



San Francisco Archbishop Salvatore J. Cordileone is shown in this file photo from a Nov. 17, 2021, session of the bishops' fall general assembly in Baltimore. In a Aug. 4, 2023 statement, Cordileone said Chapter 11 bankruptcy reorganization could be an inevitability for the Archdiocese of San Francisco. (CNS/Bob Roller)



by OSV News

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August 6, 2023

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A Chapter 11 bankruptcy reorganization could be an inevitability for the Archdiocese of San Francisco, according to a statement released Aug. 4 by Archbishop Salvatore Cordileone.

"For several months now, with the assistance of our financial and legal advisors, we have been investigating the best options for managing and resolving these cases," Cordileone said. "After much contemplation and prayer, I wish to inform you that a Chapter 11 bankruptcy reorganization is very likely."

Since 2002, two "open window" periods have taken place for the archdiocese, where the California Legislature temporarily waived statute of limitations, allowing individuals to bring forth claims of childhood sexual abuse under civil law. The first took place for one year starting Jan. 1, 2003; the second for three years starting in 2019 and ending Dec. 31, 2022.

The 2002 period "resulted in the Archdiocese of San Francisco selling excess property and drawing on insurance coverage to pay approximately \$68 million to roughly 100 plaintiffs to settle claims," Archbishop Cordileone said.

Within the three-year period, more than 500 civil lawsuits were filed against the archdiocese, the archbishop said, adding that trial for one of the initial cases is "imminent."

"I want you to know that, as with the 2003 window, the vast majority of the alleged abuse occurred in the 1960s, 1970s, and 1980s and involved priests who are deceased or no longer in ministry," Cordileone said. "In addition to deceased individuals who can no longer defend themselves, a significant number of these claims include unnamed individuals or named individuals who are unknown to the Archdiocese."

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A decision to file Chapter 11 would allow the archdiocese to bring all parties together to "resolve difficult claims fairly and equitably under the supervision of the bankruptcy court," with all cases being handled together rather than separately.

"That could result in a faster resolution for hundreds of survivors, providing them with fair compensation and finally, hopefully, some peace and closure," he said.

Secondly, the archbishop said, filing Chapter 11 "would allow the Archdiocese to reorganize its financial affairs to continue its vital ministries to the faithful and to the communities that rely on our services and charity."

Because the archdiocese is a corporation sole, meaning it is one legal entity, "the operations of our parishes and schools should continue as usual without disruption, as should the activities of the archdiocese," he said.

"I am deeply saddened by the sinful acts and the damage caused to the lives of innocent children who put their trust in priests, staff, and volunteers of the Church," Cordileone said, adding that he remains committed to the healing and care of survivors. "I pray for the survivors every day that they will someday find peace."

Finally, he called the people of the archdiocese to prayer, encouraging a commitment to living the consecration of the archdiocese to the Immaculate Heart of Mary that took place in 2017, praying the rosary regularly, adoring the Lord in the Blessed Sacrament, and fasting on Fridays.