

## **Bishop Soto; announces the Diocese of Sacramento will file Chapter 11 Bankruptcy**

### **MEDIA RELEASE**

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Jaime Soto, bishop of Sacramento, has informed Catholic parishioners, employees, and community partners, that the diocese intends to file for reorganization of its debts in U.S. Bankruptcy Court by March 2024.

“After much prayer and careful consideration, it is now clear to me that this is the only way available to me to resolve these claims as fairly as possible,” Bishop Soto said. “There are many victim-survivors awaiting compensation for the reprehensible sins committed against them. The diocese faces more than 250 lawsuits alleging sexual abuse by clergy or other church staff. The reorganization process will allow me to equitably respond to the large number of those who are victim-survivors of abuse.”

Under Chapter 11 of the Bankruptcy Code, a court would oversee the distribution of available assets to satisfy claims against the diocese. Victim-survivors of clergy sexual abuse would be represented in a court-supervised proceeding. A fund would be established to be distributed to victim-survivors as equitably as possible. Without such a process, it is likely that diocesan funds would be exhausted by the first cases to proceed to trial, leaving nothing for the many other victim-survivors still waiting for compensation.

Bishop Soto’s letter to parishioners follows a March 2023 communication in which he told the Catholic community that a bankruptcy filing was a possibility.

The pastoral work of the Catholic Church would continue during the reorganization. The filing would allow the diocese to continue its support of parishes and charitable organizations while a settlement is reached.

Bishop Soto asked Catholics to pray for the victim-survivors of clergy sexual abuse, and to remember these victims are not to blame for the difficult decision to file for bankruptcy.

“It is the sickening sin of sexual abuse – and the failure of church leadership to address it appropriately -- that brought us to this place. I must atone for these sins.” Bishop Soto said. “I ask you to join me in praying for the healing of victim-survivors. The pain inflicted on them lasts a lifetime, and so our atonement must be a lifetime commitment.”

The bishop’s letter to parishioners is available [here](#), along with [frequently asked questions](#) about the bankruptcy process.

To learn more about the ongoing efforts of the Diocese of Sacramento to protect the young and vulnerable, please read the March/April 2023 edition of the Catholic Herald Magazine: <https://catholicmagazines.org/magazine-archive/catholic-herald/sac0323>