
Committee of Parishes and Parishioners

Western Oregon

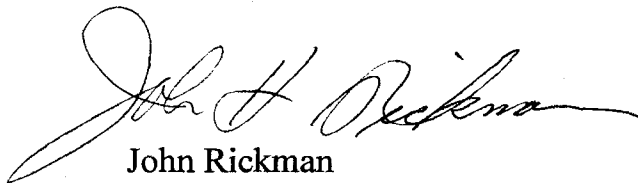
Dear Fellow Catholic:

The attached Notice contains important information about your involvement in the Archdiocese of Portland's pending bankruptcy case. Bankruptcy Judge Elizabeth Perris recently ruled that the questions involving parish property require the involvement of the parishes and parishioners in western Oregon. The Judge ordered that the 124 parishes and approximately 390,000 Catholics in western Oregon be assembled as a Class and be represented by six Class Representatives.

You are likely a member of the Class if you are receiving this Notice. The purpose of the class action is to ensure that parishes and parishioners are represented before the Bankruptcy Court on issues that affect them. The purpose of the case is not to establish legal responsibility for any person or entity, but instead to determine the legal status of parish property.

You should read the Notice carefully. It describes the case, the contentions of the parties, the rights of parishes and parishioners that are at issue, your rights and responsibilities as a member of the Class, and instructions about how to obtain further information. The Notice describes steps you can take to opt out of the Class. However, as explained in the Notice, parties who opt out are likely to be named by the Tort Claimants Committee as individual defendants.

More information is available at www.archdpdx.org/bankruptcy and www.parishionerscommittee.org. Legal counsel to the class, Perkins Coie, L.L.P., has established a hotline for questions -- (503) 727-2121 -- and an email address where such questions may be directed -- parishclass@perkinscoie.com.



John Rickman
Class Representative and
Chairman, Steering Committee for the
Committee of Catholic Parishes, Parishioners and
Other Interested Parties

1 UNITED STATES BANKRUPTCY COURT
2 FOR THE DISTRICT OF OREGON

3 In re

4 ROMAN CATHOLIC ARCHBISHOP OF
5 PORTLAND IN OREGON, and successors, a
6 corporation sole, dba the ARCHDIOCESE OF
7 PORTLAND IN OREGON,

8 Debtor.

9 TORT CLAIMANTS COMMITTEE,

10 Plaintiff,

11 v.

12 ROMAN CATHOLIC ARCHBISHOP OF
13 PORTLAND IN OREGON, and successors, a
14 corporation sole, dba the ARCHDIOCESE OF
15 PORTLAND IN OREGON, et al.,

16 Defendants.

NO. 04-37154-elp11

Adv. Proc. No. 04-03292-elp

NOTICE OF CLASS ACTION

17 **THIS NOTICE MAY AFFECT YOUR RIGHTS.**
18 **PLEASE READ IT CAREFULLY.**

19 **TABLE OF CONTENTS**

- 20 1. **WHY DID I GET THIS NOTICE?**
21 2. **WHY SHOULD I READ THIS NOTICE?**
22 3. **WILL I HAVE TO PAY ANY MONEY IF THE CLASS LOSES ALL OR A PART**
23 **OF THE LAWSUIT?**
24 4. **WHAT IS THIS LAWSUIT ALL ABOUT?**
25 5. **WHAT ACTION DID THE BANKRUPTCY COURT RECENTLY TAKE**
26 **REGARDING THE CERTIFICATION OF A DEFENDANT CLASS?**
6. **WHO REPRESENTS THE DEFENDANT CLASS?**
7. **WHAT IS THE UPCOMING HEARING ALL ABOUT, MAY I ATTEND, AND**
8. **MAY I SUBMIT WRITTEN COMMENTS OR OBJECTIONS?**
9. **WHAT ARE MY OPTIONS, MUST I STAY IN THE CLASS, AND WHAT ARE**
10. **SOME OF THE POTENTIAL CONSEQUENCES?**
11. **HOW DO I EXERCISE MY OPTION?**
12. **WHERE DO I GET ADDITIONAL INFORMATION?**

NOTICE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

1. WHY DID I GET THIS NOTICE?

You received this Notice because you are a member of the class of defendants named in a lawsuit filed in the Chapter 11 case of the *ROMAN CATHOLIC ARCHBISHOP OF PORTLAND IN OREGON, and successors, a corporation sole, dba the ARCHDIOCESE OF PORTLAND IN OREGON*, Debtor, Case No. 04-37154-elp11 (the "Bankruptcy Case"). The Bankruptcy Case is pending in the United States Bankruptcy Court for the District of Oregon (the Court"). The lawsuit that affects you is pending in the Bankruptcy Case. It was filed in the Bankruptcy Case in the form of a Defendant Class Action Lawsuit, which is referred to as *TORT CLAIMANTS COMMITTEE v. ROMAN CATHOLIC ARCHBISHOP OF PORTLAND IN OREGON, and successors, a corporation sole, dba the ARCHDIOCESE OF PORTLAND IN OREGON, ET AL.*, Adversary Proceeding No. 04-03292-elp (the "Lawsuit").

Your household is included in a list of Roman Catholic parishioners that is maintained by the *ROMAN CATHOLIC ARCHBISHOP OF PORTLAND IN OREGON, and successors, a corporation sole, dba the ARCHDIOCESE OF PORTLAND IN OREGON* (the "Debtor"). The Court ordered that the Debtor send this Notice to you to inform you of your rights in with respect to this matter. You should read this Notice carefully because it will provide you with information you will need to better understand how this Lawsuit will affect you.

2. WHY SHOULD I READ THIS NOTICE?

If you are or were a member of a parish or if you have made gifts, donations, and/or tithes to or for the benefit of any of the 124 parishes located within the territory of the Debtor, which is west of the Cascade Mountains in Oregon (the "Territory") your rights as a parishioner (as well as the rights of the parish) may be affected by the Bankruptcy Case and the Lawsuit. On July 22, 2005, the Court entered an order in the Lawsuit certifying a class of defendants in the Lawsuit. The Class includes you if you fall within the definition of Class in Section 5 below.

You have a choice whether to remain a member of the defendant class in the Lawsuit. This Notice is to inform you of the nature of the Lawsuit and your rights in connection with this matter.

This Notice is given pursuant to Federal Rule of Civil Procedure 23, Bankruptcy Rule 7023, and by Order of the Court. This Notice is not an expression of the Court's opinion as to the merits of any party's claims or defenses.

3. WILL I HAVE TO PAY ANY MONEY IF THE CLASS LOSES ALL OR A PART OF THE LAWSUIT?

Under no circumstances will you as a class member be liable for the payment of any money solely as a result of being a member of the class.

1 **4. WHAT IS THIS LAWSUIT ALL ABOUT?**

2 **a. When did the Debtor file for bankruptcy?**

3 On July 6, 2004, the Debtor filed its petition under Chapter 11 of the United States Bankruptcy
4 Code in the United States Bankruptcy Court for the District of Oregon.

5 **b. What is the Tort Claimants Committee?**

6 The Tort Claimants Committee was appointed in the Bankruptcy Case and consists of persons
7 who are asserting tort claims against the Debtor and others. Under the Bankruptcy Code, the
8 Tort Claimants Committee has certain rights and duties including the right, under certain
9 circumstances, to sue the Debtor. On August 11, 2004, approximately one month after the
10 Debtor filed for bankruptcy, the Tort Claimants Committee filed the Lawsuit.

11 **c. What is at issue in this Lawsuit?**

12 The issue in this Lawsuit is whether parish churches, schools and certain funds, defined below as
13 the Disputed Property, are available to pay claims against the Debtor. The Debtor contends those
14 assets are not available to pay claims against the Debtor. Specifically, the Tort Claimants
15 Committee contends that the real and personal property listed by the Debtor in response to
16 Question 14 to the Debtor's Statement of Financial Affairs, as amended, and the real and
17 personal property identified on Debtor's Schedule A and B to the Debtor's Schedules of Assets
18 and Liabilities as property the Debtor does not consider to be property of the bankruptcy estate or
19 that the Debtor contends are being held by the Debtor for others is, in fact, property of the
20 Debtor's estate free and clear of the interest of any other person (collectively, the "Disputed
21 Property"). The Debtor contends, among other things, that the Disputed Property is not property
22 of the Debtor's bankruptcy estate free and clear of the interests of any other person, is held in
23 trust, or is held subject to restrictions. If the Tort Claimants Committee prevails on this issue,
24 then, depending on how the Court rules, some or all of such Disputed Property might be
25 available to satisfy legal obligations owed by the Debtor to its creditors whose claims are
26 allowed by the Court.

1 **5. WHAT ACTION DID THE BANKRUPTCY COURT RECENTLY TAKE
2 REGARDING THE CERTIFICATION OF A DEFENDANT CLASS?**

3 The Tort Claimants Committee has been given permission by the Court to amend its complaint
4 in the Lawsuit to add claims against additional defendants, including a class of defendants (the
5 "Class") consisting of two sub-classes (the "Sub-Classes") as described in this section. On July
6 22, 2005, the Court, pursuant to Federal Rule of Civil Procedure 23(b)(3) and Bankruptcy Rule
7 7023, certified a Class of all parishes, parishioners, and other interested parties and further
8 divided the Class into the following two Sub-Classes:

9 **a.** "Subclass One" consisting of all parishes, including, without limitation, their
10 schools and missions located in the Territory (collectively, the "Parishes") other than Parishes
11 that from time to time are specifically named as individual defendants or intervenors; and

12 **b.** "Subclass Two" consisting of: (A) each person who is, or at any time has been a
13 Roman Catholic parishioner in the Territory of the Debtor (each a "Parishioner"); (B) each
14 person or entity that has at any time made gifts, donations, tithes, or other contributions of
15 money or other property (whether in the form of general offerings as part of Mass, special
16

offerings, endowments, contributions, or otherwise) to or for the benefit of any Parish or any Disputed Property in which any Parish claims any interest ("Parish Property"); and (C) each person or entity alleging an interest in respect of Parish Property (including, without limitation, an interest as a settlor, administrator, or beneficiary of trusts in respect of Parish Property). Subclass Two specifically does not include: (aa) any person or entity to the extent they allege claims or interests in or to Disputed Property of Central Catholic High School, Regis High School, or Marist High School; (bb) any person or entity that from time to time is specifically named as a defendant or intervenor; or (cc) any person or entity to the extent they hold a specific lien of record in relation to Disputed Property.

6. WHO REPRESENTS THE DEFENDANT CLASS?

a. The Class Representatives.

The Court has determined the representatives of Subclass One are St. Andrews Catholic Church (Portland) (through its pastor, Reverend Charles Lienert), St. Anthony Catholic Church (Tigard) (through its pastor, Reverend Leslie M. Sieg) and St. Juan Diego Church (Portland) (through its pastor, Reverend John Kerns). The Court has determined that the representatives of Subclass Two are John Rickman (of St. Pius X, Beaverton), Glenn Pelikan (of St. Rose of Lima, Portland) and Johnston Mitchell (of The Madeleine Parish, Portland) (collectively, the "Class Representatives").

The Class Representatives intend to assert and demonstrate, with the advice and assistance of counsel, among other things, that the Disputed Property is not, in fact, property of the Debtor's bankruptcy estate free and clear of the interests of any other person, is subject to restrictions, and is otherwise not available to satisfy legal obligations the Court may determine the Archdiocese owes to its creditors whose claims are allowed by the Court. Among other things, the Class Representatives intend to assert that the Disputed Property includes real and personal property created primarily through the financial donations, time, and labor of parishioners and other interested parties with the intent that those assets be devoted to the benefit and use of the parishes and/or the parish communities and their religious and charitable works and missions. Thus, the Class Representatives intend to assert that the Disputed Property is not property of the bankruptcy estate available to satisfy the claims of creditors of the Debtor, but instead is property held in trust or is otherwise restricted for the benefit of parishes and/or parish communities.

b. The Limited Liability of the Class Representatives

The personal liability of the Class Representatives for their actions in serving as Class Representatives is limited to conduct that constitutes willful misconduct or gross negligence. In other words, pursuant to an order by the Bankruptcy Court, the Class Representatives will not be legally liable to any class member or to anyone else except for and to the extent of any damages that may be caused by willful misconduct or gross negligence. The Debtor has also agreed to indemnify and hold harmless the Class Representatives for liability that may arise out of conduct that does not rise to the level of willful misconduct or gross negligence, up to a total for all Class Representatives of \$1,000,000 (One Million Dollars), including attorneys' fees and costs.

1 c. **The Class Counsel**

2 The Court has approved the appointment of the following as Class Counsel to represent the
3 entire Class, including both Sub-Class One and Sub-Class Two:

4 Steven M. Hedberg, Douglas R. Pahl, Michael H. Simon
5 PERKINS COIE LLP
6 1120 N.W. Couch Street, Tenth Floor
 Portland, OR 97209-4128
 Telephone: (503) 727-2121, Facsimile: (503) 727-2222
 Email: <mailto:parishclass@perkinscoie.com>

7 These attorneys, who are counsel to the Committee of Parishes, Parishioners, and Other
8 Interested Parties, represent the defendant Class, including both Sub-Classes. In the Lawsuit,
9 Class Counsel does not represent class members individually. Class counsel's fees and other
 costs and expenses of the Class Representatives related to the case will be paid by the parishes
 and, in the event of a shortfall, by the Debtor pursuant to Section 503(b) of the Bankruptcy Code.

10 7. **WHAT IS THE UPCOMING HEARING ALL ABOUT, MAY I ATTEND, AND**
11 **MAY I SUBMIT WRITTEN COMMENTS OR OBJECTIONS?**

12 The Bankruptcy Court has scheduled a hearing in the Lawsuit for October 11, 2005, at 9:30 a.m.
13 at the United States Bankruptcy Court, 1001 S.W. Fifth Avenue, Seventh Floor, Portland,
14 Oregon 97204. This hearing is open to the public, and you are welcome to attend, although your
15 attendance is not required. The purpose of the hearing includes, among other things: (a)
16 allowing members of the Class to exclude themselves ("opt out") from the Class if they wish to
 do so; (b) allowing members of the Class, and others, to file motions to intervene as parties in the
 Lawsuit if they wish to do so; and (c) allowing members of the Class, and others, to object to the
 Court's class certification decision and to seek any appropriate modification of that decision
 pursuant to Federal Rule of Civil Procedure 23(c) and Bankruptcy Rule 7023.

17 Any class member who desires to exclude himself or herself (opt out) of the Class must follow
18 the procedures set forth in Section 9 below.

19 Any class member who desires to file a motion to intervene or who desires to submit written
20 objections or other comments concerning the Court's class certification decision must do so in
 writing filed with the Bankruptcy Court and properly served on all parties no later than
 October 3, 2005, which is nine (9) days before the scheduled hearing date.

21 8. **WHAT ARE MY OPTIONS, MUST I STAY IN THE CLASS, AND WHAT ARE**
22 **SOME OF THE POTENTIAL CONSEQUENCES?**

23 If you are a member of the Class, including either of the two Sub-Classes described in Section 5
 above, you have a choice of whether to remain a member of the Class. You have three options:

24 a. **Remain a member of the Defendant Class and be represented by the Class**
25 **Representatives and Class Counsel and be bound by the results.**

26

- 1 i. In the Lawsuit, the Class representatives and Class Counsel identified in
2 this Notice will act, respectively, as representatives of the Class and legal
3 counsel for the Class to present the legal position of the Class.
4
5 ii. If the case is settled, as a Class member you will be bound by the terms of
6 the settlement.
7
8 iii. If the case is not settled and proceeds to trial and judgment, as a Class
9 member, you will be bound by any judgment entered in the Lawsuit,
10 whether favorable or unfavorable to you individually or to the Class as a
11 whole.
12
13 **b. Remain in the Lawsuit but be represented by your own counsel at your own
14 expense (or represent yourself with the permission of the Court) and be
15 bound by the result.**
16
17 i. If you desire, you may appear by your own attorney at your own expense
18 or you may represent yourself with the permission of the Court. If you
19 desire to be represented by your own attorney at your own expense or to
20 represent yourself, you must file a motion to intervene as discussed in
21 Section 7 above.
22
23 ii. If the case is not settled and proceeds to trial and judgment while you are a
24 party in the Lawsuit, you may still be bound by any judgment entered in
25 the Lawsuit, whether favorable or unfavorable to you individually or to the
26 Class as a whole.

c. Exclude yourself (or opt out) of the Defendant Class.

i. **If you do NOT want to remain a Class member and you do not wish to
intervene in the Lawsuit, you may exclude yourself (opt out) from the
Class, provided that you do so promptly as described in Section 9
below. For those opting out of the Class, the Court has provided the
Plaintiff with specific authority to name those opting out as individual
defendants in the Lawsuit. The Plaintiff has indicated it would likely
exercise such authority.**

ii. **By electing, or choosing, to be excluded from the Class, and in the
event the Plaintiff does not name you as an individual defendant in
the Lawsuit, you will not be personally bound by any settlement,
further orders, or judgment entered for or against the Class. It is
possible, however, that the Court's decision in this case would, as a
practical matter, be dispositive of your interests in the Disputed
Property.**

iii. **You may be able to present any legal rights or defenses you may have
against concerning the subject matter of the Lawsuit by filing your
own lawsuit at your own expense, or you may seek to intervene in the
Lawsuit as an individual defendant at your own expense.**

1 **9. HOW DO I EXERCISE MY OPTION?**

2 If you wish to remain a member of the Class and be represented by Class Counsel, you need not
3 take any action at all. You will be notified when the Lawsuit has been resolved after trial or by
4 settlement. The Court has the authority, as it deems appropriate, to notify the Class of important
5 steps or events in the Lawsuit.

6 If you wish to exclude yourself (opt out) of the Class, you must write to Steven M. Hedberg of
7 Perkins Coie LLP, who is one of the Class Counsel listed in Section 6c, above, and request to be
8 excluded from this Class Action. You must include your name, address, and telephone number,
9 and you must personally sign your request to be excluded from the Class Action; no one else can
10 sign your request to be excluded for you. All requests to be excluded from the Class will be filed
11 with the Court and will become public documents.

12 Your written request to exclude yourself (opt out) from the Class must be mailed and postmarked
13 by no later than October 3 2005. Unsigned forms will not be accepted. If you do not timely
14 request exclusion, you will remain a member of the Class and be represented by Class Counsel.

15 **10. WHERE DO I GET ADDITIONAL INFORMATION?**

16 Information regarding important procedures and deadlines, as well as information
17 regarding the definition of the class, the class representatives appointed by the Court and
18 rights of class members to exclude themselves from the class is contained in the full notice
19 at <http://www.archdpdx.org/bankruptcy> and www.parishionerscommittee.org/index.html.
20 Copies of selected court papers filed in the Lawsuit are also available at the above websites.

21 If you have further questions, you may write to Class Counsel Steven M. Hedberg, Douglas
22 R. Pahl, or Michael H. Simon at Perkins Coie LLP, at the address listed in Section 6c. Due
23 to the large number of class members, the ability of Class Counsel to respond directly to all
24 individual contacts may be limited.

25 **PLEASE DO NOT CONTACT THE COURT.**

26 The foregoing Notice provides only a summary of information regarding the Bankruptcy Case
and the Lawsuit. You may seek advice and guidance from your own private attorney at your
own expense, if you desire. For more detailed information, you may review the pleadings,
records, and other papers on file in the Bankruptcy Case and the Lawsuit, which may be
inspected during regular business hours at the United States Bankruptcy Court, 1001 S.W. Fifth
Avenue, Seventh Floor, Portland, Oregon 97204.

Date: July 27, 2005

Honorable Elizabeth L. Perris
United States Bankruptcy Judge