

## **Saint Mary's Church**

**302 East Jefferson Street    Iowa City, Iowa 52245    Phone (319) 337-4314**

May 20, 2008

Dear Parishioners of St. Mary's,

I write this letter to update you on the bankruptcy settlement between the Diocese of Davenport and 162 claimants of clergy sexual abuse--and its impact on St. Mary's Parish.

Four of the claimants indicate they were abused as children at St. Mary's by Msgr. Carl Meinberg, who was pastor here from 1940-1967.

As part of the settlement, the Diocese and the claimants agreed that none of the parishes or institutions where sexual abuse occurred (including St. Mary's of Iowa City and Regina) would be sued. This is called a "global settlement." Without a global settlement, the attorney for many of the claimants, Mr. Craig Levien, had indicated that four parishes in our Diocese (with financial assets) where abuse occurred would have been sued individually. One of the four parishes mentioned was St. Mary's of Iowa City.

If St. Mary's had been sued by any one of the four claimants, there was the strong possibility that we would have lost our entire Parish savings. (In a similar lawsuit in Davenport, one victim was awarded 1.5 million dollars.)

In order to achieve the 37 million dollar global settlement, the Diocese agreed to give its entire cash assets to the claimants. This amounts to 6 million dollars. (It does not include the money given to the Annual Diocesan Appeal, which goes toward the cash-flow operating budget of the Diocese.) Traveler's Insurance generously agreed to pay 19.5 million dollars; 3.9 million dollars will come from the transfer of the deed to St. Vincent's Center; and an additional 3 million dollars will come from St. Vincent's Home Corporation. This leaves a deficit of 4.6 million dollars.

Because the global settlement releases the parishes and institutions of the Diocese from being sued individually (and thus potentially losing everything), the four parishes where abuse occurred have been asked by the Diocese to contribute toward the 4.6 million dollar deficit. The release includes all claims, known or unknown, arising prior to October 10<sup>th</sup>, 2006. The settlement also includes a provision that requires the Diocese to defend and indemnify the parishes against claims not asserted in the bankruptcy proceedings.

St. Mary's Parish of Iowa City was asked by the Diocese to contribute \$650,000 toward the settlement cost. After careful verification of the validity of the claims, the Finance Council has agreed to the request of the Diocese. Special thanks to our Parish attorney, Mike Pugh, for his "due diligence" work in this regard.

The contribution from St. Mary's will be taken from Parish savings (which includes interest on our savings and money from the sale of the property where St. Mary's School and convent were located). None of the money will be taken from our Sunday envelope collections, which are used strictly to support the cash-flow operating budget of the Parish.

In the final analysis, while it is sad that we are losing \$650,000, the real tragedy is that sexual abuse ever occurred – at St. Mary's, Regina, or anywhere else. It is impossible to comprehend the psychological and spiritual damage of such abuse, but we pray that those who experienced it may find some sort of healing and peace. We also pray that our Church will always keep the protection of children in the forefront of our mission of service to others.

I thank all of you for your continued stewardship and support of our Parish and our Church. May we be a community of faith and love committed to Jesus and the values of His Gospel.

May God bless us all,

Father Ken Kuntz  
Pastor