

**LETTER FROM THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO
ABUSE CLAIMANTS
RECOMMENDING THEY VOTE TO ACCEPT THE JOINT PLAN**

The Official Committee of Unsecured Creditors is the representative of the holders of Abuse Claims against the Roman Catholic Church of the Archdiocese of New Orleans, appointed by the Office of the United States Trustee, a division of the United States Department of Justice. The Survivors' Committee consists of four survivors of sexual abuse—two of whom were abused at Hope Haven and Madonna Manor. The Survivors' Committee has worked tirelessly on your behalf for the past five years to reach a reasonable settlement of more than 650 sexual abuse claims, including unprecedented protections for children and adult abuse survivors. For the reasons set forth below, the Survivors' Committee recommends that you vote to **ACCEPT** the reorganization plan, dated August 6, 2025, (as amended, modified, or supplemented from time to time, the “**Joint Plan**”), enclosed with this letter.¹

The Survivors' Committee negotiated this Joint Plan under the Court's threat that the bankruptcy case will be dismissed if a plan is not approved by December 31, 2025. While some attorneys and Abuse Claimants advocate for dismissal, the Survivors' Committee does not believe that dismissal is in the interests of all Survivors. A summary comparing the Joint Plan to the possibility of dismissal is included in this letter.

If the case is dismissed, Survivors will be compensated only by litigating their claims in a court proceeding in which the Archdiocese and other defendants are likely to take aggressive and hostile positions, possibly including depositions of the Survivor, employers, family members, friends, doctors and therapists and medical exams by physicians of the Archdiocese's choosing. If the Survivor is successful after a lengthy litigation process that could include years of appeals, the Archdiocese and the other defendants can file bankruptcy again to delay payment. Moreover, the Archdiocese's insurers will retain their coverage defenses and litigate whether they have to pay anything. The Survivors' Committee understands that many Survivors will abandon the litigation option in light of these risks and likely delays, including Survivors' continued emotional and psychological pain, age and, often, poor health.

As importantly, the agreed child and adult survivor protection measures will NOT be instituted if the case is dismissed. The Survivors' Committee has crafted and aggressively negotiated for protections, including a Survivor Bill of Rights of unprecedented robustness in diocese abuse cases. These child protection measures are critical to the Survivors' Committee's recommendation to accept the Joint Plan and include increased accountability and abuser discipline and transparency through oversight, record keeping and disclosure, and the publication of abuse related documents through an archive to be administered by an approved third-party academic institution.

This Plan is a vast improvement over the Archdiocese's previously filed plan in terms of compensation to be paid to Survivors and child protection measures. Under the Joint Plan, the Archdiocese and its parishes, schools, and related Catholic entities (collectively, the “**Affiliates**”) will create a Settlement Trust into which the Archdiocese and Affiliates will pay \$150 million. The Joint Plan also contemplates the sale of the senior housing facilities, known as Christopher Homes. Depending on the outcome of the sale process, the Settlement Trust could receive additional cash in an estimated range of approximately \$30,904,000 to \$55,924,000. In addition, most of the insurers who insured the Archdiocese and its affiliates for liability for sexual abuse have agreed to pay a combined \$29.25 million in cash to the Settlement Trust, and the Archdiocese will transfer to the Settlement Trust its rights against Non-Settling Insurers.

The Joint Plan allows Survivors with claims against Non-Settling Insurers to sue for the maximum compensation provided by the policies. The Joint Plan provides for how recoveries against Non-Settling Insurers are shared by the litigating Survivors and the Settlement Trust. The Joint Plan also allows

¹ A capitalized term used but not defined herein shall have the meaning ascribed to it in the Joint Plan.

Survivors with claims against non-Affiliates, such as religious orders, to sue to recover deserved compensation.

The Joint Plan contemplates that nearly all of the Affiliates will each file their own bankruptcies if the recommended plan is accepted. These Affiliates, with acceptance of the recommended plan, should emerge from their bankruptcies at the same time as the Archdiocese emerges from its bankruptcy case. The coordination of these bankruptcies will facilitate the prompt funding of the Settlement Trust and disbursement of compensation and include the Affiliates' commitment to the child and adult protection measures.

If the Joint Plan is approved, Survivors will be able to share in the settlement fund pursuant to the terms of the Joint Plan and exhibits thereto, the Debtor and the Affiliates that have filed bankruptcies will receive a bankruptcy discharge of the abuse claims, and the Settling Insurers will have no further responsibility for paying abuse claims. The Joint Plan provides an efficient and speedy means for allocating compensation to each Survivor.

The Survivors' Committee supports the Joint Plan because it provides robust protections for children, reasonable compensation for Survivors and avoids the uncertainty and delay of continued litigation against the Debtors, the Affiliates and the Settling Insurers. The Survivors' Committee believes that the Joint Plan is in the best interests of all creditors, especially you, a Holder of an Abuse Claim (Class 3), and urges you to vote to **ACCEPT** the Joint Plan.

The Disclosure Statement contains extensive information with respect to the Joint Plan and we encourage you and your counsel to review the Disclosure Statement and Joint Plan carefully before voting. Additionally, we have included with this letter a set of FAQs regarding the Joint Plan along with information regarding upcoming town hall meetings in which Survivors can listen to a presentation and write question for the panelists to answer. The deadline to vote to accept or reject the Joint Plan is October 29, 2025, at 11:59 PM (Central Time). Please complete and submit your ballot in accordance with the instructions contained in the solicitation package so that it is received no later than October 29, 2025, at 11:59 p.m.

Sincerely,

Official Committee of Unsecured Creditors

This Chart compares the benefits to Abuse Claimants under the Joint Plan compared to what Abuse Claimants could expect if the bankruptcy case is dismissed.

SUMMARY OF JOINT PLAN VERSUS CASE DISMISSAL OPTIONS

Joint Plan	Bankruptcy Case Dismissal
<u>Guaranteed Recovery:</u> On the Effective Date of the Joint Plan, a settlement fund of \$159,275,000 in cash and a 4-year \$20 million promissory note will be placed into the Settlement Trust solely for the benefit of Abuse Claimants to pay Abuse Claims.	<u>No Guaranteed Recovery:</u> May get a judgment against an Entity that has no assets when you try to enforce any judgment you receive. If you get a judgment against a solvent entity, collection is still uncertain.
<u>Additional Recoveries:</u> 1) Payment of the 20,000,000 promissory note by the Archdiocese and the Additional Debtors. 2) Payment of the net proceeds of the Christopher Homes affordable housing properties (estimate \$30 million to \$55 million). Anticipated to be received 3 rd quarter of 2026. 3) Judgment against the Non-Settling Insurers.	<u>No Additional Recoveries:</u> You will only receive a judgment against a specific Entity. You will only be able to collect against that Entity to the extent that Entity has assets. You will not be able to collect against the Christopher Homes affordable housing sales proceeds. You may be able to collect against an insurance company you have a claim against if the Court does not uphold policy defenses.
<u>Insurance Settlements:</u> The Joint Plan provides for more than \$29 million from the Settling Insurers, including \$21 million from SPARTA Insurance Company ("SPARTA") contingent on SPARTA providing financial assurance acceptable to the Survivors' Committee in its sole discretion. If Travelers Insurance Company settles, this insurance settlement amount will increase.	<u>No Insurance Settlements:</u> No dedicated funds from insurance companies.
<u>Guaranteed Timing of Payment</u> First payments to the Settlement Trust made by the Effective Date, currently scheduled for December 31, 2025. Payments to Abuse Claimants in early 2026.	<u>Unknown Timing of Payment</u> In federal court in New Orleans, the average time from filing a lawsuit to trial is 2 years. Even if you get a judgment, it will likely be appealed adding an additional 1 to 2 years before you get a final judgment. You also run the risk that a subsequent bankruptcy will be filled before you can collect on your judgment.
<u>Equal Timing of Payment:</u>	<u>Unequal Timing of Payment:</u>

Abuse Claimants will be paid at the same time as other Abuse Claimants.	You will not be paid on your claim until your judgement is final. Others who obtain judgements ahead of yours will be paid first and may exhaust the assets of the Entities you have a judgment against.
<u>No New Proof Is Needed:</u> Your existing Abuse Claim documentation is sufficient to evaluate your claim. You have the option to supplement your Claim with additional information. While testimony in Court is permitted, it is not required. Under the Joint Plan you can remain anonymous, and you will not have to appear in person in Court or be involved in any depositions, document production, or incur any additional expert costs.	<u>More Proof Is Needed:</u> Abuse Claimants will have to obtain Certificates of Merit, file a lawsuit, participate in document production, participate in depositions (possibly including family members, employers, and friends), attend independent medical exams, publicly identify themselves, testify at trial, and potentially defend appeals, all without a guaranteed payment.
<u>Travelers Insurance Company</u> Abuse Claimants with Claims covered by Travelers (February 1, 1973, to July 1, 1989) have the option to receive their distribution from the Settlement Trust and can bring litigation against Travelers in the Court system.	<u>Travelers Insurance Company</u> Abuse Claimants will receive no money until they get a judgment against the defendants they sue. As noted above, obtaining a final judgment could take up to four years.
<u>Child Protection Procedures and Survivor Bill of Rights</u> The Joint Plan has the most detailed and comprehensive Non-Monetary Plan Provisions ever agreed to by any Catholic Diocese.	<u>Child Protection Procedures and Survivor Bill of Rights</u> The Non-Monetary Provisions are only enforceable if the Joint Plan is confirmed. If the Bankruptcy Case is dismissed, they cannot be enforced, and no public archive of abuse records will be created.
<u>Claim Evaluation:</u> Abuse Claims will be evaluated by an Abuse Claims Reviewer chosen by the Survivors' Committee. Your recovery will be consistent with the Trust Distribution Protocol proposed by the Survivors' Committee. This process provides consistent, predictable outcomes for Abuse Claimants as a whole and provides that your recovery will, in most respects, be equal to all other Abuse Survivors who possess similar claims.	<u>Claim Evaluation:</u> Your claim and judgement will be decided by either a judge or a jury after a trial. During the trial you and your family will be subject to deposition by the defense lawyers, and your claims will be scrutinized and evaluated by other experts selected by the defendants
<u>Settlement Trust Protected From Other Creditors:</u>	<u>No Protection From Other Creditors:</u>

<p>Confirmation of the Joint Plan ensures a dedicated fund—the Settlement Trust—for the payment of Abuse Claims. Other creditors, including Bondholders, will be paid out of separate funds.</p>	<p>All creditors will be competing for the same assets. For example, Bondholders will likely sue the Archdiocese, and, due to the nature of the claim, they would likely obtain a judgment before you do, potentially allowing them to seize Archdiocesan assets that could have been used to pay your Claim. Bondholders seek \$40 million plus past-due interest and unpaid attorneys' fees.</p>
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FAQs

1. How is the Settlement Trust funded?

The Settlement Trust will be funded with a total of approximately \$179.3 million. This amount includes \$130 million from the Archdiocese and its affiliates payable on the Joint Plan effective date. It also includes a \$20 million promissory note payable over 4 years starting in July 2026. Finally, the amount includes \$29,275,000 from insurance companies that have agreed to the settlement.

The Settlement Trust may receive additional funding through the sale of affordable living / senior housing facilities known as the Christopher Homes. A sale process has begun for these assets and will be on-going during the Joint Plan confirmation process. A significant portion of the net proceeds from the sale of Christopher Homes will also fund the Settlement Trust.

2. What does the Settlement Trustee do?

The Settlement Trustee will oversee the Settlement Trust including accepting the settlement funds, investing the settlement funds, and managing their distribution. The Settlement Trustee will also coordinate litigation against the insurance company that has not agreed to a settlement and will be involved with any broader settlement involving that insurance company. The Settlement Trustee will also enforce the non-monetary plan provisions discussed below and file reports regarding the trust activity with the Bankruptcy Court.

The Settlement Trust includes an oversight committee staffed with Survivor representatives, which will advise the Settlement Trustee regarding significant decisions related to the Settlement Trust.

3. How are the Abuse Claims reviewed?

Each claim will be reviewed by a professional claim reviewer. The claim reviewer will also accept supplemental information provided by claimants. Each claim will be scored on a 100-point scale based on the nature of the abuse, the impact of the abuse, and other factors set out in the Trust Allocation Protocol. Survivors will be notified of their score and can request reconsideration for a fee. The Settlement Trustee will use the score to calculate distributions to abuse claimants.

4. How does the Joint Plan address insurers who did not settle?

As of the time of this document, one insurer has not settled. The Joint Plan provides that abuse claimants with claims during the coverage years of the insurer that did not settle can file a lawsuit against the insurer in state court. The Settlement Trustee will decide which lawsuits will get filed first with a goal of asserting maximum pressure on the insurer. Survivors who successfully litigate will receive point enhancements set out in the Trust Allocation Protocol.

5. What does the Joint Plan do to prevent future abuse claims?

The Joint Plan includes a document called *The Roman Catholic Church of the Archdiocese of New Orleans' Non-Monetary Joint Plan Provisions to Foster Child Protection and Prevent Child Sexual Abuse* (the "Non-Monetary Provisions"). These Non-Monetary Provisions will change how the Archdiocese operates going forward and will increase oversight, accountability, and transparency. Among other things, outside experts will evaluate the Archdiocese's child-protection programs and will recommend improvements. In addition, the Archdiocese will create a document archive stored at a secular university that will enable Survivors and the public to study the history of abuse at the Archdiocese and its affiliates.

Lastly, the Archdiocese will also hold public forums in which Survivors can meet with the Archbishop, share their experiences, and express their concerns. The Survivors' Committee expects that the Non-Monetary Provisions will help prevent future abuse. The Non-Monetary Provisions will only be implemented if the Joint Plan is confirmed.

TOWN HALL INFORMATION

The Survivors' Committee will hold multiple online town hall meetings to help inform Survivors regarding the Joint Plan. At these meetings, the Survivors' Committee will give a presentation regarding the Joint Plan and answer questions submitted by participants. The town hall meetings will be held as follows:

- September 12, 2025 at 3 PM Central.
- September 24, 2025 at 12 PM Central.
- October 20, 2025, at 7 PM Central.

Meeting access link:

<https://troutman.zoom.us/j/99658068802?pwd=XlK0nfUM2cDwYxjS293Sd9SVBsbxae.1>

Meeting password: 337876