance companies will transfer \$18,000,000.00 to the Trust.

**Unknown Claims** - The archdiocese will establish the Unknown Tort Claim Reserve Fund in the minimum initial amount of \$200,000.00 with equal annual payments over a period of five years and a total of \$1,500,000.

**Tuition Vouchers** – The archdiocese will provide the Trust with 150 vouchers for kindergarten through 12th-grade Catholic education. The school vouchers shall cover 100% of the cost of tuition each year for a total of not more than 13 years at any Catholic school in Guam.

**Cemetery Vouchers** – The archdiocese will provide the Trust with 50 vouchers. The cemetery vouchers shall cover 100% of a cemetery plot easement at a Catholic cemetery in Guam.

**Proceeds of Real Property Sales** – The archdiocese will market and sell the FHP/TakeCare and Chancery properties. The FHP/TakeCare property has officially been listed. The proceeds of the sale will fund the following:

- \$2,000,000.00 to First Hawaiian Bank.
- \$200,000.00 to fund the Unknown Claims, paid to the Trust.
- \$250,000.00 to fund Administrative Claims.
- \$500,000.00 to renovate and outfit the museum space at Cathedral-Basilica for use as the Chancery.
- The remaining proceeds will be distributed to the Trust for the victim-survivors.

**Child Protection Protocols** - The Trust and the archdiocese, within 60 days after the effective date, must file the finalized version of the Child Protection Protocols currently before the Creditors Committee. These protocols will reaffirm and strengthen the existing archdiocesan

policies for the Protection of Children and Young People from Sexual Abuse, the Safe Environment Program, and the Independent Review Board.

The list of real properties claimed by the plaintiffs is extensive and affects many parishes and schools, including some consecrated and historic spaces. You may recall the earnest attempt of parishes and schools to demonstrate their autonomy related to the management of properties. The February 26, 2022 ruling by Judge Tydingco-Gatewood was in favor of the victim-survivors' Creditors' Committee and determined that the archdiocese is essentially one body, which means that all liquid and real property assets of all parishes and schools owned by the archdiocese are part of the bankruptcy estate.

One of the historic spaces is the Chancery compound on San Ramon Hill in Hagåtña. In 2016, Archbishop Michael Byrnes announced that the Chancery would be included in the list of assets to be sold for settlement with the claimants. However, the facility's immense historical, spiritual, and cultural significance has come to the fore in the expressions of concern from the faithful, many of whom witnessed the 1981 visit of St. John Paul the Great. His visit included an overnight stay at the bishop's residence of then Bishop Felixberto C. Flores.

In the weeks to come, we sincerely hope and pray the new owners of the Chancery property and other church properties will be considerate of the sacred purposes and historical significance of these beloved and treasured structures. As a primary example, the potential loss of the Chancery property will have an impact on the entire archdiocese as we will need to relocate the office, residence, and chapel of the archbishop, the central offices, the offices of the Metropolitan Tribunal, Office of Catholic Education, and other essential ministries.

As we continue meetings with the respective pastors, administrators, and leaders of our archdiocesan parishes and schools, they, in turn, will meet with their communities to further discuss their respective property lots that will be relinquished and the process and timelines that will be involved. The Fifth Amended Joint Plan of Reorganization is posted on the archdiocese's website at <https://archagana.org/bankruptcy> under "Updated Documents." The joint plan lays out the summary we provided here in detail and the real properties listed in the settlement.

Further to the responsibilities of the archdiocese already mentioned in this letter is the payment of attorney fees and other unforeseen expenses associated with the implementation of the joint plan. The joint plan specifically requires the archdiocese to pay all unpaid professional claims accruing through the effective date and within seven days after the effective date.

Reparation and healing, a small measure of justice, for the victim-survivors of sexual abuse in our archdiocese is no longer just a possibility but will be fulfilled at the proper time. Thank you for remaining united and recognizing the great sacrifices the Church must make collectively in atonement for our sins of the past and the sake of those gravely hurt by former clergy and laity of the past. As she has over the millennia, our Church will survive because she lives in the hearts of believers.

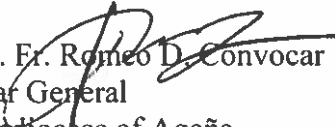
Our archdiocese will have fewer material resources, but by the grace of our Lord, we will still be focused on fulfilling our mission of proclaiming the good news of salvation, teaching the Gospel, sanctifying God's people with His grace, and helping the needy and vulnerable.

Again, we sincerely thank the faithful for the tremendous sacrifices and contributions each of you has made. We thank the families, couples, individuals, and organizations who have helped to build our churches and schools and those who continue to provide support and contributions in a multitude of ways.

As we near the holy season of Lent, we encourage everyone to turn to the Lord in prayer for comfort and peace. Together, we will also pray in all our churches and at every Mass the attached new Prayer for the Archdiocese as we move forward as one Church in Guam under the protection of Santa Marian Kamalen, our Patroness.

*"Create in me a pure heart, O God, and renew a steadfast spirit within me." ~Psalms 51:10-12*

The love of Jesus Christ be with you,

  
Rev. Fr. Romeo D. Convocar  
Vicar General  
Archdiocese of Agaña