

CERTIFIED TRANSCRIPT

**BOY SCOUTS OF AMERICA
OFFICIAL TORT CLAIMANTS COMMITTEE TOWN HALL
APRIL 08, 2021**



Court Reporting • Video

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1 **HUMPHREY:** Hey, good evening, everybody. Welcome to another TCC Town Hall
2 update. My name is John Humphrey. I'm the chairman of the Tort Claimants Committee. Really
3 glad that you guys tuned in tonight. We've got a lot to cover, and we're excited that your with us.
4 So, we're gonna try to use some of the Q&A features today, and our very own John Lucas is
5 going to field those, and then Jim and John and Doug are going to address those as we go.
6 We've got a lot to cover, as always. We try to keep it to under an hour, to around an hour. If we
7 go long I'll let you know, so you can plan and look at the recording. You know, remember that
8 we have the TCCBSA.com website, where the information is always posted.
9 We endeavor to keep this meeting to under an hour. I think last week we went over by 10
10 minutes because we had some really great questions and conversations. At the end, I will show
11 you an email address where you can submit questions, and also remember that the recording will
12 be posted at the TCC BSA website.
13 So, I have my obligatory disclaimers that you all have heard before, you know, why we're here,
14 and we're here to answer questions about the BSA Nationals Chapter 11 case, let you know what
15 we're doing at the TCC, educate you about the bankruptcy process and where we are, and we
16 have made a lot of developments, so there's a lot that we need to talk about. There's been a lot in
17 the press, so hard to keep up with what's going on.
18 And then we're gonna answer questions. We're not here to provide legal advice, and it's purely
19 informational. I think this is our fourth so far, and there's been a lot of activity since the Boy
20 Scouts filed their plan last week. The focus of this Town Hall will be on issues related to that. So
21 with that, I'd like to turn it over to the vice chairman of the TCC, Doug Kennedy. Doug?
22 **KENNEDY:** Thanks, John, I appreciate it. And I wanna say good evening to every victim who
23 is watching. But I also wanna say hello to anyone from the Boy Scouts, the local councils,
24 sponsoring agencies, and also the insurers. We know that you're watching these Town Halls as

1 well, and we're happy that you are.

2 To all the victims tonight, we are going to share a lot of important information updates, and for
3 the other groups that are listening, I hope you're listening carefully. The Tort Claimants
4 Committee is a group of nine men. We are in our second year of operation now. We're volunteers
5 that are assisted by a group of amazingly dedicated and qualified professionals, and we advocate
6 for the rights in this bankruptcy for over 80,000 victims.

7 So, if you were like us you were probably hopeful that there would be some good news coming
8 out of this mediation that occurred via Zoom, and there were people down in Miami. And
9 unfortunately, those sessions ended without a resolution. But there are two takeaways from that,
10 and you're going to hear a lot of details tonight. But there are two takeaways that we want to just
11 make clear from the outset.

12 In the words of one of our attorneys, who said afterwards, he said, you know, in these very
13 complex cases it's not all that unusual to not have everything resolved after the first session. So,
14 you, the members of the TCC, we're all amateurs at this, so that was good perspective.

15 But there's another more important point, and this is that second point. From the outset of this
16 case, and especially from a couple weeks ago, one word would describe best how victims have
17 been treated by the parties in this case, and that one word would be "ignored."

18 We've worked hard to engage in meaningful mediation. We've made demands that have been
19 ignored, and we have to tell you that tonight, that's pretty much come to an end. Last meeting,
20 the TCC credit communicated the importance of looking at bankruptcy as a business process.

21 In our last Town Hall, we talked about the fact that it's a sad but true truth that this is a business
22 process. Bankruptcy is a business. Well, we need to think about the current situation like this in
23 its simplest terms. If someone owed you money, and when you asked for it they ignored you, you
24 wouldn't tolerate that for very long.

1 When you asked again and again and they finally told you. "I can only afford to pay you a
2 fraction of what I owe you," you'd say, "Prove it." When they provided their numbers and told
3 you, you know, "That's all I can afford, a fraction," you'd say, "I think I'll figure it out for
4 myself." And when you've figured out that what they had is what they owe you, you'd say, "Nice
5 try. Pay me what you owe me."

6 Well, as you'll learn tonight, that's where the TCC is right now. Our financial professionals have
7 been combing the records of the Boy Scouts of America and every single local council, including
8 their properties. We know the money that's available.

9 Our insurance professionals have been successful throughout their careers in proving what
10 insurers owe to the very people, like all of us who are victims, whose hard-earned money paid
11 dues that went to pay the premiums on those insurance policies. Our pension experts know the
12 truth of the BSA's pension plan, and our attorneys, they have a track record of successfully
13 navigating bankruptcy in nonprofit cases.

14 So, let me say again that the TCC believes in securing the best settlement for all victims. While
15 we were hopeful for a global settlement that could be reached and would include the local
16 councils and sponsoring organizations, we aren't going to give that away.

17 In fact, we're going to be ignored, then a global settlement won't be possible. The Boy Scouts can
18 get their settlement, and the local councils, well, now would probably be the time for all the local
19 councils to think about whether or not they wanna join us, and wanna get on board to try and
20 reach a global settlement, and to take this seriously.

21 So, let me close by just giving you a few words of advice from the TCC, and some of these
22 words might be a little familiar as I say them. First thing we want you to think about is being
23 trustworthy. We want you to trust the TCC to advocate for you as we trust you to keep abreast of
24 what's happening.

1 Every single week, we're meeting multiple times to do what's best for victims. We want you to
2 trust us. Loyal--you have the TCC's promise that we're loyal to all victims, and we're going to do
3 what's best for all of them. Helpful--you're going to hear tonight how we need your help in this.
4 One of the things you can do is if you can file a claim with your state, we need you to file that. If
5 you're unsure, we need you to ask your attorney. If you don't have an attorney, you need to look
6 into that, and we're gonna talk a little bit more about that. But it's important that the Boy Scouts
7 and every local council knows how many cases beyond the bankruptcy have been filed.
8 Friendly, courteous, and kind--you know, you're gonna bump into youth this summer that are
9 involved in scouting, and we ask you to respect their wishes. Some of us in the TCC have
10 received phone calls and contacts that have been saying some hurtful things, and we're not gonna
11 do the same to anyone else.
12 Cheerful--and you know, it's easy to get upset by all of this that's going on. It's Ben taking a
13 while, we've been suffering from the effects of our abuse for decades. We know it's hard to be
14 cheerful about this. But the TCC wants you to think about if you need help, please, please, please
15 get it.
16 But also equally important is sometimes, get outside. Forget about this bankruptcy for a little
17 while. You know, find something to smile about. Thrifty--recently, the judge in this case talked a
18 little bit about the legal fees. Well, we want you to know how thrifty the TCC is, and we're
19 gonna talk about this a little bit later on. But our legal fees are only approximately 20 percent of
20 the total fees in this case.
21 And so you know, our attorneys, when they are hired, they asked the TCC if they would--if we
22 would agree to let them give back 10 percent of their fees to a victim's fund. Boy Scouts of
23 America, if you're listening, please ask your attorneys if they're going to do the same.
24 if they're going to donate back 10 percent of their fees to a victim's fund, please let us know. I'll

1 be happy, in the next meeting, to say that they're doing that, and we invite them to.
2 Brave--all of you have shown such bravery for coming forward. We know how tough this is.
3 That same bravery is gonna serve you well in the days and weeks ahead. Clean--take care of
4 yourself. Stay well. This is gonna take a while, and we want you around for the end of this fight.
5 And reverent--if you believe in a higher power, then pray to it, and ask that the people
6 responsible for what happened to us and their insurers will do the right thing now.
7 So, you probably recognize those words. They're from the Scout Law. Tonight, we make it our
8 own by leaving out one of its points--obedient. The TCC is done being obedient and patient, and
9 telling the world what we believe we deserve now, that the Boy Scouts, that they have ignored
10 us. We're done. We're done being ignored.
11 Instead of obedient, we're adding a word of our own--determined. The TCC is determined like
12 never before, and we are committed to one thing above all others--doing what's right for all
13 victims. We ask tonight for the Boy Scouts, insurers, the local councils, and the sponsoring
14 organizations to join us quickly and do the same. We're determined, and that determination isn't
15 going away. So, stay strong, everyone, and stay determined. Thanks. John, back to you.
16 **HUMPHREY:** Great message, Doug. You know, I'm really proud of the team we've put
17 together. It is a complex case, it is going on a long time. I don't think any of us had any
18 expectations at the first time in a big mediation gathering that we would get to an answer. But I
19 do think it's time to move, and we are putting forth strategies that we're gonna review tonight.
20 And I guess the first one that we would update would be the mediation in Miami, and let our lead
21 attorney, Jim Stang, cover that.
22 **LUCAS:** One second. I wanna jump in here real quick, and--
23 **HUMPHREY:** Sure, John.
24 **LUCAS:** --I wanna just talk to something that [inaudible] questions that are coming up, and I

1 think that Doug will be able to respond to this. Doug, a couple of times, you know, in describing
2 the body of survivors here, you used the word "victim." And I think people are sort of
3 questioning why you're using the word victim.

4 I mean, you're among them, and I think maybe a few words about why you're using victim
5 instead of survivor might help. And then also, I think it would be helpful to address why you
6 were going through and sort of using the BSA's slogans, if you will, of the different tenets that
7 they have in the BSA program.

8 Because I think what you were trying to do is you were trying to take it away from them and use
9 it to empower us. And so maybe a couple words. I think that would help a lot of the comments
10 that I saw.

11 **KENNEDY:** Sure, sure, yeah, I'm happy to, I'm happy to. And you know, this is a topic that we
12 discuss. And some people consider themselves victims, and some people consider themselves
13 survivors. But what we look at is, and we really consider, is everyone at some point was a victim.
14 Some people have achieved the point where they believe that they are a survivor, and if you've
15 achieved that point, then couldn't be more proud of you, absolutely.

16 It's a journey, and anyone that was ever a victim hopes to get to that point, that they believe that
17 they're a survivor. So please, take my words--if I say victim and survivor, you can use them
18 interchangeably. And if you consider yourself one or the other, please do.

19 And my points are to, exactly as John just said--we wanna empower ourselves. We were victims
20 of the Boy Scouts and the treatment that we received while we were under their care at some
21 point. So, we're taking back that law. You don't have to if you don't want to, but I picked some
22 words out tonight that I wanted to put in a different context, so that people would understand
23 how we can take something that maybe hurt us at one point, and now we can find power from it.

24 **HUMPHREY:** Thanks, guys. You know, just a reminder--TCC is a volunteer army.

1 We've been at this for almost a year and a half, and I think we're making some progress.

2 Sometimes it's not always obvious. We know in 85,000 claimants that sometimes we're gonna
3 misstep, sometimes we're gonna say the wrong thing.

4 Give us the benefit of the doubt. There's a lot of countless hours going on out there, where we're
5 trying to move the ball forward. So, Jim, can you give us an update on the mediation in Miami?

6 **STANG:** Sure. Just by way of introduction, my name is Jim Stang. I am one of the partners at
7 Pachulski, Stang, Ziehl, and Jones, who is counsel to the Tort Claimants Committee.

8 So, last week the mediators convened a what I call hybrid mediation meeting in Miami. "Hybrid"
9 meant that if you wanted to travel to Miami and maybe in off-hours partake of South Beach's
10 recreational activities that you've heard about, you could.

11 But if you were going to attend by Zoom, that was okay as well. Nearly everyone who attended,
12 and I'll go through who the parties were in general terms, did not go. Some people did attend,
13 and there was a Zoom hybrid meeting.

14 So, who was there? And I say who was there--who participated in the mediation. BSA, both
15 lawyers and principals; the ad hoc Local Council Committee, the Tort Claimants Committee, the
16 coalition of other abuse survivors, which is an ad hoc committee of survivors that some of you
17 may have heard of, several of the larger insurance companies, and a person called the future
18 claims representative, who is appointed to represent minors as of the day of the filing of the
19 proof of claim, and people who had repressed memory.

20 Those were the principal players at the mediation, and the mediation was attended by the three
21 mediators, who were selected earlier in the case. The judge did not attend the mediation. The
22 mediation is confidential, meaning that we can't discuss the specifics of what was said.

23 That is done for various reasons which we'll get into in a few minutes at the Q&A, as to why it's
24 confidential. Mediation has been going on for many, many months, but the format has been

1 largely dictated by the mediators, where they say this is the subject we're going to talk about, or
2 this is the party who's going to make a presentation about their view of the case.

3 And if you think of mediation as offers and counteroffers, the mediations leading up to Miami
4 weren't really that. It was more about exchanges of information. The mediation was three days.
5 We met with various groups--"we" meaning the TCC attorneys. At various times, I think TCC
6 members were able to attend by Zoom as well, based on their availability, because this was done
7 during the work day.

8 At the end of the three days, there was no global resolution reached. In fact, I have been told that
9 there haven't been partial resolutions reached, certainly not as to any element of money. So, we
10 continue to work on it. No one has withdrawn from the mediation, no one has declared what we
11 all an impasse, which means we're going back to our respective corners, never to meet again.

12 We continue to work with the mediators, we continue to talk to the parties in interest, who will
13 talk to us. And when Doug said before that we've been ignored, in some instances, that's true. We
14 have made demands. We, the TCC, have made demands on certain insurance companies.

15 Some of those insurance companies have not responded at all--I mean, zero, silence, crickets.

16 Some have responded at numbers so low that they could have saved themselves the electrons or
17 the ink and paper in sending us their response. And there are other parties that we made demands
18 upon besides the carriers

19 We've made a demand upon the local council committee, on behalf of--speaking as a
20 representative of all the local councils. We've made a demand upon the Boy Scouts. Can't talk
21 about those numbers, but those demands have been made. Insofar as the Boy Scouts are
22 concerned, there is a plan of reorganization on file. We have been mediating with the Boy Scouts
23 about that plan of reorganization, especially as to the contribution that the Boy Scouts will put in
24 to fund a settlement for abuse survivors.

1 So, the answer is Miami did not solve the global problem. It got the parties continuing to talk,
2 and we will continue to talk. The judge has--so, maybe I'll just stop there for a moment, and John
3 Lucas, if there are questions coming in regarding the mediation in Miami, this might be a good
4 time to at least look at those, if you have any. If not, we can go into the next topic.

5 **LUCAS:** Jim, I think we should move on.

6 **STANG:** Okay. John, should I just move on

7 **HUMPHREY:** Yeah, so, status conference coming up.

8 **LUCAS:** Okay.

9 **HUMPHREY:** Tell us what that is, and what you expect to happen.

10 **LUCAS:** Okay. So, on Friday--I'm sorry, Monday, we have a status conference with Judge
11 Silverstein, and she set that conference so that she could hear how the case is going in light of the
12 mediation. If you want to attend that status conference, it is by Zoom. There is no live
13 appearance in her courtroom.

14 And if you go to our website, TCCBSA.com--that's TCCBSA.com--you will see the instructions
15 for how to register so that you can attend that status conference. This is like walking into a
16 courtroom, but the technology these days requires that you register, and you can find the
17 registration information at TCCBSA.com.

18 And we would welcome your attendance, and I think that it would be useful for you to hear us
19 and other parties present their views, but also to hear Judge Silverstein's views. So, the status
20 conference, while fixed on the mediation, is probably going to address a bunch of other topics
21 because, as you'll hear in a few minutes, there are pleadings on file that the judge is going to be
22 considering at the end of the month that go to the progress of the plan of reorganization.

23 So, this is kind of a preview, if you will, to coming events over the next few weeks. It is very
24 important to us that Judge Silverstein understand the personal aspect of the abuse claims. She

1 made an observation during a prior hearing that it was important that the Boy Scouts survive and
2 exit this bankruptcy as a functioning entity.

3 And that wasn't a bad thing for her to say. It is certainly the goal of Chapter 11 for the debtor; in
4 this case, the Boy Scouts, to reorganize its financial affairs, to address its claims, and to emerge
5 with a fix for the creditors so that the debtor, the entity that filed the bankruptcy, can continue to
6 operate, be it its business, or in this case, its nonprofit business.

7 But we want her to appreciate--and I don't think she's unsympathetic--but we really want her to
8 hear about the lives that were impacted, in some cases destroyed, by the abuse. And so, as we
9 progress towards the presentation of our view of this case, we intend to include testimonials from
10 individuals on the committee as to how the circumstances surrounding their abuse, and how that
11 abuse has affected them throughout their lives.

12 There's no getting in line first to get money by virtue of them doing this. In fact, they're laying
13 themselves bare by doing this. But we think it's really important that the court, the BSA, the local
14 councils, and the insurance companies remember that we are talking about people, and not just
15 claims on a piece of paper.

16 And the more that people appreciate that and understand that, I think the better our outcome will
17 be for a fair result and a just result in the case. Now, that's not gonna happen at the status
18 conference, but we are constantly focused on making sure that everyone in the room understands
19 that these are not just zeros on a piece of paper--"zeros" meaning--because that's how large the
20 creditor body is. So, register if you want to attend. I believe the conference is at 3:00 Eastern on
21 Monday. And so that's what's going on at the status conference.

22 **HUMPHREY:** And you've got--

23 **STANG:** We will be filing--just one other thing, John. The TCC will be filing a status
24 conference statement, and again, if you go to the Omni Management website, that's where the

1 pleadings are. And you can see the TCC status conference statement that should be filed
2 sometime tomorrow.

3 **HUMPHREY:** Yeah, so just by way of review, I think we say this a hundred times, but
4 this event and other things are at TCCBSA--or BSATCC.com. But that Omni site is where all of
5 the publicly available information is, so. So, Jim, give us a what comes next with this key
6 hearing, the disclosure statement hearing. What is that, and when does that happen?

7 **STANG:** Okay. So, let's step back a bit and just review, some of you for the umpteenth time,
8 but we have some newcomers, where we are in this process. The goal of the Chapter 11 case is to
9 have the court confirm or approve a plan of reorganization. The Boy Scouts have filed a plan of
10 reorganization. They have also filed something called a disclosure statement.

11 This disclosure statement is intended to give each survivor who will be voting on the plan
12 adequate information so that you can make an informed decision of whether you wanna vote yes
13 or no. So, the Boy Scouts filed a disclosure statement. It is at the Omni site. If you wanna find it
14 quickly, go to I think it's called plan documents. There's a little drop-down tab, and you can find
15 it more easily than going through the literally thousands of pleadings that have been filed to date.
16 And so this disclosure statement has lots of information in it, but it also lacks a lot of
17 information. And so what the TCC is doing, in cooperation with state court lawyers representing
18 individual survivors across the country, is coordinating what is important to a survivor to know.
19 The most important thing that you--two things you probably wanna know are when would I
20 receive compensation, and how much. We think the disclosure statement is incredibly deficient
21 in answering both of those questions, and a host of other questions that we think are important
22 when you have to decide whether to vote yes or no.

23 So, there is a deadline for objecting to the adequacy of the disclosure statement. This is not an
24 objection to the plan. This is an objection saying you haven't given me enough information to

1 make an informed decision. The deadline for filing that objection currently is the 16, and as I
2 said, the TCC intends to file an objection, and we know that there are dozens of lawyers
3 representing thousands of abuse survivors who are going to file objections as well.
4 The hearing itself is April 29 at 10:00 a.m. Eastern. Will the court approve the disclosure
5 statement that day? Anything's possible. I think that's highly unlikely. This is going to be a
6 process of editing a document, and we will ask the court for specific changes to the document.
7 We will ask the court to make specific additions to the document. She will call balls and strikes,
8 if you will, but it's not all gonna happen that day.
9 So, let me give you one example of what we want the disclosure statement to say. We think it is-
10 -the plan of reorganization, which is the document you will ultimately be asked about yes or no
11 on--and by the way, no voting deadline's been set, no document has gone out yet that you have to
12 vote on. All we have right now is a deadline of April 16 to object to the adequacy of the
13 disclosure statement.
14 So if you're represented by counsel, you might want to call your lawyer and say, "Have you read
15 the disclosure statement? Do you think it answers the questions that need to be answered?" And
16 if not, I wanna make sure that the court understands where its deficiency is.
17 If you're not represented by counsel, you should look at the disclosure statement. You have the
18 email address, and we'll repeat it again at the end, where you can give us your comments. Some
19 people have emailed us already, telling us why they think the disclosure statement is inadequate.
20 We want your input.
21 The TCC will be gathering, you know, besides its own thoughts, of course, the input that we get
22 from you, but just remember, the deadline is the 16. So please don't send us something really
23 important on the 16 and expect us to incorporate it. That would be a little hard to do.
24 So, what's important? Here's just an example. As part of the plan of reorganization, survivors are

1 going to be asked to release their claims against the local councils. So, if you are a survivor of
2 abuse suffered--and I'm just gonna pick one out, because we've been looking at it--the Silicon
3 Valley local council in northern California, you might want to know how many other survivors
4 are there who have claims against that council.

5 What is the value of those claims? Now, that's a big question mark, folks, because I think none of
6 you actually have a dollar amount that a court has assigned to your claim. I don't think any of
7 you actually have judgments in hand. Your proof of claim probably did not have a dollar amount
8 written down. In fact, I'm not even sure the claim form asked for a dollar amount, now that I
9 think about it.

10 But we have assigned values to different levels of abuse. Not for John Doe number one, saying
11 that's what your claim is worth, but in general, what does a masturbation claim--what do we
12 think a masturbation claim is worth. And we understand there are extenuating circumstances that
13 might make our value number seem low to you, or you--you know, there's a serial abuse, an
14 abuser that the Boy Scouts knew about. I mean, all those things factor in.

15 And we considered that. I mean, we've got nine men who are dedicated to this. We have a team
16 of state court lawyers who represent those nine men, who are highly experienced in representing
17 abuse survivors in the Boy Scout context. So, it may not be exactly what you want, but it's a
18 pretty well-informed decision.

19 So, how much are those claims worth? How much real estate do they have? How much is that
20 real estate worth? We've had appraisals done on over 500 campgrounds, and for the ones that we
21 didn't appraise, we have a basis for essentially figuring it out off a desktop formula.

22 How much cash do they have? Is that cash restricted by a condition from the person who gifted
23 them the cash? How many members do they have? Is their membership going up, is their
24 membership going down? Of their cash, how much do they have per scout? Do they have \$1,500

1 per scout on hand, just taking the cash on hand, dividing it by their membership? Or is it \$200
2 per scout? How much are the executives making?

3 These are all decisions or things that you--I shouldn't say decisions. This is all information that
4 we think is relevant to a survivor having to make a decision. So, we have prepared in-depth
5 analysis of every single local council. We have presented some of those presenta--we've
6 presented. We have made some of those presentations to the ad hoc local council committee.
7 We think that the disclosure statement should enable any survivor to go to a hyperlink, see a map
8 of the United States, click on where your abuse occurred, and see that information for that local
9 council. That's our view. Now, the Boy Scouts might say your appraised value's too high, they
10 might say it's too low--probably not.

11 But that's the kind of information that we think is necessary, and we got this information either
12 from the local councils themselves or from appraisers employed with permission from the
13 bankruptcy court. So, that's just an example of the kind of information that we think should be in
14 the disclosure statement. Not some number that says all the local councils are worth collectively
15 X dollars.

16 That doesn't help you, a survivor of Silicon Valley abuse, if you will, decide whether you wanna
17 release that local council. So, that's the sort of thing that we think a disclosure statement should
18 have. There's lots of other information. We don't have the hours to go through it. But I thought
19 that was a good example of where we think there is a deficiency in the disclosure statement.

20 **HUMPHREY:** Yeah, thanks, Jim. Talk to us a little bit about this consideration of the
21 plan, and some of the plan objections that we've been talking about.

22 **STANG:** I'm gonna ask John Lucas to take that over and let him--since he's--well, he's
23 getting flooded with questions, I'm sure. But John, it's yours if you want it.

24 **HUMPHREY:** [Inaudible] John.

1 **LUCAS:** What I think what John is asking, you know, there have been sort of objections
2 filed, and there's, like, an aspirational \$300 million to be contributed by the local councils, and if
3 you divide that by the number of claims you roughly get, like, \$6,000. And I think that we've had
4 that in some of our pleadings and we've used that just to try to sort of illustrate the inadequacy of
5 what's been put on the table, but not agreed.

6 And I think that survivors that are on this call are concerned that that's all that's there. Is that
7 what's been approved? I think could you maybe talk a little bit more about that?

8 **STANG:** Sure. So, folks, we are in the offer stage. Nothing has been approved by the court in
9 terms of a settlement. There has been no settlement. There has been no decision by the judge
10 how much the Boy Scouts are worth, how much the local councils are worth. But the Boy Scouts
11 filed a plan, and that plan says the Boy Scouts of America, the national organization, will put in
12 the following property to a settlement trust.

13 It includes some cash, it includes the Norman Rockwell painting collection, it includes their
14 distribution warehouse, it includes something called Scout University, and oil and gas royalties. I
15 think that's basically it. We'll talk about insurance in a minute.

16 We think that that package is worth--excuse me--approximately \$140 million. Boy Scouts
17 haven't said it's worth that much. That is what we think it's worth, assuming certain values we get
18 for the paintings and for the real estate and for the oil and gas. So, that's leg number one to the
19 stool.

20 Leg--it's a three-legged stool. Number two of the stool is what are the local councils putting in.
21 The local councils have not made any firm commitment. The plan says--again, this is an offer--
22 that the Boy Scouts hope, or they will hope to assure us that the local councils collectively will
23 put up \$300 million of cash and property.

24 They haven't said how much of that 300 million will be cash, they haven't said how much of that

1 will be property. So, if you take 300 plus the 140, and divide by 84,000, I'm not sure what
2 number you'd get, but it isn't a whole heck of a lot. We think the Boy Scouts can pay more, and
3 we are in mediation with them about that.

4 We are also in litigation with them about that on the issue of whether the assets that they say are
5 tied up with conditions by the contributors [inaudible] are in fact real [sounds like] strengths, if
6 you will. We have told the local council committee that we think the local councils can pay a lot
7 more.

8 Both demands by us assume that the local councils will continue in existence and operate the
9 Scout mission. I wanna make that really clear. Our financial analysis is that with the demands
10 that we have made, Boy Scouts and scouting continues. Now, they think our demand is too high,
11 but we've got 84,000 people we need to address. But I wanna make it--I am personally accused
12 of wanting to put the Boy Scouts out of business. That is not my goal. My goal is to get you fair
13 compensation. The third leg--so, when we talk about X dollars per scout, we're putting a value on
14 what BSA has promised.

15 We're adding in the promise that--from BSA--that the local councils will put up 300 million. And
16 then we have insurance. And so, we have some of the best insurance lawyers in the country
17 analyzing all the arguments from the insurance companies about why they don't have to pay.

18 And as I said before, some demands have been made. So, that's where those numbers are com—
19 when--and we don't have a number for the--well, we have some numbers for the insurance, but
20 that's not where the 6,000 factors into. That number is not the amount that we think they should
21 put in from BSA and the local councils and does not include insurance. But please, folks, it's
22 their offer. Its not the approved deal.

23 **HUMPHREY:** Yeah, you know, there's mediation and then there's also the negotiation
24 that goes on by filings and hearings and that sort of thing. So, we recently, just to remind

1 everybody--we've got about 20 minutes left, so I'd like to get to the Q&A, so maybe we could go
2 through the next two things pretty briskly.

3 **STANG:** Okay.

4 **HUMPHREY:** Could you touch on the latest that we filed that was objecting to the
5 exclusivity extension, and what that means?

6 **LUCAS:** Yeah.

7 **STANG:** John, should I keep going, or do you wanna take that?

8 **LUCAS:** I'm happy to take it, thank you, Jim.

9 **STANG:** Go ahead.

10 **LUCAS:** So, I'm Jim's partner at Pachulski Stang, and act as counsel for the Tort Claimants
11 Committee. And so in bankruptcy, the debtor has an exclusive right to propose its own
12 agreement or its own plan of reorganization to resolve the disputes and the claims in the case.
13 And it has it for an initial 120 days, and it could ask for extensions.
14 And it's asking for its third extension, and it's asking to extend it until the middle of August.
15 Generally, a company needs to describe to the court or support to get the relief and show that it's
16 moving the case forward in a way that entitles it to another extension. It's the TCC's view that we
17 don't believe that the case is moving forward fast enough or in the right direction, or frankly in a
18 way in which the plan is drafted now that could be confirmed or approved by the court.
19 And so we filed an objection to an extension of the exclusivity period of the Boy Scouts, and if
20 the judge were to deny the--or, you know, not approve the motion and terminate what's called
21 exclusivity, then any party and interest would have the opportunity to file its own plan.
22 And the TCC has prepared its own plan, which largely mirrors the Boy Scouts' plan in the sense
23 that the Boy Scouts will continue on in the ordinary course of business, the Boy Scouts will
24 make monetary contributions to a trust and their insurance policies. However, the local councils

1 and the chartered organizations will not be protected by an injunction, and they will have to rely
2 on their insurance going forward.

3 And so the hearing on that motion is on April 15, and so we will see what the judge says with
4 respect to that. But you know, this was just sort of another opportunity for the global Tort
5 Claimants Committee to inform the court of really sort of what's going on in the case on a day-
6 to-day basis, and to inform her that not enough is getting done yet.

7 **HUMPHREY:** Okay. Thank you.

8 **STANG:** If the judge does terminate this exclusive right, we intend to file that plan. This is
9 not just a shot across the bow.

10 **HUMPHREY:** Right. So, I think the last thing we have before we go to Q&A is
11 communications with the individual survivors' attorneys--do I need an attorney? We talk about
12 this every time, and so--

13 **KENNEDY:** Yeah, and we are--John, I should say we're looking at the questions, and there's a
14 lot of questions about that, not only about do I need an attorney, but aren't you guys my attorney,
15 why do I have another attorney, how do I know if my case has been filed. So, there's a lot of
16 questions about this.

17 **HUMPHREY:** Yeah. So, the short answer is at this point in the case, you need an
18 attorney. It's gonna get more complicated before it gets less complicated. And the attorneys that
19 are on this call tonight represent the TCC, they do not represent all survivors. So, we're
20 communicating and keeping up with everybody, but there is a legal separation in that. And I
21 think Jim has reviewed on almost every call where you can go look for it. So maybe, Jim, you
22 could just review that a little.

23 **STANG:** Okay.

24 **HUMPHREY:** And then talk, John or Jim, about amending the proof of claim, why that's

1 important, before we go into Q&A.

2 **STANG:** So, just to highlight an example of what John Lucas and I do versus what your own
3 attorney does, when the time comes for you to make a decision on whether to vote yes or no on
4 the plan, don't call John and me up and say, "What do I do, and here are the facts of my case."

5 We cannot tell you how--we don't know the facts of your case. Excuse me, I have a slight cold.

6 We're not--you shouldn't share the facts of your case with us, because that should be the subject
7 of privilege, confidentiality between you and your attorney. We can tell you what the TCC
8 thinks, but your particular circumstances, you need to make that decision on your own.

9 So again, we will, as the TCC, make a recommendation, but it is not tailored to your individual
10 case. It is what we think is best for the group as a whole. In terms of finding a lawyer, if you go
11 on the website, a website, and--or I'm sorry, a browser--and type Boy Scouts of America attorney
12 abuse, you will come up with a list of ads.

13 You all probably know that those ads ranked based on various criteria, including how much you
14 pay to be at the top. But some of the people at the top are the top lawyers. I don't wanna
15 denigrate them just because they're at the top of the list. So, that is one way of finding a lawyer.

16 Another way of finding a lawyer is to contact your state bar association or your county bar
17 association. But when you make the decision to hire someone, and I cannot emphasize this
18 enough, you don't need a bankruptcy lawyer, folks. That's not your first specialty that you need
19 to look to.

20 I think your first specialty is what is your real experience in reporting survivors of child sexual
21 abuse, and have you ever litigated with the Boy Scouts. Those two things, I think, are the critical
22 criteria. Remember, just because they pick up the phone when you call, you have not become
23 their client. You get to sign a retainer agreement, you get to review the terms and conditions of
24 it. So, just be careful about that,

1 But there are a lot of good lawyers out there who represent existing survivors. I mean, I'm sorry,
2 who have existing relationships with survivors, and that's how you find--that's how I would find
3 them, if I were you.

4 **HUMPHREY:** I think we need to start fielding some questions.

5 **STANG:** Yeah, one more thing, John, I'm sorry.

6 **HUMPHREY:** Go ahead.

7 **STANG:** We've talked before about the importance of making sure your proof of claim is
8 complete. Please, go back, call your attorney, fill out the proof of claim completely. If you've
9 attached the narrative that says you were abused in the state of Washington, but that field where
10 it said where were you abused is left blank, the Boy Scouts say you haven't told them where your
11 abuse occurred.

12 It's just--you know, 84,000 claims, it's a lot of claims to read. They use computers to try to scan
13 this stuff. So please go back and check your claim form, make sure it's filled out as completely as
14 possible. You can amend it. You should talk to your--call your lawyer.

15 Get him to answer the phone call. A paralegal, someone who can help you. Make sure your claim
16 form is filled out completely. If you talk to your lawyer or talk to a lawyer about whether you
17 have a legitimate claim against a local council or a charter organization.

18 These are sources of money for the settlement. We haven't talked about the charter organizations,
19 but it's the same dynamic. They wanna be released from the claim of abuse against them. They're
20 gonna be expected to put something in, be it a religious group, a civic type group, a
21 governmental group.

22 So, we're not saying go out and sue every local council you can find without regard to the
23 legitimacy of your claim. We're not saying that. But consult with a professional to find out if you
24 have a legitimate claim. Those of you who are in New York, you have a deadline coming up in

1 mid-August to sue your local council.

2 Your proof of claim is not a lawsuit against the local council. Those of you in New Jersey, you
3 have a deadline coming up. California, you got a little more time. Check with your lawyers in
4 whatever state you're in to find out if you're running up against the statute of limitation for a
5 claim against someone other than the Boy Scouts that might be responsible for your abuse.

6 **LUCAS:** And Jim, there's one thing I wanna emphasize here--that while in states like
7 California, North Carolina, New Jersey, New York, there are windows there, and lawsuits can be
8 filed. And there are other states where the statute has run, and you could still file lawsuits there.
9 But there are other states, again, where the statute has run and it's not permissible to file lawsuits.
10 So, it is essential that you consult an attorney in the state in which the lawsuit will be brought
11 before filing any lawsuit, and determine whether or not it's allowed or even feasible

12 **STANG:** Okay. So, let's do Q&A, John.

13 **HUMPHREY:** Yeah, so we've had a lot of questions. John Lucas, I'm gonna tee up a
14 couple, if you could look. So, first thing to clarify is that when you guys are submitting those
15 anonymous--we're the only ones that are seeing them. So, worry not that the world is seeing what
16 questions you ask. First one is why is the mediation confidential. John Lucas, you wanna take
17 that?

18 **LUCAS:** Sure, absolutely. So, by statute and in the rules of the court, mediations are
19 confidential for the purpose of trying to foster communication among the parties negotiating.
20 These rules are sort of implemented as a policy to try to make it so that the parties that are
21 disputing certain issues are free to speak and aren't afraid to say certain things that they might
22 think could be held against them or used against them in court.

23 And it's mean really just to sort of foster communication. So, what is said in the mediation stays
24 in the mediation. The TCC has shared some of its views of what it's seen in the case, and some of

1 that has happened in the mediation, but the TCC cannot describe the viewpoints or the proposals
2 that are made by other parties in the mediation.

3 **HUMPHREY:** Next question is how are you analyzing what a fair contribution from third
4 parties looks like?

5 **STANG:** So, the bankruptcy law says that if you are not the debtor, say you're a local council,
6 and you want to use the Boy Scout reorganization to try to get a release for your own local
7 council exposure or liability, you can do that in the judicial circuit in Delaware, but you have to
8 make a substantial contribution to the settlement.

9 Now, what does that mean? Courts look at a bunch of different things. They look at how much
10 you're paying as a percentage of what you're at risk. So, if you're at risk, say, for \$1 million and
11 you're putting up \$100, that may not be substantial. But if you're putting up \$200,000 or 300, that
12 might be substantial.

13 And it's a little bit of how the judge feels about it, how certain that risk is, because we're saying a
14 claim's worth a million dollars, but maybe a jury won't feel that way. It's our opinion. So, the
15 court looks at what is the amount that the entity could be liable for, and how much is it paying.
16 It's also looking at how much can it pay. If it could easily pay the million dollars and still operate
17 without any impediments or any challenges, the court will consider that. But if it says judge, I
18 know I owe them a million dollars, but I only have 300,000, and I'm giving them--I'm making
19 this up, folks--200 of the 300 I have, the turnip just won't give out any more juice.

20 The stone won't yield anything more. And if they litigated against me and won, this is as much as
21 they could get. So, it's a factor of what do you have, what's at risk, what is the likelihood of you
22 being found responsible. So, those are some of the things that go into whether there is a
23 substantial contribution.

24 The other thing that the local councils say they are contributing are their insurance policies. Not

1 a check from the insurance carrier, but the ability to pursue the insurance. That has a value.

2 Question is, how much value. And that's why we have really good insurance coverage lawyers,

3 to tell us what the likelihood is of getting money from the insurance companies.

4 **HUMPHREY:** So, I think this one's gonna be for John Lucas and Doug. It's probably a
5 two-part answer, because there's been a lot of buzz in the press after the judge commented and
6 the debtor's attorney commented about the fact that \$100 million had been spent already, and the
7 judge kind of bristled at that.

8 So I think we did go back and do some research, so John, maybe you can talk about what we
9 think the real number is, and what the percentage that the TCC has spent of that total number.

10 And then Doug, I'd like you to talk about the process that we go through of reviewing all the bills
11 every single month for all of our professionals. And we've got about six minutes.

12 **LUCAS:** The fees of the Tort Claimants Committee's professionals are paid for by the Boy
13 Scouts. So, my firm, our insurance counsel and our financial adviser fees are all paid by the Boy
14 Scouts. The total fees that have been incurred by all the professionals--the Boy Scouts, the future
15 claimants, the tort claimants, and the unsecured creditors committee, totals a little--about 57 and
16 a half million dollars. That is through January of this year. That is February of last year through
17 January of this year.

18 So, it's a year's worth of fees, about \$57.5 million. And the Tort Claimants Committee
19 professionals represent about 20 percent, maybe just under 20 percent of those total fees, and
20 Pachulski Stang has committed 10 percent of its fees will be contributed to the survivors' trust.

21 **HUMPHREY:** Right, thanks, John.

22 **KENNEDY:** Thanks, Doug. And I think it's important for everyone to understand the process
23 on the TCC's side. On a recurring basis, so a revolving basis, we get the bills, basically, from all
24 of our professionals, and then that goes to three people on the TCC, and John and I see those,

1 along with another member of the TCC.

2 And we go through--I can promise you and assure you, we go through each of those bills. It's not
3 a rubber stamp. We ask questions about those bills, and we're trying--we always ask questions
4 about ways that we can reduce them, of course. So, we have a fiduciary responsibility, and we
5 pay a lot of attention to that. I should also mention as well that all of the bills are public, they are
6 filed and present on the Omni website as well. So, we try and be as good stewards, and try and
7 make it a transparent process as well.

8 **HUMPHREY:** And to that point, Doug, the original proposals and the rate charts for all
9 different levels of the professionals is on the Omni site as well. That was done originally. So,
10 we've got about, I don't know, three or four minutes left, John Lucas. I'm gonna just tell
11 everybody we've had well over a hundred questions. We're gonna have to go through those and
12 figure out how we get some of those answers back in a public forum. But John, are there any that
13 kind of jump out at you that are ones that we should cover?

14 **LUCAS:** Well, let me say this first--you know, we have done--I've been trying to go through
15 and answering questions, over 60 of them so far, and there's still, like John said, over a hundred
16 left. I encourage you, if you have further questions that weren't addressed by the group here, to
17 send a question to BSAsurvivors@PSZJLaw.com, and we will get back to you a response.

18 **KENNEDY:** Yeah, and let me say as well--and if you didn't write that down, this is recorded,
19 and that email address is on the TCCBSA.com website. And John Lucas and I have been going
20 through these, and I have to tell you that these really inform us. I want everybody to understand
21 the volume of questions.

22 Eighty-five thousand people are involved in this case in one form or another, and even if your
23 question wasn't answered, we're looking at it. After this meeting, we're going to be discussing
24 this. And this helps inform us about what you're thinking about, and when we know what you're

1 thinking about, then we can propose things and we can address it in upcoming Town Hall
2 meetings as well.

3 So, if a question didn't get answered and you're frustrated by that, I want you to know that we are
4 seeing it. We're not ignoring it. We are seeing it. In some cases, questions are--we're seeing the
5 same types of questions as well. So, thank you for the feedback.

6 **HUMPHREY:** So, let me close tonight and just thank John and Jim and Doug, always
7 great to have you guys share your thoughts and your passions. And just a general message for
8 everybody to hang in there. You know, we're a broken record on this, but this is an
9 extraordinarily complex process. I think the previous bankruptcy of this size and scope included,
10 like, five states and 500 claimants.

11 Now we have all of the states in the United States, several U.S. territories, and 85,000 claimants.
12 So, I think it's part of the problem that the BSA and the insurers and the local councils are
13 struggling just to get their mind around a magnitude of these numbers, because there's so many
14 of you. And so we're working through that. We've got some strategies, we have a plan, we think
15 we'll get--we'll be heard in court, and we're making diligent effort to serve you all. And just hang
16 in there, and one day at a time. That's what we're trying to do. So thanks, everybody. Have a
17 great evening. Good night.

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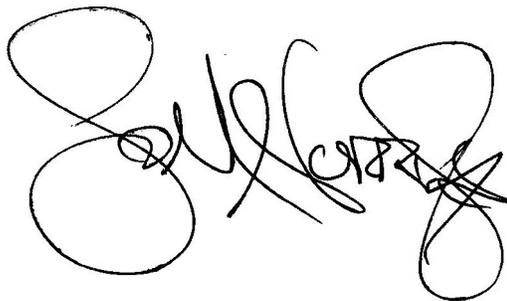
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