

CERTIFIED TRANSCRIPT

**BOY SCOUTS OF AMERICA
OFFICIAL TORT CLAIMANTS COMMITTEE TOWN HALL
FEBRUARY 11, 2021**

DATE: FEBRUARY 18, 2021



Court Reporting • Video

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1 **HUMPHREY:** For those of you who were with us the last time, we introduced the Tort
2 Claimants Committee; what our role was, how we were appointed by the U.S. Trustee and the
3 bankruptcy court. We introduced you to our Lead Counsel, Jim Stang, our Insurance Counsel,
4 Kirk Pasich, and our forensic accounting team. And, went through some of the basics of
5 bankruptcy to try to give you an idea of what was going on.
6 The feedback that we've gotten was that you appreciated the fact that it wasn't just a bunch of
7 lawyers talking. So, we are going to continue that realm tonight. My name is John Humphrey.
8 I'm the Chairman of the TCC. You'll hear us abbreviate Tort Claimants Committee as the TCC.
9 So, we're going to introduce shortly a couple of our other members and we'll try to do that each
10 month, because we don't want to have everybody on at once.
11 The other thing I need to let you know about is we now have a website that can direct you to all
12 of the information about what we're doing here with town halls. It has the recordings. For
13 example, tonight one of our attorneys, John Lucas, is going to cover in great detail, how do you
14 modify your claim form and they'll be a document. It'll be on the TCCBSA.com website. So,
15 once again that's TCCBSA.com. All of the Town Halls will be there. We'll be under an hour
16 tonight. We try to keep it to under an hour. If it goes a little bit over 'cause we're into some
17 really good content, we're going to let it go. We're not just gonna turn it off in an hour. They'll
18 be an email address at the end if you have questions. We've chronicled a lot from last time and
19 once again, we are recording this.
20 Last time, I was able to tell my story. If you are new to this event, all of the members of the Tort
21 Claimants Committee are sexual abuse survivors. We have all been abused. Some of us
22 extensively over a multi-year period of time. We are a wide range of folks from all over the
23 country and were abused in various states and what you'll find out from Wade, in one of our
24 U.S. territories

1 So, why are we here? You know, the first goal was to let you know who the TCC was and that
2 we represented the interests of all claimants and survivors. The second was to answer questions
3 about the bankruptcy process. The third was to educate you on where we were in that process
4 and what was coming next. Then to the extent that we had important case developments, we
5 would share those with you at that time. So we're not here to provide legal advice. Last time I
6 made a comment that you may not need a lawyer, but if it got more complicated that might be
7 something that you look into. We're going to address that in the Q&A session, but I think it's
8 safe to say things have gotten a little more complicated. It's purely informational and this is just
9 a second in a series of things that we're going to be doing.

10 So, before we get started and before I turn it over to Doug to introduce our other two members,
11 you know, I know that you probably all had a lot of questions. We tried to explain the
12 complexity of the process. I know there's lots of press out there. There's certainly lots of gossip
13 and rumor about what's going on. Answers that you might want like, when am I gonna get some
14 money and if? You know, we're not there yet. In the big scheme of the process, we are still in
15 mediation. The Boy Scouts have yet to file a plan and we'll get into that in great detail. So, just
16 hang in there with us. We're working very diligently. We meet twice a week as a committee,
17 once by ourselves without any interruption and once with our professionals. So, we are on it on a
18 fairly regular basis.

19 So, with that, I'd like to introduce Doug Kennedy to you. Doug is our Vice Chairman. He's a
20 professor. He's my right-hand man and we're just so glad to have him on the committee and he's
21 gonna share and introduce a couple of our other members, so Doug.

22 **KENNEDY:** Thanks, John. I really appreciate that. I appreciate everything that you're doing
23 for the TCC as well. Good evening, everyone. As John mentioned, my name is Doug Kennedy
24 and last week I introduced myself and John told a little bit about his story also. And one of the

1 pieces of feedback that we received from a number of people was basically it was really good to
2 see people like me, other victims that were involved on the TCC and were members. So, we want
3 to continue along with that tonight.

4 I want to assure you, we have the very best bankruptcy professionals and attorneys in the
5 country. These are people that have been working not only in the bankruptcy area, but also in
6 bankruptcy of organizations that have been involved with sexual abuse. So, they know what
7 we're going through and they understand the intricacies of bankruptcy law. The members of the
8 TCC, it's been liking drinking water from a firehouse to learn so much about bankruptcy law and
9 we are so lucky to have, what we believe, are the very best professionals that we selected after
10 interviewing various firms.

11 So, the one thing we want you know is that they are fighting for you, as well as the TCC also.

12 We are fighting for you. We also want you to know right now, as John mentioned, there's a lot of
13 feelings out there and one of the things that's difficult is there's not a lot of information that you
14 can see, other than what's put in the press. To be honest with you, a lot of what's happening is
15 happening with a degree of confidentiality. We'll talk later about mediation, but in those
16 meetings, we're not allowed to share what's being discussed. There's a lot of things that are
17 happening and there's even a lot of things that we really can't talk about, but we know that
18 you're nervous. We also know that you're hesitant. Your patience might be tough right now. One
19 of the things we do on the TCC is we continue to remind each other that sometimes all we can do
20 is look in that week ahead. What's coming up the next week and just try to remind ourselves to
21 be patient.

22 So, please, we're going to talk a bit tonight about the timeline. You know, what you could expect
23 a little bit, but there's a lot going on. We also want to tell you too that we know that you're not
24 alone. We know that you have family, spouses, friends, children, coworkers and we know that

1 you get the questions sometimes. “How’s the bankruptcy going?” We know that it’s difficult
2 because sometimes the only answer you can give is, “I really don’t know yet.” And, that’s true,
3 that’s true. There’s a lot that has to be determined. We know as well, that for a lot of you, you
4 have buried a lot of these feelings of what happened to you for a long time, for decades for many
5 of us. We know that because of the bankruptcy that’s had to come to the surface very, very
6 quickly and that can be a difficult thing to deal with as well. So, we just want to reiterate that we
7 get all of that. We really do.

8 So tonight, what I want to do is introduce two more of our colleagues on the TCC, and we hope
9 to have some other ones joining us in the months ahead. First, and this is a huge honor for me to
10 introduce both of these and be involved with this committee. It’s just an amazing group. The first
11 is Wade Paul. So Wade, I’m gonna turn it over to you and thanks so much for being with us
12 tonight.

13 **PAUL:** Thank you, Doug. And hello to the fellow BSA child sexual abuse survivors, who
14 are out there viewing this town hall. As Doug said, my name is Wade Paul, and I’m very
15 honored to be serving alongside John Humphrey, Doug, and the other six committee members
16 selected by the Department of Justice last March to advocate for all of you in this Chapter 11
17 bankruptcy.

18 A little about myself, I was born and raised on the U. S. Territory of Guam, but I’m now a retired
19 U.S. Army Lieutenant Colonel living in Virginia. Having being raised on Guam, I would like to
20 take this opportunity to extend a warm Hafa adai, which is the greeting in Guam’s native
21 language to any of Guam’s 80 plus Boy Scouts of America child sexual abuse survivors, who
22 may be viewing this TCC town hall. At 12 years old, I was sexually abused in the mid-1970s by
23 a Scoutmaster in Guam’s Boy Scouts of America program. The abuser was responsible for the
24 training and certification of scouts for the island’s swimming, mile-swim and lifesaver badge

1 programs. Most of Guam's 80 plus BSA abuse victims know the name of that Scoutmaster, since
2 nearly all 80 of us were his victims at one time or another. This covered a period that spanned
3 two-and-a-half decades. That's 25 years of one Scoutmaster child sexual predator being able to
4 victimize 80 plus kids on Guam. All because the BSA did not take the appropriate steps to
5 protect its scouts.

6 I sought to be on this committee not only to ensure that Guam's 80 plus victims are justly
7 compensated for what happened to each of us over those 25 years, but to do my best to ensure
8 that all other victims of BSA child sexual abuse around the entire world are justly compensated
9 for the pain and damages to all our lives resulting from the BSA's negligence. Like all the other
10 members of the TCC, I also want to do my best to ensure that the appropriate steps are taken by
11 the BSA as part of their bankruptcy plan to prevent any child sexual predator in the future from
12 ever again having such easy access to children; especially and disgracefully over such a long
13 period of time as it was on Guam, 25 years by one person.

14 So, I'd like to share with you a little of how I personally have been involved with fighting for
15 you on the TCC. As our Chair, John Humphrey, and Co-Chair, Doug, informed everyone during
16 the first town hall, early on the first task the committee had to accomplish was the task of
17 choosing the right professionals to do the detailed work we need to build our case. That is for all
18 the survivor plaintiffs. The committee interviewed and selected our Lead Attorney, Mr. Stang, as
19 well as Mr. Kirk Pasich, the committee selected attorney for the insurance matters of this case,
20 which may turn out to be a large portion of the settlement and the case. Being a retired U.S.
21 Army Officer, I like to refer to Mr. Pasich when speaking with the other committee members as
22 our artillery, or as the artillery is referred to in the Army, the king of the battle, because his work
23 reminds me a lot of one of the important roles that the artillery has on the battlefield. That role
24 being to apply the greatest amount of pressure down on the most critical areas on the battlefield

1 as necessary so that we control that space at the outcome of the battle. This BSA bankruptcy
2 case, in my opinion, that critical space on the battlefield is the BSA's insurers.

3 We, i.e. the committee members, we're also involved with interviewing and selecting a financial
4 investigative and advisory team and we are selecting the Berkeley Research Group for this task,
5 BRG for short. BRG has been heavily involved in researching the true financial status of the Boy
6 Scouts of America to acquire real and accurate BSA financial data that the TCC's Attorneys, Mr.
7 Stang and his team, need to support their legal arguments for survivors. An important example of
8 BRG's work that I've been paying close attention to is the work they are doing with another firm
9 to appraise the various properties owned by the local councils. This is important because it
10 allows the TCC to evaluate how much local councils can reasonably contribute to any kind of
11 settlement for survivors. Again as a retired Army officer, I like to refer to BRG as our infantry,
12 the queen of battle. In this bankruptcy battlefield, they're the folks that are on the foot, down in
13 the mud, researching the actual documents and electronic data that will provide the hard and real
14 information needed to make our attorneys' arguments stronger.

15 We began mediation in January with three official court appointed mediators, the BSA, the
16 committee representing the local councils, and some of the insurers. As a committee member, I
17 know it's my responsibility to all of you viewing this town hall that I participate in all of these
18 meetings, listen, voice my opinion to the committee chair and co-chair and the committee's
19 attorneys on things that are discussed and to ask the right questions as necessary. We have been
20 busy with meetings since January as the mediation meetings are on top of our twice weekly
21 routine meetings. However, I take all of these responsibilities of representing all of you with the
22 utmost importance and I'm happy to contribute my time and effort for our fight.

23 Lastly, I want all of you to know that the committee does not always agree unanimously with
24 things that the committee votes on. I believe if we did, it wouldn't be a good thing, since the

1 thousands of survivors of BSA abuse all have different experiences and come from across the
2 world. As with me, coming from the U.S. Territory of Guam. Even when we have a vote that
3 isn't unanimous, I can assure you that knowing the other members of this committee as well as I
4 do now, all of them have the right goal in mind and that goal is this; to do the very best from
5 their unique point of view to fight for the just and timely compensation for each and every one of
6 you, our fellow survivors. I appreciate being allowed the opportunity to speak to all of you.

7 Thank you. Thank you, Doug.

8 **KENNEDY:** Wade, thank you so much. I should also mention too that Wade sits on our
9 finance committee and one of his responsibilities that he takes very seriously is, he is responsible
10 for reviewing all the bills that come from our attorneys and professionals to make sure that they
11 are correct and then they go to the committee to be approved and on to the court to be paid. So,
12 he is also responsible for that oversight too.

13 So again, thanks Wade. Now, let me kick this down to the beautiful state of Georgia where Rob
14 Lawson is with us this evening. Take it away, Rob.

15 **LAWSON:** Thanks, Doug. Good evening, everybody. My name is Rob Lawson. First, I'd like
16 to thank all of you for having the strength to come forward and deal with such a difficult topic,
17 child sexual abuse. I was sexually assaulted in 1985 at the age of 15 by a Boy Scout leader while
18 I was attending the three-day initiation ceremony to become a member of the Order of the
19 Arrow. The three-day ceremony is called the Ordeal. My ordeal took place at a Boy Scout
20 property called Rainy Mountain in Raven County, Georgia nestled in the foothills of the
21 Appalachians. The Order of the Arrow is the exclusive scouting fraternity whose membership is
22 only offered to a few select scouts, and it is voted on by the scouts in each troop. The
23 Scoutmaster who abused me started as a volunteer in scouting in the early 1960s in Georgia.
24 Then he moved to Alabama, where he was also a Scoutmaster and then in 1969, he moved back

1 to Georgia, where he became the Scoutmaster of another troop in my hometown.
2 When I first met my abuser, while he was recruiting boys to become members of the Order of the
3 Arrow, I had no idea that four years earlier he had been removed as Scoutmaster from the other
4 troop because he admitted to molesting scouts in that troop. However, after one year out of
5 scouting, he was allowed back in where he assumed regional leadership roles, and he soon
6 became President of the Northeast Georgia Council, as well as the Primary Advisor to the
7 Council's Order of the Arrow Lodge. He even had his own cabin on site at Camp Rainy
8 Mountain. It wasn't until a decade after my abuse that he was finally investigated and admitted
9 molesting at least five or six scouts. Unfortunately, because of the statute of limitations of
10 Georgia, he was never prosecuted and like many of you, I didn't have the opportunity to bring a
11 lawsuit against him. Oh, and in case you're wondering, yes, my abuser's name is part of the
12 ineligible volunteer files that the Boy Scouts maintain, but keep secret from the public allowing
13 these monsters to volunteer with other organizations and commit other horrible acts in our
14 communities.

15 It wasn't until six years ago that I first came forward. I first came forward to my wife and then to
16 my mother and then to a high school friend, who was a reporter at the Atlanta Journal-
17 Constitution. I did that so others would know what happened and hopefully put a stop to the
18 abuse. After my assault, it was very difficult for me process what had happened to me. In
19 hindsight, it has taken decades for me to fully understand and process what happened and how it
20 has affected me. I am still dealing with it today. I finished my Scouting career and attained Eagle
21 Scout, but after the assault I was never the same. I was forever changed. For me, it has never left
22 me. It's a cloud that follows me. I've dealt with depression, anxiety. It has impacted
23 relationships. There's a fear of intimacy and like some of you I imagine, I too have recurring
24 nightmares of what happened to me and deal with the same issues of anger that Wade spoke of.

1 My experience on the TCC has also been similar to what Wade mentioned. We meet at least
2 twice a week to receive updates, provide input, and take votes with the interest of all survivors in
3 mind. We know that our work will never make up for what happened to all of you, but at every
4 meeting we ask what can be done to produce the best outcome. Right now, the best advice I can
5 give is to be patient. We know this is a time when many of you want it to be over, but there are
6 many, many steps to bankruptcy. Please know that the TCC is working hard for all of you and
7 that the nine of us are not backing down. Thank you.

8 **KENNEDY:** Rob, thanks so much and Wade, again, thanks so much. We all know how
9 difficult this is and you guys have my admiration and John's admiration for sharing your stories
10 with us. We know how tough that is and no one thought a year ago we would be doing that. I
11 should also thank both of you. Rob mentioned that we attend meetings twice a week and right
12 now the TCC is over about 150 meetings since this process started and there's going to be many,
13 many more. So, again, thank you gentlemen. For those of you viewing, I hope you're really
14 starting to get a feel that there are people on the TCC like you fighting hard for the best possible
15 result in this bankruptcy. John.

16 **HUMPHREY:** Thanks, Doug. You know, before I get back to the logistics of the meeting,
17 I just want to thank Wade and Rob for coming forward. You know, I've been around a lot of
18 abuse survivors and I can tell you all that the stories are very similar. Shattered lives, broken
19 hearts, the anxiety of sharing with your family and your children, your friends. Being in social
20 situations with people that are huge supporters of Scouting. So, to all of you out there, thanks for
21 being brave and Wade, Rob, thanks.

22 Okay, so we're going to get onto a few topics tonight, but before we do, I know there's a lot of
23 you that are typing into the Q&A. We're not going to be able to get to those tonight. At the end,
24 we're going to give you an email that you can send those questions in. We will try to copy and

1 paste the things out of the Q&A section, but we know there's lots of questions and believe me
2 we have plenty of them as well.

3 So with that, I'm going to bring in Jim Stang, who you met last time and other co-counsel, John
4 Lucas, and we're going to cover four essential topics tonight. The first is, Doug's going to cover
5 an update on what we've been doing since the last town hall. We're going to ask Jim to cover a
6 presentation on bankruptcy 101 that will be made available afterwards. We are going to have
7 John present on how you amend your claim for to get all of the data that we need you to have. I
8 will tell you that we started this process with 96,000 claims. We found a little over 10,000 in
9 duplicates and so we are now down to about 85,000-86,000 claims. Our adversaries are attacking
10 all of the claim forms that are not completely filled out. So, John's going to give us the insight on
11 how to get that done right and then we're going to cover some questions that came in since the
12 last meeting. So with that, Doug, take it away.

13 **KENNEDY:** Sure, John, I should mention, I'm sure we can put a link on that TCCBSA.com
14 website for where people want to use that email to submit questions.

15 **HUMPHREY:** Yep.

16 **KENNEDY:** Thanks for bringing that up. So, I just very quickly want to talk about what's
17 happened in the last--what we've been doing, our work in the last month and when I say we, I
18 mean the TCC that is being assisted greatly by our attorneys and our financial and insurance
19 professionals. One of the things is we've been having weekly mediation sessions with the Boy
20 Scouts, with the local council committees, and with certain insurance companies. Those sessions
21 are led by three mediators that were appointed by the court. We also continue to get appraisals of
22 local council real estate. We want to know how much money is out there, not only liquid in bank
23 accounts, but also how much money is wrapped up in available property. So, to this point, we
24 have received approximately 500 appraisals that are being reviewed. We also have our folks at

1 BRG completing financial analyses of the local councils. They are looking specifically at the
2 assets, the liabilities for the claims. Also looking at their local insurance policies that will cover
3 those local councils specifically. Also, we've been reviewing the assets of the Boy Scouts to
4 determine their ability to pay, how much money they have available to pay. And lastly, as John
5 mentioned, continue to look at the proofs of claim to make sure that they are as complete as
6 possible and if there are any duplicates that we basically can keep one of them and get rid of the
7 other duplication. So, there's a lot going on behind the scenes in the last month and there will be
8 a lot more to report next month.

9 **HUMPHREY:** Thanks, Doug. So, folks, we're at a time in the case where sometime in the
10 next, I don't know, couple of weeks maybe, maybe three weeks, the Boy Scouts will be filing a
11 plan. So we asked Jim to do kind of an overview of bankruptcy 101 and what the process is and
12 begin to introduce you all to the language of the court. So that as things come out and as we have
13 further meetings, you have context and an understanding of what these things mean. So with that,
14 we'd like to cue a presentation and I will turn it over to Jim.

15 **STANG:** Good evening, folks. This is an introductory class in bankruptcy. There are going to
16 be further town halls where we talk about more specific steps in the process, but for right now
17 this is an overview.

18 So, in order for the Boy Scouts to exit or leave bankruptcy, it has to confirm a plan of
19 reorganization. Confirm is just the legal word bankruptcy lawyers use for court approval of a
20 plan. The approval process is multi-stepped and when the plan is ultimately presented to the
21 court for approval, there are numerous factors that have to be satisfied in order for the plan
22 ultimately to be confirmed. But, the filing of the plan itself is just the first step. When you hear
23 that a plan has been filed, that is the Boy Scout's presentation of how they want to exit
24 bankruptcy. It might reflect some points of agreement, but please, when you hear about this there

1 will be a lot of press coverage about this, do not believe that the cake is baked. It's not. In some
2 ways, the ingredients are just starting to be put together.

3 So what does a plan do? Well, it's a long legal document, but essentially it tells you how the Boy
4 Scouts are going to pay claims. Second, it will tell you how the Boy Scouts intend to operate
5 post-plan confirmation. Because not all the money that's available to pay survivors will
6 necessarily be there on the first day it exits bankruptcy. How it operates going forward is an
7 important consideration in the plan or reorganization. And finally, beyond just the financial
8 aspect. who is going to be--if the Boy Scouts continue to operate after the bankruptcy, and I'm
9 not suggesting whether they will or will not, but assuming they do--who's running the
10 organization?

11 There are three key documents that you're going to hear about and ultimately you will receive.
12 One is a plan of reorganization. The second is a disclosure statement and the third is a ballot.
13 We're going to go through each of these. So if we can go to the next slide, we'll pick up on what
14 each of these documents means.

15 First, what does a plan really do? Creditors under a plan are put into groups. We call them
16 classes and if you're in the same class with another creditor, your claims are substantially
17 similar. So, an example of classification would be that all abuse survivors are in one class. A
18 different class could be the people who sold goods and services to the Boy Scouts. We call them
19 trade creditors. The third could be JP Morgan, which holds a mortgage on much of BSA's
20 properties. So, the plan puts everyone into classes.

21 Some classes are affected by what the bankruptcy does. You will be affected by what the
22 bankruptcy does because it will have provisions on how to assess your claim. Whether that's
23 done through an informal process, meaning outside of the court system or done through the court
24 system. Once your claim has been reduced to a dollar amount, how is that claim going to be

1 paid? How much and when? So, that is an impairment or an effect on your claim. People who are
2 affected by a plan get to vote and you will get a ballot that we'll talk about in another minute. I
3 want you to know that if you're in the same class with other people, your claims are treated in a
4 similar manner. It doesn't mean everyone's going to get the same dollar amount, but how your
5 claim is evaluated and the options that you have will be options in a process that affects everyone
6 in the class.

7 So, the plan will also tell you how you're going to get paid. You know, how do we go from
8 today, to having a settlement pot of money so that people can be fairly compensated? So, there's
9 obviously the Boy Scouts property, their cash, which is one of the things we're looking at to go
10 into the settlement pot. The second is the Boy Scouts have property. They have personal
11 property. You might have heard about the art collections. They have real estate. We are
12 evaluating the role that this property plays in the Boy Scout operations and if it turns out that
13 some property is going to be given to creditors, then how is that property going to be reduced to
14 money? The plan will provide procedures, as I said before, for evaluating claims both in an out-
15 of-court process and a court process and how survivors will get to choose between those two
16 options. Then at a very mechanical level, who gets the money before it's dispersed to you? How
17 is it dispersed? What is the timing? Finally, governance. This whole process of taking your
18 claim, having it valued, and the options you might have has got a lot of people involved in that.
19 The governance of that process is critical and will be part of the plan of reorganization.

20 So, our next slide is going to address this thing called a Disclosure Statement. This is a
21 complicated process and you want to know a couple of things, but probably the foremost thing
22 you want to know is, when am I going to get paid, how do I get paid and how much am I going
23 to receive? The answers to those questions and other questions you might have about, what are
24 the assets of the Boy Scouts? What are they worth? What are the assets of the local councils if

1 they're going to be involved in the solution of getting survivors fair compensation? What are the
2 local council assets? That's why we're doing the appraisals. The disclosure statement's function
3 is to give you information so that you can decide whether you want to vote yes or no on the plan
4 of reorganization.

5 So, the information will include a summary of the plan, value of the property that's being made
6 available to survivors, what the survivor community may look like. How many claims are there?
7 How many claims are in the state of Washington, or Nebraska, or Florida? What is the difference
8 in the treatment of claims? Is it going to be done based on the assets of the local councils?

9 You're entitled to information that tells you where the money is coming from, who's impacted
10 by putting money into the settlement pot and what it means to you for recoveries.

11 Finally, there is an explanation of risk. It is unlikely that the settlement on day one in the plan is
12 all cash. There's going to be property involved. There are risks involved in using property and
13 reduce it to money. These are the kinds of risks that the disclosure statement will talk about.

14 Again, the purpose of this statement, which has to be approved by the court before you can—
15 we'll give you this information so you can make an informed decision on how to vote.

16 So, once the disclosure statement has been approved by the court and you will hear that that
17 disclosure statement is available for you to look at, your lawyers, if you have lawyers, should
18 contact you about it. The TCC will be all over this. All the work that we are doing, that Doug
19 and John described and that Rob and Wade described, is geared towards making sure you have
20 enough information to make a decision. So ultimately, the court will say the disclosure statement
21 is now adequate to give you that information.

22 So, into an envelope goes a copy of the plan, a copy of the disclosure statement, a ballot so you
23 can vote yes or no on the plan, and a letter from the Tort Claimants Committee telling you what
24 we think of the plan. We might agree with it. We might disagree with it. Our recommendation,

1 because the Tort Claimants Committee is a fiduciary, meaning like a trustee for all of you, we
2 hope that the letter will give you an insight into whether we approve the plan and recommend
3 you vote for it, or disagree with the plan and urge you to reject it. You will have a deadline for
4 returning the ballot and you will consult with your counsel if you have it regarding the
5 mechanics of voting.

6 So, now the disclosure statement has been approved. The plan has gone out for voting. You vote.
7 The ballots come back. Then the court has something called a confirmation hearing. Remember
8 confirmation means approval hearing. There are numerous requirements beyond just the voting
9 that go to confirmation of a plan. That's going to be next week's class. Okay, let's go to the next
10 slide.

11 So, voting. We have 85,000 people who have suffered a range of conduct over different periods
12 of time in different locations. Does everyone get to vote within the sexual abuse group?

13 Absolutely. And you'll be asked to vote yes or no on the plan. There are formulas for deciding if
14 the group as a class has voted yes. You get to vote individually, but the court looks at the results
15 of the voting on a class by class basis. The court will determine whether a certain claim is, for
16 voting purposes, the same as another claim. Historically in other abuse cases, typically having
17 involved the Catholic Church, every survivor for voting purposes is given a dollar. That doesn't
18 mean you're going to get a dollar in your distribution. It just means that all of you have an equal
19 vote on the plan. Is that going to be the way it's done in Boy Scouts? Maybe, we have to wait to
20 see what the proposal's going to be on how the class voting is going to be done.

21 If the group of sexual abuse survivors accepts the plan, we will be well on our way to having an
22 exit for the Boy Scouts. If the class of sexual abuse survivors rejects the plan and doesn't meet
23 the margin, this is a little technical but I'll say it, at least 66% of the people voting--if 66% of the
24 people voting do not approve the plan, the plan can still be approved, but there are extra special

1 requirements for the protection of predators if a class of survivors does not approve a plan. I will
2 just tell you, I've been doing this work since 2004. There has not been a single instance in any of
3 the sexual abuse related Chapter 11 cases where the plan has been approved over the objection of
4 abuse survivors. You are a powerful group of people, and we all know you're the only reason the
5 Boy Scouts filed bankruptcy. So, I think when the court's looking at the voting, if there is a
6 rejection by the sexual abuse survivor class it's going to be a very hard row to hoe for the Boy
7 Scouts.

8 How long does this all take? It sounds like it could take a long time. We're going to show you
9 now a timeline of how this progresses, but, as I said before, the cake is just now being put
10 together. That disclosure statement process where people are going back and forth about what is
11 adequate information can take a long time. Then ultimately, the potential litigation over whether
12 the plan should be approved could take a long time, but the timeline you're seeing now is
13 everything's going per the schedule rules in the bankruptcy court. So, if a plan is filed on
14 February 26th with a disclosure statement, the earliest there could be, practically speaking, a
15 court hearing on whether the disclosure statement is adequate is April 15th. If the court approves
16 the disclosure statement on the 15th, takes about a week and that's working fast to get all those
17 packages mailed out. Some people wanna know, do I get the package? Does my attorney get the
18 package? We're working through how that happens, but if you want your own solicitation
19 package, you will get one.

20 Then there's a deadline set by the court to get your ballot back and if you have an objection to
21 the plan, to get that in too. That's the May 15th date. Then the court has a hearing on whether or
22 not the plan should be approved. That's the June 17th disclosure confirmation hearing. Please
23 understand, none of these dates are in place yet. This is just what happens if a plan is filed by
24 February 26th. Then ultimately, if the plan is approved at the confirmation hearing and all the

1 dollars flow and all the different mechanics of getting the deal done flow, the plan will become
2 effective and that is when the Boy Scouts are out of bankruptcy and the plan takes over how
3 you're going to get paid.

4 So, we can quickly go through this. That's a timeline based on existing rules. It is not fixed in
5 stone that those periods of time are the minimal periods of time. We could have two months of
6 disclosure statement negotiations, and it just stretches the timeline out, but it's all being done to
7 ensure the best deal for all of you.

8 So, this is just a bit of a recap. Where is the money going to come from? It's going to come from
9 the Boy Scouts. It's going to come, potentially, from the local councils. It's going to come,
10 potentially, from the chartered organizations, which is where your troop was started. What do
11 these different entities have? They have cash and investment. They have real estate, more so the
12 BSA and the local councils than perhaps the chartered organizations, and they have rights under
13 insurance policies. Wade spoke about Kirk Pasich and his role in his presentation. The ultimate
14 goal of the plan is to bring these sources of compensation together, figure out how best to value
15 85,000 claims and I suspect none of which are actually evidenced by judgment for a specific
16 dollar amount, turning this property into cash and getting money out to you. So, thank you, that's
17 the class on plans of reorganization.

18 **HUMPHREY:** Thanks, Jim. So, just to reiterate for everybody, the filing of the plan is
19 almost like the beginning of another negotiation. In what I do for a living, that timeline we would
20 call that the happy path. That means nothing goes bad, nothing goes wrong and we know that
21 these negotiations will be intense and often contentious. So, I think as Rob reminded us all, we
22 should just be patient. A really important part of that process is that we get your claim forms
23 updated and completed as thoroughly as possible. So with that, I'd like to turn it over to John
24 Lucas. John?

1 **LUCAS:** Thank you, John, and good evening, everybody. Also, before I get started I want to
2 remind everybody that the slides that you just saw Jim go through will be on the website at
3 www.TCCBSA.com. We know that we are moving through them fairly quick, and so they are
4 there for you peruse through and look through at your leisure.

5 And so, as John and Doug and Jim went over, there are a lot of different aspects of the
6 bankruptcy case, but one of the important aspects is getting your claim on file, which over
7 85,000 of you have done. So after the last TCC town hall meeting, we received questions asking,
8 how do I amend my proof of claim? I will discuss here tonight sort of the details on how to
9 amend your claim, but also you should still go to this website at www.TCCBSA.com and there
10 you will find a link titled “How to amend your sexual abuse proof of claim,” and in it contains
11 step-by-step instructions about how to amend your claim.

12 So, let me go over a couple of the key steps about amending your claim. First, when you filed
13 your claim you received a proof of claim number and it is important that you have your original
14 proof of claim number when you amend your claim. You might say to yourself, well I don’t have
15 my proof of claim number. First, if you have an attorney, ask your attorney and he or she will
16 give you the proof of claim number. If you do not have an attorney, then you can send an email
17 to the claims agent, and the claims agent will provide you your proof of claim number. You can
18 find the email address of the claims agent in the step-by-step instructions located at the website.

19 The next thing that’s very important is to include the cover sheet that can also be found at the
20 step-by-step instructions. With the cover sheet, it will ask your name, your address, your date of
21 birth, your original proof of claim number and you’ll need to fill out all the items in the cover
22 sheet. The cover sheet will be used as part of the submission of amending your proof of claim.

23 Also on the website in the step-by-step instructions, you will find a new claim form. You can
24 print out the whole form, or print out the pages that you want to amend. Fill them in and you can

1 combine it with your cover sheet and you can take it electronically and upload it to the claims
2 portal and again there will be a link in the step-by-step instructions, or you can print it all out, put
3 it in an envelope and mail it to the claims agent. There is an address there in the step-by-step
4 instructions about where to mail it.

5 So, I'm sure that many of you are asking, why should I amend my claim? Well, one of the
6 reasons is that maybe when you originally filed your claim because there was a November 16th
7 deadline that you didn't have all the answers to the questions, but since this time you've come
8 across some of the answers. That's great and you just add the answers in the appropriate places
9 in the claim and amend the claim in that fashion.

10 In addition to any missing answers to the questions, you should also include things like pictures
11 of you in a Scout uniform, pictures of you at a camp or a Scout function or any other sort of, like,
12 membership cards or Scout memorabilia that you might have that shows that you were a Scout at
13 some point and time. As you're going through your claim form, it's really important that there
14 are some key details of information that you'll include. So, for example, things as simple as your
15 date of birth. The name or description of the person that abused you. The name of other Scout
16 leaders in the unit or camps that you attended. It's important to put down where you were
17 abused. What we mean by that is, you know, it's not just the particular location but it's important
18 to describe the state. Was it in California? Was it in Kansas? Was it in Illinois? The state is a
19 very important thing to put down about where you abused. Also, the time that you were abused,
20 the dates. In particular, did it happen in 1974? Did it happen in 1974 through 1978? Putting the
21 dates and the times about when you were abused is also important. The local council of your
22 scouting unit is important to include in your claim. Then lastly, a written summary of the sexual
23 abuse. We all understand that it is difficult to relive this over and over and over again, but
24 providing a description of the abuse helps the professionals in this case evaluate the claims on a

1 case-by-case basis.

2 After you amend the claim, you might ask yourself, well what happens? So, if you submit your
3 claim electronically, you will receive an email confirming that the amended claim is received
4 and the amended claim number. If you submit your claim by regular mail, you will receive either
5 an email or a letter confirming that the amended claim was received and also an amended claim
6 number. As of today, there is not a deadline for you to amend your claim, however, we
7 encourage everybody to do it as soon as possible. As Doug and John and Jim have all gone
8 through here tonight and explained that we're all together here evaluating the claims, going
9 through the bankruptcy process and there will come a point in time where we will want to
10 understand all of the claims that are issued and all the information that goes to support the
11 claims. So we encourage you, to the extent that you can, to amend them as soon as possible.
12 Again, I'm going to sort of go back to where I started, if you have questions about amending
13 your claim please go to the step-by-step instructions, which are located at www.TCCBSA.com.

14 **HUMPHREY:** Thanks, John. Appreciate that. That's going to be our website for all of the
15 information that we have from here 'til we're done. So, we're bumping up close to an hour and
16 we've got some questions that you all have submitted. So, we're going to go a little bit over, but
17 know that we're recording this. If you've got to jump, just come back and listen to the Q&A
18 session. There will be questions. I see you guys put over 100 questions in the Q&A. If you
19 would go to the email address that you'll see at the end and submit those questions, we will try to
20 share those with you as time goes on. Then there are sometimes where we're not there yet, right?
21 So, we're not to the point of knowing what the answer is, so we'll try to communicate that as
22 well.

23 So, the first question that I'd like to have clarified is a simple one, Jim. It's, are you my lawyer?

24 **STANG:** Simple for you to ask it. My job and the other lawyers at Pachulski, Stang, Ziehl &

1 Jones represents the Torts Claimants Committee and its role as a fiduciary, as a kind of trustee
2 for all of you. We deal with all the issues you've heard about tonight, plus a lot you haven't
3 heard about. But, I am not your personal attorney. So, if you wanted to know, what does it mean
4 that I was abused in a state where I hear the statute of limitations might be problematic? What is
5 a statute of limitations? I mean, I can sit here and tell you what it is, but I can't analyze your
6 individual claim and tell you whether under your state's law that is going to impact how much
7 you might receive. Now, I don't want you to think that we've decided how a statute of
8 limitations plays into this. We haven't, but if you are interested in knowing how your claim
9 would fair if you were back in state court fighting this out, I can't tell you that. I'm not allowed
10 to speak. It's not my role. My role is to say, hey, there are statutes of limitation. This is how
11 generally we think we should address them, if at all. That's what we do and we make a
12 recommendation to you, but I can't analyze your individual claim. So, in that sense, I'm not your
13 individual lawyer. Next, John, Doug--whoever wants to take a shot.

14 **KENNEDY:** Yeah, thanks, Jim. I appreciate that. One thing I wanted to say was I'm keeping
15 an eye on some of these questions and a few of you, I know, had a difficult time hearing some of
16 the audio. Besides having this video posted in a couple, few days, there's also going to be a
17 transcript posted as well to the website so you can look at that. We are copying down all these
18 questions and as Jim just alluded to, a lot of them are very, very personal to your situation. So,
19 that's one of those things you need to consider with an attorney. Jim, related to that, one of the
20 questions that we hear all the time from victims now is, "Is my claim valid? Am I going to get
21 paid? How much?" We're early in the process, but what's the response right now?

22 **STANG:** Well, it's a good segue actually from the question about, are you my attorney? Last
23 time, I think it might have been John asked me, "Do I need an attorney now?" And, I said
24 something to the effect of maybe not yet. The situation is starting to get, as we get closer to a

1 plan, a little more complicated. I can tell you that two insurance companies have started asking
2 for additional information regarding specific claims and if you're in that group, I'm sure you
3 have heard from your attorney about it. If you're in that group and you haven't an attorney,
4 you've heard from the insurance companies directly. So, as we get into the part of the process
5 when the claims are really being scrutinized, it may be beneficial for you to start thinking about,
6 do I need counsel because the process by which your claims are evaluated is something that is
7 starting now in the form of the insurance companies asking questions and will get even more
8 involved as we get closer to going through a plan. To answer your question, whether a claim is
9 valid or not is a complicated legal issue. But, let's assume your claim is valid. The plan will tell
10 you, how much you're going to get paid and what the process is for determining that amount. As
11 I said during the discussion about the plan and disclosure statement, it all depends on cash and
12 investments, real estate values and availability of insurance. We're not there yet, folks. We're
13 working hard towards it. We're just not at a final number yet.

14 **HUMPHREY:** Next question is, is the BSA going to setup counseling for survivors?

15 **STANG:** So, I've been doing work for sexual abuse survivors in bankruptcies since 2004.
16 Done 18 cases. In every case the committee, much like the TCC, has an agenda item to ensure
17 that survivors have an opportunity for counseling. That is something the TCC is committed to. I
18 went through the Boy Scout website earlier today. They've got stuff on child protection. Most of
19 its written materials. There is a hotline number. I don't know that any of you really want to talk
20 to a Boy Scout hotline. If you're having issues now that feel like you can't handle them, call a
21 mental health professional. They are available through your county. They are available online.
22 Just type in your city, your state, mental health. You will see resources available, but the TCC is
23 committed as part of making Boy Scouts a better organization after this bankruptcy is over to
24 ensure that counseling will be available in some fashion.

1 **KENNEDY:** Thanks, Jim. You know, Jim, one of the things that we know how, and you've
2 touched on it, is how upset victims are by what happened to them and how angry they are at the
3 Boy Scouts. So the question is, are the Boy Scouts going to make any statements or recognition
4 of wrongdoing.

5 **STANG:** So, if you were to go to one of the early court hearings or read some of their
6 pleadings, the Boy Scouts will tell you they have apologized up the wazoo. They will say they
7 are terribly sorry people were hurt, and it's those kinds of apologies that just grind on you, right?
8 Like, well when are you taking responsibility? Don't say you're sorry I was hurt. When are
9 going to say you're sorry, you did it? I think at this stage, frankly, probably not yet. They are
10 constantly looking over their shoulder to ensure that the insurance companies are not finding any
11 misstep by them, because to keep the insurance in place, they have to--they're obligated to help
12 in the defense of claims. So, for the Boy Scouts to come out and say, we're responsible for all the
13 sexual abuse that occurred. Don't expect that any time soon. If we had a final deal with them, we
14 will try to negotiate agreements with them where they take responsibility, and how they take
15 responsibility is something that Doug and John and Rob and the others are going to have to deal
16 with, but it is our goal to confirm that what happened to you is not alleged, not in your mind, but
17 if you have a valid claim, to acknowledge that and have them acknowledge that.

18 **HUMPHREY:** Jim, here's a touching subject 'cause many of us remember the name of
19 our abuser. It says, "Now that I've named him specifically in a proof of claim, is he going to find
20 out and is that going to be investigated?"

21 **STANG:** So, we talked at the last session a little bit about this concept of mandatory
22 reporting. States have laws that require certain kinds of groups, teachers, youth activities. It
23 varies from state to state by the way. That they are required when they get a claim of sexual
24 abuse to notify governmental authorities. I'll just tell you, in Indiana, where the USA

1 Gymnastics Organization is formed, no matter how old you are when you make the assertion of
2 sexual abuse, it gets reported. It's not only abuse reported for someone who's currently a minor.
3 You could be 82 years old and that has to get reported in Indiana. In other states, there's no
4 obligation to report at all. So, we talked about the fact that the local councils are in the process of
5 going through the claims and notifying governmental authorities. Your claims are confidential,
6 and while certain groups of people can see them, like me and John Lucas, your abuser is not
7 supposed to be able to see them. If everyone is complying with the confidentiality rules, the
8 answer is no. Your abuser will not be told that you filed a claim and identified him in the proof
9 of claim. Now, the criminal justice system goes a different direction, and we can't control that
10 once those notifications are made, but in the world of bankruptcy and who gets to see proofs of
11 claim and who they get to tell about them, the answer is no.

12 **HUMPHREY:** Thanks, Jim.

13 **KENNEDY:** Jim, now that we're starting to get a fuller picture from the claim submissions of
14 all the levels of abuse, how much there was, where it occurred, when is that kind of information
15 going to be shared with the public?

16 **STANG:** This is really the function of the disclosure statement for the purpose of creditors
17 understanding their rights. We could tell you how many groping claims there were in
18 Washington State between 1976 and 1978. We have the data that gives us a pretty complete
19 picture of that, not perfect because, as you've been hearing us talk about the last two sessions, we
20 need you to amend those claims to enable us to fill in that information. But, we will want--the
21 TCC will want the disclosure statement to talk about the number of claims, to talk about that we
22 have created of different levels of abuse. To talk about by location. I don't know how granular
23 we will ultimately get. We may go as granular as local council. How many groping claims were
24 there at a local council? That is information that we will want in the disclosure statement. We've

1 been asked a lot about the IV files. The ineligible volunteer files. Please understand folks, you
2 can go to the LA Times, Los Angeles Times website, and there's a whole collection of those. It
3 is not hard to find portions of the IV files on the internet. We are committed that the IV files be
4 produced in total with redactions for your identifying information. So, that is our goal on the IV
5 files, but I do want people to know that some of the files are out there.

6 **HUMPHREY:** Thanks, Jim. The last question and, frankly, a very somber one is, "What
7 happens to my sexual abuse claim if I pass away before a resolution is reached regarding my
8 "claim?"

9 **STANG:** We want people to understand that the men on the committee that I personally have
10 had experience with this and we get that people are aging, people are ill and this is an important
11 consideration of estate planning. It's a state-by-state issue. In plans of reorganization for the
12 Catholic Church cases that I have handled, we have provided as part of the deal that the death of
13 a survivor has no impact on their entitlement to payment. But, as we work with BSA--against,
14 with, BSA, local councils, insurance companies about claims, state laws do vary on this issue.
15 My understanding of California law for example is that if the person who suffered an accident
16 dies, their pain and suffering claim goes away, but their other kinds of monetary claims survive.
17 So, if you or you know a survivor who is, sadly, that ill and needs this advice, talk to your
18 lawyer. But, I'll tell you that our position in other cases where my firm has represented
19 committees like this is that the death of the survivor should not impact the valuation of the claim.

20 **HUMPHREY:** And I would just say on a closing note, if you don't have a will, write a
21 handwritten note and sign it. If you have more complex estate than that, please get an attorney or
22 go online and get yourself a will and make sure that it's notarized. So, we are about 11 minutes
23 over. Sorry about that, but I thought it was important for you to get a complete story from both
24 Wade and Rob so that you continue to get to know us as men and as survivors and as leaders of

1 the TCC. Thank you, Jim and John, for the update on the bankruptcy process and on proof of
2 claims. A reminder once again that we will be providing an email address and everything will be
3 at www.TCCBSA.com. Thanks for attending. God bless you. Hang in there. Talk to you soon,
4 bye-bye.

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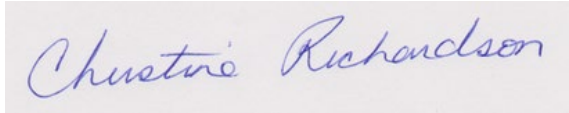
I hereby certify that the foregoing is a true and correct transcription of the audiotape labeled GMT20210212-005748_Boy-Scouts_2560x1440_WMV V9.

02/17/2021

Christina Richardson

Date

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Signature