

OFFICE OF THE BISHOP

*Society of St. John*  
DIOCESE OF SCRANTON  
300 WYOMING AVENUE  
SCRANTON, PENNSYLVANIA 18503-1279

April 12, 2002

**C**  
Sister M. Martin de Porres McHale, I.H.M.  
St. Mary of Mt. Carmel Convent  
336 Chestnut Street  
Dunmore, Pennsylvania 18512

Dear Sister Martin de Porres,

**O**  
Many thanks for your kind letter of April 10, 2002, regarding the financial situation of the Society of St. John. Please know how grateful I am for all the time and effort you have given to this serious problem and other situations that are cause for concern here in the Diocese.

**P**  
The Society of St. John is definitely struggling under a heavy weight of indebtedness. I have asked them to be more open and up-front about their present situation, but their response to date at least has been a feeble one. The Society continues to feel that they can weather this storm and they continue to collect money from their faithful supporters. Time will tell how this is going to work out.

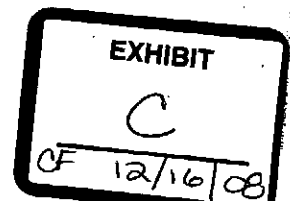
**Y**  
Again, you have my undying gratitude for all your good work and, if this does not work out well, it certainly will not be your fault.

With kindest personal regards and every best wish, I am,

Sincerely yours in Christ,

*James C. Timlin*

Most Reverend James C. Timlin, D.D.  
Bishop of Scranton



*St. Mary of Mt. Carmel Convent*

*336 Chestnut Street  
Dunmore, Pennsylvania 18512*

April 10, 2002

Most Reverend James C. Timlin, D.D.  
Bishop of Scranton  
300 Wyoming Avenue  
Scranton, PA 18503

Dear Bishop Timlin,

Having served on the Financial Advisory Board of the Society of St. John since December 6, 2000, I find it incumbent on my part to write this letter to you.

At our last meeting held on March 20, I found Father Daniel J. Fullerton much on the defensive about any recommendation Bishop John M. Dougherty and I were making concerning the sale of the property in Shohola.

The irony is that Father Fullerton advised us that the property was not for sale. Yet, the report he distributed at the meeting held on March 20 (copy enclosed) very clearly indicates that Rhea Simms (the realtor who originally sold the Society the property) showed the property in February to a Church Bible group!!!

Each of our meetings presents us with a new financial surprise too numerous to recount here. However, at the March 20 meeting, we were advised that approximately \$50,000 was deposited by clients towards a downpayment on the purchase of a site in Shohola. According to law and accepted audit principles, this money should have been placed in escrow. Such has not been the case. Moreover, one client is now demanding full repayment of his \$10,000 downpayment. To date, only \$2,000 has been reimbursed.

Matters such as the above are of great worry and concern both to Bishop Dougherty and myself. The accounts payable, loans payable, and client deposits of the Society (excluding their mortgage at Penn Security) are at present in excess of \$733,295.

At this point I see only one alternative and that is to sell the property. However, in order for the Society to become debt free, the property and buildings thereon would have to sell for in excess of \$2,650,000.

The fund raising the Society is now pursuing is taking care of their current operating expenses, their monthly mortgage payment, and covering only a pittance on their indebtedness. I fear that in the passage of time, contributors may challenge the use of their donations. In that event, since the Society has no money, the Diocese of Scranton could possibly be held liable for not calling a halt to what is going on.

Please accept this letter with the best of my intentions. I feel that the Diocese has given the Society of St. John a sufficient period of time to realize its "dream" of what it would like to do. To date, however, the Society has failed to meet its and our expectations.

May the blessings of this Easter Season be yours in abundance. Be assured you are remembered in my prayers each day in a special way.

Enclosure

Respectfully,  
*Sister M. Martin de Porres*  
Sister M. Martin de Porres McHale, IHM