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## *Archdiocese of Milwaukee Files For Bankruptcy As a Result of Abuse Litigation*

On Tuesday, the Archdiocese of Milwaukee, Wisconsin became the latest in a string of Catholic Dioceses to file for chapter 11 protection as a result of costs associated with clergy abuse litigation. The Milwaukee Archdiocese was established in 1843 as a diocese (elevated to an archdiocese in 1875 by Pope Pius IX) and serves over 650,000 registered Catholics in its 4,750 square mile region. The [Archdiocese](#) also provides services to 210 parishes, 114 elementary and middle schools, 13 high schools, five colleges and nine hospitals located in its region. It employs over 175 people and has an annual operating budget of \$24 million.

Court filings assert that this bankruptcy is unique from other earlier-filed diocesan bankruptcies because of the legal organization of the parishes in the area. In earlier cases for Catholic dioceses in Spokane, Tuscon, Portland, San Diego and Fairbanks, the parishes were unincorporated associations existing as part of the diocese's civil corporation (meaning that the diocese held title to all of the parishes' property), which created a "central issue" in the bankruptcy cases of "whether property of the parishes was included within the diocese's bankruptcy estate." Court filings claim, in contrast, that the [Milwaukee Archdiocese](#) "does not hold title to any of the property" of parishes within its region. The parishes have not filed for bankruptcy protection.

The Archdiocese had incurred almost \$30 million in "cumulative financial impact . . . for abuse of minors by a diocesan priest or deacon" as of June 30, 2010. Those costs have been funded to date by selling property, using interest and investment income, liquidating investments, and through a loan obtained from the landlord of the Archdiocese's main offices. As of the bankruptcy filing, the Archdiocese remains a defendant in 12 lawsuits brought by a total of 17 claimants and has also received a demand from attorneys for seven additional individuals. The Archdiocese participated in mediation with regard to the existing lawsuits, but that mediation concluded in the middle of November and was unsuccessful in reaching a settlement.

Key court filings to date include (click on the title of any document for more information or to purchase):

- [Chapter 11 Voluntary Petition Filed by Archdiocese of Milwaukee](#)
- [Affidavit Description of Debtor and Pre-Filing History Affidavit of John H. Marek Filed by Daryl L. Dising on behalf of Archdiocese of Milwaukee](#)
- [Affidavit of John J. Marek in Support of First Day Pleadings Filed by Daryl L. Dising on behalf of Archdiocese of Milwaukee](#)
- [Debtor's Motion for an Order Authorizing, but not Directing Debtor to \(1\) Pay Pre-Petition Employee Compensation \(2\) Pay Outstanding Paychecks, \(3\) Make Payments For Which Payroll Deductions Were Made, \(4\) Reimburse Employees for Certain Prepetition Business Expenses, \(5\) Pay Amounts Withheld for Taxes and \(6\) Pay all Taxes and Costs Incident to the Foregoing Payments and Contributions](#)
- [Debtor's Motion for an Order Authorizing, But Not Directing, Debtor to Continue Its Participation in the Multiple Employer Partially-Insured Health Insurance Program](#)

*For access to all major pleadings filed in this case, please visit*  
[http://www.chapter11cases.com/Archdiocese-of-Milwaukee\\_c\\_16718.html](http://www.chapter11cases.com/Archdiocese-of-Milwaukee_c_16718.html)