

Court Finds Catholic Parishes Are Not Separate from Archdiocese in Bankruptcy

Press Release

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The District Court of Guam granted a partial summary judgment in the Archdiocese of Agaña bankruptcy determining that the archdiocese and its parishes are one consolidated legal entity. In issuing its decision, the court analyzed relevant Guam law, the archdiocese's articles of incorporation, as well as the corporate structure and operations of the archdiocese and its parishes and schools.

Stinson LLP represented the Official Committee of Unsecured Creditors, which includes several survivors of clergy sexual abuse and one commercial creditor. The committee asked the court to determine that the archdiocese and its schools and parishes are the same legal entity, which would make school and parish assets available to pay the claims of survivors and other creditors. The archdiocese argued that its schools and parishes are separate legal entities.

District Court Chief Judge Frances Tydingco-Gatewood rejected the archdiocese's position: "The Parishes and Schools are not separately incorporated. There is no evidence in this case that the Parishes and Schools are separately incorporated under Guam law. The undisputed fact is that no parish or school is independently incorporated with the Guam Department of Revenue and Taxation." Judge Tydingco-Gatewood further reasoned that canon law is the integral system of the Roman Catholic Church" and it "provides that the [Archdiocese] has control and authority over parishes."

"This is something that the people on Guam always understood—there are not 33 different catholic religions operating on the island, there is just one," said [Ed Caldie](#), attorney from Stinson and legal counsel to the committee. "The committee is encouraged by Judge Tydingco-Gatewood's important decision and hopes that it will bring survivors of clergy sexual abuse a step closer to the recognition, healing and closure they deserve."

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In addition to Caldie, Stinson attorneys representing the Committee for Unsecured Creditors include [Rob Kugler](#) and [Drew Glasnovich](#). The attorneys are leaders in the representation of survivors of sexual abuse in enforcing their claims in bankruptcy, including the recovery of \$211 million in the bankruptcy of Archdiocese of St. Paul and Minneapolis.

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