

# FINANCIAL AND LEGAL ADVISORY COMMITTEE

August 16, 2010

Dear Father, Pastoral Council Chairs, and Parishioners,

## **Re: Update of the Financial and Legal Advisory Committee**

This letter is to provide you with a progress report on the efforts by the Financial and Legal Advisory Committee (FLAC) to meet the financial obligations obtained under the Settlement Agreement with the Class Action Claimants against the Diocese of Antigonish (the Diocese) over the past number of months.

FLAC's effort towards the pooling of the net liquid assets of the various Parishes has been largely completed. The expectation, following full remittance of the funds, would be approximately Six Million Dollars (\$6,000,000.00). All of the funds received to date have been placed in a segregated and restricted Settlement Bank Account. Not all of the Six Million Dollars (\$6,000,000.00) has yet been received. A number of Parishes indicated that funds were held in short term investments (i.e., GICs, bonds) with varying maturity dates. In order to satisfy the Court that these funds will be available for settlement purposes, we are asking that all Parishes turn over physical possession of these Short Term Investment Certificates to the Committee. These Certificates will be held until maturity at which time they will be surrendered and the proceeds placed in the Settlement Account. For those Parishes that have not already done so, we would again request that these Certificates be immediately turned over to the Committee.

With the cash process largely completed, the Committee has directed the majority of its attention to the orderly disposition of non-core properties of the Diocese. This is a process which we anticipate will continue over the next eighteen (18) months with the expectation that all properties will be disposed of not later than December 31, 2012. At the present time, there are approximately four hundred (400) properties slated for disposition. The financial success of the sale of these properties will largely determine whether or not the Diocese is able to meet its obligations under its Settlement Agreement.

There have been a number of questions raised by Parish Councils and individual Parishioners relating to their specific properties. Much of the attention has focused upon Parish Halls and related properties. Recognizing the significance of the number of these properties to the ongoing operation of the Parish, the Committee has determined that, for the most part, Parish halls will be disposed of only as a last resort. However, as I trust you will appreciate, no commitment can be made at this time that these halls will not have to be sold in order to meet the financial obligations of the Settlement Agreement.

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### Update of the Financial and Legal Advisory Committee

With respect to the balance of the properties, it is our expectation that properties will be released for sale upon the happening of the following events:

- 1) FLAC having satisfied itself of the fair market value of the property;
- 2) having identified all legal issues of concern regarding a potential sale (i.e., restrictions on use, rights-of-way, etc.); and
- 3) having written notification to Parishes of intention to sell and listing values.

At this point, it is our expectation that rather than waiting to list all properties, various groupings of properties will be released in the coming months.

It is of upmost importance that our Diocese secures the highest value for all properties to be sold. Every effort is being taken to ensure that our process identifies opportunities which might exist to maximize value (i.e., subdivision into various lots; contact with specific purchasers).

In order to fully satisfy Settlement Obligation and related independent legal actions brought against the Diocese, this coordinated real estate disposition process must raise approximately Twelve Million Dollars (\$12,000,000.00).

FLAC is acutely aware of the Pastoral consequences of the real estate dispositions, and in particular, the importance of not understanding to Parishioners the impact of a failure to achieve our target sale proceeds. The overall objective is to meet the Settlement Agreement and financial commitments without liquidating core assets. Initial appraisal values of these non-core properties indicate that this is possible. Care is being taken with all higher values properties to ensure that there is a full and complete review of both the appraisal and current information prior to the property being listed for sale.

In keeping with the commitments made during the regional meetings, FLAC wishes to reconfirm that no property dispositions will occur without the Parishes first being notified of the intention to sell and the proposed listing price for the property. Every effort is being made to ensure that information is communicated in as timely a fashion as possible. We will continue to update you as to the sales progress on a regular basis. In the interim, should you have questions with respect to specific properties, we would encourage you to direct your inquiry to Mr. Al Chiasson directly toll free (1-888-435-9898) by fax (902-832-6235); or by e-mail ([chiassongroup@gmail.com](mailto:chiassongroup@gmail.com)). Any issues of a Pastoral concern can be directed to Father Paul Abbass or any member of FLAC.

Yours very truly,

Jim Cogan  
Chair

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Update of the Financial and Legal Advisory Committee

FLAC Committee Members - Bishop Brian Dunn, Father Paul Abbass, Father Angus MacDougall, Father William MacPherson, Mr. Frank Gillis, Q.C., Ms. Irene LeFort, Mr. John Higgins, Mr. James R. Cogan.

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☛ If you would like to contact a member or members of the Financial and Legal Advisory Committee, please contact your Parish Priest for contact information.