ARCHDIOCESE OF
SAN FRANCISCO

OFFICE OF THE ARCHBISHOP

July 6, 2026

Rev. Agnel Jose De Heredia, Pastor
St. John the Evangelist Parish

Dear Fr. De Heredia,

As a follow-up to our meeting on Monday, June 29, about the proposed settlement agreement associated with the Chapter 11 proceedings, I write today to take the next step in the process, which is to initiate a path to fair compensation for victims of sexual abuse by funding the survivors' trust. While no financial settlement can erase this plague from our society and from within the Church, together, we may bring some level of reconciliation and closure to those who have carried this burden for decades. Financial contributions to the survivors' trust also provide our parishes and schools with legal safeguards going forward so that we can best serve the spiritual needs of the faithful and support those in the community who rely on our services.

To reach this settlement and extend the legal protections to the parishes and schools, each entity is being assessed a financial contribution modeled after other diocesan bankruptcy proceedings that led to the successful exit of the Chapter 11 process. In order to ensure fair and equitable treatment, our parish and school assessments were carefully determined by a third-party financial advisory that analyzed parish financial data over two years. Later adjustments were made after two days of meetings with the input from a panel of senior pastors and the Chief Accounting Officer for a Fortune 500 company who serves on the finance councils for both a parish and the Archdiocese. The panel of senior pastors included are Msgr. Michael Padazinski, Fr. John Ryan, and Msgr. John Talesfore. Their years of pastoral experience at parishes throughout the three counties of the Archdiocese helped ensure that the assessments were fair and equitable. Parishes with parish schools were analyzed as single entities, and those parishes with greater assets were assessed with larger financial contributions. Most assessments range between $1 million and $5 million. Those assessed more than $5 million are already aware of their financial contribution.

The assessment to contribute to the survivors' trust for your parish (and school combined) is **$1,200,000**. I recognize that this assessment represents a significant sacrifice for many parishes that are already working diligently to serve the faithful while managing substantial financial and pastoral responsibilities. I am deeply grateful for your faithful stewardship and understand the weight this request places upon you.

Each parish, according to Canon 537, is required to have a finance council to assist the pastor in the administration of parish assets, and archdiocesan policy requires the pastor to consult the finance council when large financial disbursements are made by the parish. Parish assets used to fulfill this assessment will be at the discretion of the pastor after his consultation with the parish finance council. Attached to this letter are talking points that may assist pastors when addressing this topic with their finance council members.

While the bankruptcy court will ultimately determine the timing, our goal is to have our settlement plan approved and the survivors' trust fully funded before Judge Montali retires later this calendar year. Attached you will find payment instructions as well as a bankruptcy settlement transmittal form to be processed through our Capital Asset Support Corporation (CASC). This special form is intended to make these financial transactions between parishes and CASC as transparent and simple as possible.

In acknowledgement of this short-term time horizon, CASC's investment advisors believe it is prudent to avoid the adverse effects of market volatility by submitting a request to CASC by **August 15** for parish assets identified for the survivors' trust. CASC's investment advisors will ensure that these assets are segregated in safe, interest-bearing money market accounts that are being established for this purpose. The interest accrued will be remitted to each parish's CASC account once the survivors' trust is fully funded.

For the past decades, the chancery has handled these claims and shouldered the financial burden for any settlements with the goal of shielding our parishes and schools and other members of the local Catholic family. This simply was not possible in this round of lawsuits. I want to again emphasize that our central archdiocesan chancery office is contributing as much as possible to the survivors' trust to minimize parish impact while allowing it to remain viable to provide support to all our vital ministries.

I thank you in advance for your prompt attention to this important matter and ask that you continue to join me in prayer for sexual abuse survivors, for our Archdiocese, and for our parish communities and schools.

Sincerely yours in our Lord,

Most Reverend Salvatore J. Cordileone
Archbishop of San Francisco

Cc: Alexandra Iwaszewicz, St. John the Evangelist School

Encl: Finance Council Talking Points
CASC Instructions & Transmittal Form

# Talking Points for Parish Finance Councils

Chapter 11 Bankruptcy Settlement

## MORAL RESPONSIBILITY

- While no individual in our parishes is personally responsible for the evils perpetrated on minors in past decades, we are called upon as an institution to provide recompense and healing. No financial settlement can erase the painful legacy of the sexual abuse of children and young people by clergy and others. However, we believe this settlement offers a path toward fair compensation for survivors who have carried the burden of this abuse for a lifetime.

- Although most of the sexual abuse claims brought against the archdiocese under AB-218 involve incidents dating back many decades and individuals who are deceased or no longer in ministry, we must accept responsibility for the failures that allowed this harm to occur.

## FIDUCIARY RESPONSIBILITY

- Our parishes and schools need to continue Catholic education and ministries that serve the spiritual needs of the faithful and the communities that rely on our services and charity. While the financial amount of the settlement will require significant sacrifice on the part of our parishes and schools, settling the bankruptcy will permit us to move forward with our shared mission.

- One of the biggest goals of Chapter 11 bankruptcy is to get finality so historical abuse claims may not be brought against the Archdiocese or its parishes and schools in the future. The Archdiocese, the corporation sole that filed bankruptcy, gets finality through a bankruptcy discharge.

- Given California jury verdicts in historical sexual abuse cases that have reached tens of millions of dollars,[1] even a single lawsuit against a parish or its school could have devastating consequences. Such a judgment could require the liquidation of parish or school assets, potentially leaving a community without a church in which to worship or a school in which to educate its students.

  This risk highlights the importance of parishes and schools becoming participating parties in the settlement. By making a financial contribution, they receive court-approved legal protections, including a channeling injunction and releases, that resolve all 500+ pending lawsuits and provide protection against future historical abuse claims that may not yet have been asserted (unknown claims).

  For this reason, we have consistently advised that, although the Chapter 11 bankruptcy has not disrupted the day-to-day operations of parishes and schools and they were not debtors in the bankruptcy case, they would ultimately need to contribute to a global settlement to obtain these protections and achieve finality.

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[1] **$90,000,000,** *Jane Doe v. David,* Los Angeles County Superior Court (sexual assault in the workplace; reduced to $90 million on appeal). **$135,000,000,** *Blair v. Moreno Valley United School District* (6th grade teacher molested two minor boys; jury found school district 90% responsible and perpetrator 10% responsible; awards $55,000,000 and $80,000,000). **$102,000,000**, *Jane Doe 1 and Jane Doe 2 v. Union School District,* Santa Clara County Superior Court Case No. 19CV343088, June 8, 2024, (District liable for sexual assault by music teacher of two students; $65,000,000 and $37,500,000). **$46,000,000**. *M.S., a minor by and through her guardian ad litem T.B. v. Dana Steven McGowan, Terriann McGowan*, Sonoma County Superior Court, Case No. SCV-271174, October 8, 2024 (four neighborhood children assaulted by adult). **$35,000,000**. *Jane Doe 4 v. Pomona Unified School District*, Los Angeles County Superior Court Case No. 22PSCV00686, January 22, 2024, (high school track coach sexually assaulted student. Most recent: **$16,000,000**, Doe v. Diocese of Oakland, Alameda County, April 2026, (low severity conduct).