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by Dan Morris-Young

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Terms of a negotiated \$20 million payment to settle 86 sex abuse claims against the Diocese of Great Falls-Billings, Montana, are scheduled to be presented in U.S. Bankruptcy Court May 8.

If approved by Judge Jim D. Pappas, the scheduled video hearing will mark the end of nearly seven years of litigation and mediation for the diocese.

Payouts to victims could begin as soon as late August, according to Ford Elsaesser, an attorney handling negotiations for the diocese with creditors.

The diocese [filed for bankruptcy protection](#) March 31 last year following unsuccessful efforts to address sex abuse filings from 72 plaintiffs dating to 2011.

Fourteen more claimants came forward after the bankruptcy filing. Nearly all the abuse allegations date from the 1950s through the 1990s.

While the earliest sex abuse lawsuits date to 2011, two comprehensive lawsuits each with multiple plaintiffs were filed against the diocese in 2014.

The bankruptcy filing froze any further action in the pending litigation against the diocese. The first had been scheduled to go to trial last July.

Non-monetary terms of the settlement are likely to be similar to those outlined in the Diocese of Helena, Montana's sex abuse litigation [which ended three years ago](#), Elsaesser said. Terms could include intensive background checks and screening of potential seminarians and the release of names of all known current and past abusers listed in abuse claims or the lawsuits.

Agreement on "material terms" of what is described as a "consensual Chapter 11 plan" was reached April 24 between the Diocese of Great Falls-Billings and the "official committee of abuse survivors," according to media releases from the diocese and the Tamaki Law Offices which represented 38 plaintiffs.

In an April 27 [announcement from the diocese](#), Bishop Michael Warfel states: "The settlement will be funded by substantial contributions from the diocese's insurer, Catholic Mutual, and the diocese with additional financial assistance from other members of the Catholic community within the diocese."

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According to the release, \$18 million is to be placed in a trust shortly after court acceptance of the agreement terms. The \$2 million balance is to be paid within 30 months.

"This is part of our continuing efforts to reconcile with the survivors of childhood sex abuse while carrying on with the essential mission of the church," Warfel stated in the release. "We are hopeful that this settlement without the necessity of years of future litigation will continue the healing process with the abuse survivors."

Previous diocesan releases indicated that an amount would be set aside for potential future claims.

Great Falls-Billings covers more than 94,000 square miles of the east two-thirds of Montana.

It was the 15th U.S. diocese to file for bankruptcy protection due to financial pressure from sex abuse lawsuits.

The Diocese of St. Cloud, Minnesota, will soon become the 16th [according to a Feb. 28 announcement](#) by Bishop *Donald Kettler* that the diocese planned to file for

bankruptcy reorganization. No filing date had been set.

St. Cloud would be the fourth of Minnesota's five dioceses to file for bankruptcy.

In the [April 27 Tamaki Law media release](#), attorney Vito de la Cruz called attention to "the profound suffering, hardship and despair over their entire lives" suffered by his clients "at the hands of Diocesan and religious order priests and nuns."

He said the global settlement with the diocese prevents "separate jury trials which would have taken years if not decades."

Tim Kosnoff, whose law firm represented several of the plaintiffs, told NCR he did not see "any potential speedbumps" in gaining court approval of the Great Falls-Billings bankruptcy plan.

"The creditors committee is solidly behind it, the diocese, the parishes and Catholic Mutual are in support," Kosnoff emailed.

"The settlement reflects a reasonable balance of risks to all concerned," he said.

"The problem with litigation of this nature is the finite length of the human life-span," he added. "Our legal system is not well equipped to handle dozens or hundreds of cases like these. We have lost several clients to mortality and many others are elderly who need closure and resolution. Settlement achieves those goals and holds the diocese accountable in a meaningful way. The committee made a wise choice, and I'm confident that Judge Pappas will agree."

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