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A federal appeals court upheld two lower court rulings that the assets of Catholic institutions, including parishes, are separate from those of the Archdiocese of St. Paul and Minneapolis and that they cannot be consolidated with archdiocesan assets in its Chapter 11 bankruptcy.

The April 26 ruling came from the 8th U.S. Circuit Court of Appeals.

Thomas Abood, chairman of the archdiocese's Reorganization Task Force, welcomed the ruling April 30.

"We are pleased that the 8th Circuit Court of Appeals has rejected a meritless legal argument by claimants' counsel that has been directly responsible for delaying the resolution of the archdiocesan bankruptcy and has given rise to the erroneous claim -- now rejected for the third time in this litigation -- that the archdiocese has undisclosed assets which it has not made available to its creditors in its bankruptcy," Abood said in a statement.

"I hope all abuse survivors, reassured by the court's decision, will soon be able to choose the path of settlement and closure on this aspect of their quest for justice and healing," he said.

In 2016, the Unsecured Creditors Committee, which represents more than 400 sexual abuse claimants, filed a motion for the assets of 187 parishes in the archdiocese, three Catholic high schools and the Catholic Community Foundation of Minnesota to be merged with the archdiocese's assets in a reorganization plan.

Judge Robert Kressel, who is overseeing proceedings in U.S. Bankruptcy Court, denied the motion in July 2016. The creditors committee appealed the decision to U.S. District Court, which, in December 2016, upheld the ruling. The committee then appealed that decision to the appeals court, which heard the case in December.

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A three-judge appeals court panel said in its ruling that the committee had "failed to plausibly allege sufficient facts to negate the nonprofit non-debtor status of the targeted entities" and, therefore, they are entitled to legal protections and "cannot be involuntarily substantively consolidated with (the archdiocese)."

"We understand the committee's sincere attempts at recovery for a class of creditors who have suffered greatly by clergy abuse," the ruling said. "However, global consolidation of all entities in the archdiocese is not authorized by the bankruptcy code. There are remedies available in the bankruptcy code to address specific abuses by (the archdiocese) or other entities, if they exist. Substantive consolidation of all related entities, however, is not one of those remedies."

The ruling does not affect the more than 100 parishes facing lawsuits for clergy abuse outside the bankruptcy.