

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In Re: Chapter 11
CROSIER FATHERS AND BROTHERS Case No. 17-41681
PROVINCE, INC., a Minnesota non-profit
Corporation,
Debtor.

In Re:
CROSIER FATHERS OF ONAMIA, a Case No. 17-41682
Minnesota non-profit corporation,
Debtor.

In Re:
THE CROSIER COMMUNITY OF
PHOENIX, an Arizona non-profit corporation, Case No. 17-41683
Debtor.

**JOINT OBJECTION OF THE CHURCH OF ST. ODILIA OF SHOREVIEW,
MINNESOTA, THE CHURCH OF ST. JOSEPH OF WEST SAINT PAUL, THE
CHURCH OF ST. ALBERT THE GREAT, AND DOMINICANS, PROVINCE OF ST.
ALBERT THE GREAT, U.S.A. TO DEBTORS' JOINT PLAN OF REORGANIZATION**

1. The Church of St. Odilia of Shoreview, Minnesota, 3495 Victoria Street North, Shoreview, MN 55126, the Church of St. Joseph of West Saint Paul, 1154 Seminole Avenue, West St. Paul, MN 55118, Church of St. Albert the Great, 2836 33rd Avenue South, Minneapolis, MN 55406 and Dominicans, Province of St. Albert the Great, U.S.A., 1910 S. Ashland Avenue, Chicago, IL 60608-2904 (“Objecting Parties”) by and through their undersigned counsel, submit this objection to the Joint Plan of

Reorganization filed by the Debtors and ask the court to deny confirmation of the plan.

2. A hearing on the objection to the Debtors' Joint Plan will be held on March 22, 2018 at 10:30 a.m. in Courtroom 8 West of the United States Courthouse, 300 South Fourth Street, Minneapolis, MN 55415 before the Honorable Robert J. Kressel.
3. Three of the Objecting Parties, The Church of St. Odilia of Shoreview, Minnesota, The Church of St. Joseph of West Saint Paul, and Church of St. Albert the Great are parishes located in the Archdiocese of Saint Paul and Minneapolis. Dominicans, Province of St. Albert the Great, U.S.A., an Illinois not for profit corporation, is the civil law counterpart of the Roman Catholic religious community known as Dominicans, Province of St. Albert the Great (the "Central Province"). Ordained members of the Central Province have for many years served as pastor and on the parish staff of Church of St. Albert the Great.
4. The Church of St. Odilia of Shoreview, Minnesota and The Church of St. Joseph of West Saint Paul were assigned Crosier priests to assist in their parishes and are co-defendants with the Debtors in lawsuits alleging abuse by Crosier priests. Church of St. Albert the Great and Dominicans, Province of St. Albert the Great, U.S.A., are co-defendants with the Debtors in a lawsuit which alleges, among other things, that the Plaintiff was abused at Crosier Seminary in Onamia by both a Crosier priest and a member of the Central Province who was on the pastoral staff of Church of St. Albert the Great. All of the Objecting Parties are involved in this case as a result of Crosier clergy members allegedly committing tortious acts of abuse either while serving in a parish named as an Objecting Party or on the staff of Crosier Seminary in Onamia,

- and each may be forced to pay more than their share of damages due to Debtors' bankruptcy. As a result, all of the Objecting Parties are holders of contribution and indemnity claims against one or more of the Debtors based upon the alleged abuse and related negligence.
5. The Objecting Parties filed timely proofs of claim with this Court against all three Debtors. The Debtors have objected to the claims of The Church of St. Odilia of Shoreview, Minnesota, The Church of St. Joseph of West Saint Paul and the Church of St. Albert the Great. No objections to the claims of Dominicans, Province of St. Albert the Great, U.S.A. have been filed as of the date hereof.
 6. Under the Debtors' Joint Plan, the Objecting Parties' claims have been classified as Class 10 claims, which are identified as Co-Defendant, Diocese and Parish Claims. The Debtors' plan provides for Class 10 claims to be disallowed and to receive no distribution.
 7. Debtors assert that this treatment is appropriate for Class 10 claims because 11 U.S.C. §502(e)(1)(B) provides that a claim shall be disallowed when it is a claim for indemnification and contribution of an entity that is liable with the debtor and such claim is contingent as of the time of its allowance or disallowance.
 8. Paragraph 13.3 of the Debtors' Plan also provides that "[n]othing in the Plan is intended to affect, diminish or impair any Tort Claimant's rights against any Co-Defendant or other joint tortfeasor who is not otherwise a Protected Party...." The Objecting Parties are not Protected Parties as defined in the Debtors' Plan. As a result, if the Debtors' Plan is confirmed, the Class 10 claimants will be faced with defending the lawsuits for the abuse claims, which have already been served upon the

Objecting Parties. In the event that the Objecting Parties will become legally obligated to make payments to the tort claimants, they will be wrongly deprived of the right to assert their contribution and indemnity claims against the Debtors.

9. The proposed treatment of the Class 10 claims is inappropriate. The Objecting Parties are entitled to retain claims against the Debtors based upon the provisions of 11 U.S.C. §502(e)(2) and to have those claims fairly dealt with under the plan. That statute provides:

A claim for reimbursement or contribution of such an entity that becomes fixed after the commencement of the case shall be determined, and shall be allowed under subsection (a), (b), or (c) of this section, or disallowed under subsection (d) of this section, the same as if such claim had become fixed before the date of the filing of the petition.

10. This court recognized the validity of the position of the Objecting Parties in its Order Denying Confirmation of the Unsecured Creditors' Plan in the Chapter 11 bankruptcy case of the Archdiocese of Saint Paul and Minneapolis. In overruling the Unsecured Creditors' Committee's plan provisions providing for the extinction of the parish contribution and indemnity claims, the court stated:

Although I agree with the creditors' committee that the parishes' indemnification and contribution claims are subject to discharge, to the extent that the parishes eventually make payments to the tort creditors, their claims may be allowed. Therefore, if the tort creditors sue the parishes for the sexual abuse claims and are successful, the parishes' claims against the debtor will mature and the parishes will have the right to have their contribution claims allowed.

Archdiocese of Saint Paul and Minneapolis, Bky No. 15-30125, Docket No. 1171-1, pages 5 -6. The Debtors' plan also fails to provide for the Objecting Parties' indemnity and contribution claims against the Debtors and therefore, the plan cannot be confirmed.

11. The Debtors' Plan is unconfirmable as a matter of law because its provisions permit one class of unsecured creditors [tort claimants and perhaps those with ripe contribution and indemnity claims under 11 U.S.C. Section 502(e)(1)] to receive better treatment than the Objecting Parties, who are also unsecured creditors holding indemnity and contribution claims under 11 U.S.C. Section 502(e)(2), without the consent of the affected unsecured creditors, in violation of Sections 1122, 1123 and 1125 of the Bankruptcy Code.
12. The Objecting Parties therefore request that the court deny confirmation of the Debtors' Plan until the Plan is amended to address the treatment of the claims of the Objecting Parties to provide for payment of their contribution and indemnity claims in the event that the Objecting Parties are required to pay tort claimants.

BUCKLEY & JENSEN

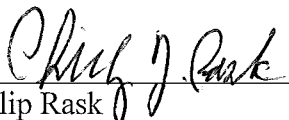
Dated: March 13, 2018

/e/ Mary Jo A. Jensen-Carter
Mary Jo A. Jensen-Carter
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1257 Gun Club Road
White Bear Lake, MN 55110
651-486-7475
maryjo@buckleyjensen.com

VERIFICATION

I, Phillip Rask, Pastor of The Church of St. Odila, of Shoreview, Minnesota, declare under penalty of perjury that the facts contained in the foregoing objection are true and correct to the best of my knowledge, information and belief.

Dated: March 13, 2018




Phillip Rask

VERIFICATION

I, Michael Cregan, Pastor of the Church of St. Joseph of West Saint Paul, declare under penalty of perjury that the facts contained in the foregoing objection are true and correct to the best of my knowledge, information and belief.

Dated: March 14, 2018

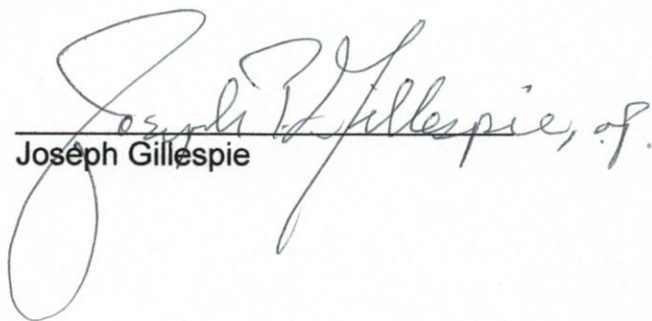


Michael Cregan
PASTOR, ST. Joseph

VERIFICATION

I, Joseph Gillespie, Pastor of Church of St. Albert the Great, declare under penalty of perjury that the facts contained in the foregoing objection are true and correct to the best of my knowledge, information and belief.

Dated: March 13, 2018



Joseph Gillespie

VERIFICATION

I, Fr. James V. Marchionda, O.P., President and Provincial of Dominicans, Province of St. Albert the Great, U.S.A., declare under penalty of perjury that the facts contained in the foregoing objection are true and correct to the best of my knowledge, information and belief.

Dated: March 13, 2018


Fr. James V. Marchionda, O.P.

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In Re:
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PHOENIX, an Arizona non-profit corporation,
Debtor.

UNSWORN CERTIFICATE OF SERVICE

I, Ann M. Gagner, declare under penalty of perjury that on March 14, 2018, I served the following:

**JOINT OBJECTION OF THE CHURCH OF ST. ODILIA OF SHOREVIEW,
MINNESOTA, THE CHURCH OF ST. JOSEPH OF WEST SAINT PAUL, THE
CHURCH OF ST. ALBERT THE GREAT, AND THE DOMINICANS, PROVINCE OF
ST. ALBERT THE GREAT, U.S.A. TO DEBTORS' JOINT PLAN OF
REORGANIZATION**

by sending true and correct copies via ECF to the parties receiving ECF notice in this case, and by email to the parties on the attached Exhibit A.

Dated: March 14, 2018.

/e/ Ann M. Gagner
Ann M. Gagner
Buckley & Jensen
1257 Gun Club Road
White Bear Lake, MN 55110

Exhibit A

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ORDER

The above-captioned matter came on before this Court on the objection of The Church of St. Odilia of Shoreview, Minnesota, The Church of St. Joseph of West St. Paul, Church of St. Albert the Great, and Dominicans, Province of St. Albert the Great, U.S.A. to the debtors' Joint Plan of Reorganization.

Based upon all of the files, records and proceedings herein,

IT IS HEREBY ORDERED:

The objections to the plan are sustained and confirmation of the debtor's Joint Plan of Reorganization is hereby denied.

Date:

Robert J. Kressel
United States Bankruptcy Judge