

Nfld. & Labrador

Archdiocese of St. John's may file for creditor protection, buying time before settling Mount Cashel claims

Victims' lawyer says compensation will likely not be significantly impacted

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Numerous children were abused at the Mount Cashel Orphanage in St. John's from the 1950s to the 1970s. (CBC)

The Roman Catholic Archdiocese of St. John's may file for creditor protection, to buy itself time before settling the claims by victims of abuse at the Mount Cashel Orphanage.

In a letter sent to congregants on Sunday, Archbishop Peter Hundt said filing for creditor protection would give the archdiocese time to evaluate assets and develop a proposal for settling claims and liabilities.

Hundt said parish and diocesan cash reserves will be dedicated to meeting financial obligations. He said the archdiocese is intending to maintain all parish operations, but may need to sell parish properties, including church buildings.

"I firmly believe that we can help bring healing to the victims and their loved ones and to the entire faith community and bring closure to a dark chapter in the history of our archdiocese," Hundt said.

The announcement is the latest development in a decades-long process during which the Archdiocese of St. John's repeatedly denied responsibility for Mount Cashel, where numerous children were abused between the 1950s and 1970s.

- [Appeal court holds Catholic church liable for abuse suffered at Mount Cashel](#)
- [Supreme Court of Canada rejects Catholic archdiocese appeal over Mount Cashel](#)

In 2018, the Supreme Court of Newfoundland and Labrador ruled the Archdiocese of St. John's was not liable for abuse at the orphanage, but the provincial appeals court overturned that decision in July 2020.

A last-ditch appeal by the archdiocese was rejected by the Supreme Court of Canada in January 2021.

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Echoes of 2012

The Catholic church is liable to pay the outstanding bills left by the Christian Brothers of Ireland – the organization that ran the orphanage – when it went bankrupt from settling child abuse lawsuits in 2012. Though victims received some compensation from the Christian Brothers, they did not get the full amount they were owed.

Though the possible bankruptcy of the archdiocese echoes the bankruptcy of the Christian Brothers, the lawyer representing most of the victims says he isn't worried – but is staying vigilant.

Geoff Budden, a partner with St. John's firm Budden & Associates, said he has experience with three other Roman Catholic Church-related bankruptcies while resolving claims by victims, and compensation was not significantly reduced in those cases.

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"The survivors have received some compensation, perhaps not full compensation, but nevertheless decent compensation; a starting point at least," he said.

Budden said he represents at least 75 men who are eligible to file in this bankruptcy, adding he couldn't give an exact number because the total keeps growing. He said other law firms represent another 30 or more claimants.

He said the four claimants in the test case have a judgment of \$2.5 million. With the addition of more than 100 claimants, Budden said that judgment could balloon to "tens and tens of millions of dollars."

Budden said he's working to ensure the insolvency is "survivor-centred."

"The survivors must come first and we will insist on that and will be there fighting for that," he said.

Archdiocese evaluating assets

The Archdiocese of St. John's owns assets ranging from historic buildings like the Basilica of St. John the Baptist to some of the province's public schools.

Budden said while the archdiocese likely won't be placing a "for sale" sign on buildings like the Basilica any time soon, there are other ways to realize its value.

- [All archdiocese properties, including Basilica, being appraised for Mount Cashel compensation](#)

Hundt said each parish will be provided with a set amount of money, which combined with parishioner contributions will pay for operating expenses.

"The ability of parishes to be financially self-sufficient will be a major factor in determining their ongoing viability and the overall success of the archdiocese to develop an acceptable

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"We're long overdue to resolve these claims. We've been pushing them a long time and we're going to continue to push and enough is enough. Let's do this."

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With files from Patrick Butler

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