



Tuesday, Oct. 1, 2024

Statement On Western District of New York United States Bankruptcy Court Ruling

Yesterday, Chief U.S. Bankruptcy Judge Carl Bucki issued a decision denying the Diocese's request to continue the comprehensive injunction that had previously stayed prosecution of all Child Victim Act litigation against parishes, schools and other related Catholic entities in state court.

Notably, while Judge Bucki declined to issue an order continuing the broad stay of all such litigation, he did observe that many of the cases that have been asserted against parishes, schools and related entities are nevertheless subject to an automatic statutory stay. Accordingly, moving forward, it will be necessary to conduct an independent evaluation on a case-by-case basis to determine if the underlying statutory stay applies.

While the full impact of this ruling is not yet clear, it now appears that certain resources that would otherwise have been devoted to funding a settlement trust will now unfortunately be dissipated as costs of litigation. We are disappointed by the court's decision, as we believe – and as has been illustrated elsewhere – that good faith mediation is the best way forward and will provide a more equitable result for all survivors.