

CERTIFIED TRANSCRIPT

**BOY SCOUTS OF AMERICA
OFFICIAL TORT CLAIMANTS COMMITTEE TOWN HALL
MAY 13, 2021**



Court Reporting • Video

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1 **HUMPHREY:** Okay, I see 7:02, so I think we're gonna go ahead and get going. Welcome
2 everybody to our fifth town hall for the Tort Claimants Committee, my name is John Humphrey,
3 I'm the chairman of the Tort Claimants Committee. I'm accompanied by Doug Kennedy, the
4 Vice Chairman, Jim Stang, our Lead Counsel, and John Lucas.
5 And you have--if this is your first time, this is gonna be a little bit new to you. If you have been
6 with us before, welcome back, you know the drill, I'm gonna give you some of the ground rules.
7 We'll try to keep it to under an hour, we have an email address that you can always reference,
8 and that is BSATCC@PSZJLAW.com. Sorry, sometimes I get that one. Also,
9 BSASURVIVORS@PSZJLAW.com.
10 I'd like to remind you that we are taking questions, but you're only gonna see the ones that we
11 respond to, we collect the rest of them. We know some of you would like to passionately express
12 your feelings on a particular topic and so we will take those. Also, if you choose to be
13 anonymous, submit your question as an anonymous question, because when we do respond to it,
14 in the chat, you will see that.
15 So, other things, we're not here to provide legal advice, this is purely informational. We are on
16 the fifth town hall and I'm really excited about getting going because there's lots of information
17 to communicate. First thing I would say is--what we're gonna cover mostly tonight is the
18 disclosure statement.
19 I have a couple comments that I'd just like to lead. I mean, I know Doug's spoken before, but,
20 you know, a long time ago I worked for a company that had an office in San Francisco, and this
21 was really before Starbucks became famous. And I go down in the lobby to get a cup of coffee
22 and I'm in this long line and I hear all this chatter about decaf this and latte vanilla whatever, and

1 I'm standing behind this person and they order a double-decaf fat-free skinny no-foam latte.
2 And I'm cracking up, because this is not my vernacular at all. And I go up to the guy after she
3 takes her drink and I said, "What's that called?" And he points up to the board and it's called,
4 "Why bother." That was the name of the drink. And, I have to tell you that that's kind of my
5 feeling on this plan that's been filed by the BSA, and Jim and John are gonna go through a lot of
6 details.

7 There's some high level things that I'll just throw out, as a matter of fact, I mean, lack of detailed
8 information on the BSA assets, a lack of participation by the local councils and complete lack of
9 transparency, you know, they are doing the turtle defense, and they're putting their heads inside,
10 they're really not participating at all. A totally unacceptable offer by Hartford, billions below
11 what they are liable for, no basis in fact on any of the other offers. When you look at the
12 Archdiocese, the recent USC offering, Michigan State, these guys are just like in complete and
13 total deniability. You know, the fact that the BSA has overfunded their pension by substantial
14 amounts of money and this voting that they want to do, which is by a master ballot.

15 So, these are just a few things that I think we're gonna discuss tonight. The other thing that I'll
16 bring to your attention is the insurers recently filed an objection against the legal fees that have
17 been run up, and I'm sure you all read that, there was an article in the New York Times about
18 that.

19 So, first of all, you know, they purported that we should all hold back 20 percent of our fees, our
20 attorneys readily agreed and, you know, when you look at the total amount of fees that have been
21 charged so far, I believe the TCC's professionals are less than 10 or 11 percent of that total.

22 So, we went out and we hired the very best people we could find. They're doing a great job, we

1 review every bill, every page, every hour, and I can tell you that our fees are reasonable. And
2 there's been no state court counsel or survivor or anybody else in this case that has received a
3 dime. So, I just want to make sure that that's clear.

4 Anyways, with that, I'd like to turn it over to Doug to talk a little bit about an FAQ that we put
5 up on attorney representation. Doug?

6 **KENNEDY:** Thanks, John, I appreciate it. I couldn't agree more with what you had to say
7 about the fees and the incredible work that our professionals are doing. You also mentioned the
8 questions and how we try and get to as many of them as we can but it's really important that
9 everybody knows that one of the things that we do is that we look at all the questions after these
10 town halls, and we try and see if there are some themes that emerge and some things that we can
11 address.

12 And one of those has been a number of questions about do I need an attorney? If the TCC has an
13 attorney, why would I have to go get an attorney? So, what we did was we sat down, and with
14 the work of our professionals, we've put together an FAQ that's contained on the TCCBSA.com
15 website. So, if you go there, you'll see this FAQ. And on it we address issues like am I required
16 to have an attorney?

17 The answer to that question is no, by the laws of the bankruptcy, all the bankruptcy rules, you do
18 not have to have an attorney to file a claim, however, there's another important question that is
19 should I have an attorney? And the TCC recommends that you do. Again, you don't have to, but
20 this is very, very complicated, it's probably gonna get more complicated before it's over. So, we
21 also address issues like where do I find an attorney? And a number of people ask questions about
22 where can I get an attorney? So, we've included a link in there to the bar associations for all the

1 states, which is good one-stop shopping to start to narrow that down a little bit.

2 Other questions like how much will an attorney cost? I filed a claim in bankruptcy, do I also
3 have a claim against the local council or chartering organization? So, we've addressed a number
4 of the questions related to whether or not you need an attorney for your personal--your personal
5 lawsuit against the Boy Scouts or any other organization.

6 So, if you still have those questions, we hope that you'll go to the website and check out the
7 FAQ. And, again, all this information, as well as previous meetings and any other file that we've
8 talked about, you can find at TCCBSA.com.

9 So, that's my message for tonight. I hope everybody's hanging in there, back to you, John.

10 **HUMPHREY:** Thanks, Doug. And before I turn it over to Jim and John, just a reminder
11 that if we do type an answer to an anonymous question, no one will know your name, if you're
12 worried about somebody knowing what your question is, use anonymous. Otherwise, we're
13 collecting all of those, already have some really good questions. So, with that, I'd like to turn it
14 over to Jim Stang and John Lucas. Gentlemen?

15 **STANG:** Thank you, John. I just want--my name's Jim Stang, the other gentleman wearing
16 the tie, is John Lucas, my partner. I just want to address the fee issue for a moment. When our
17 firm was interviewed and selected to be counsel to the committee, Doug and John sat me down
18 and said, "We want you to be reasonable about your fees." And without hesitation, I said, "We
19 are gonna contribute 10 percent of our collections to the settlement trust, whenever that is
20 established," essentially, the fund for survivors.
21 We did not increase our fees by 10 percent before I made that offer. And so, what's happening is,
22 on a quarterly basis, when we get paid, we take 10 percent of what we've collected of fees, not

1 out-of-pocket costs, and we put that in a client trust account. And it's sitting in our accounting
2 system, in a separate bank account, and when a settlement trust is created, that money will be
3 released and delivered. So, I wanted people to know that.

4 Last week, there was a mediation in New York. To step back for a moment, there are three
5 mediators, appointed by the bankruptcy court. One is an insurance specialist, the second is a
6 retired bankruptcy judge from Delaware, which is where this case is situated. So, he has some
7 insights into what the judges there are likely to do or won't do. And third, a gentleman who has
8 probably mediated more Boy Scout claims than anyone else in the country.

9 And they act as a panel with, as you can tell, certain specialties, and they are the mediators. So,
10 when we say we're in mediation, we work with them and when discussing things with the party's
11 opposite, be it local councils, BSA or the insurance companies.

12 This was the second--there have been lots of mediation sessions over the course of the case, but
13 they've all been by Zoom. But, there have been two that have been hybrid, meaning you could
14 go in person or you could attend by Zoom. And with COVID, you know, that's the arrangement
15 so people can feel safe.

16 The first one was in Miami, which feels like it was about a month ago, maybe six weeks ago, and
17 the last, most recent one, was in New York within the last two weeks. And we attended in
18 person, and by Zoom, at that meeting. It was three days. It was productive, in the sense that
19 people are getting, even at this late stage, a better understanding of each other's positions.

20 And--but, no deals were reached. No monetary agreements were reached. Offers were made.
21 Counteroffers were not provided. But, I would say crystalizing issues did occur. One of the
22 things that has been made very clear to BSA, and to the local councils, and to their insurance

1 companies. The Coalition and the TCC are working together.
2 The--every effort's being made to coordinate strategy. To coordinate the terms of a plan of
3 reorganization that we think survivors should support, and to agree on the dollars involved. We
4 don't always agree, but we are working together very closely on a number of issues. And several
5 pleadings have been filed over the last, I'd say, 60 days, that were joint pleadings.

6 The moving parties were the TCC, the Coalition, and a person called the Future Claims
7 Representative. And so, it's important that we demonstrate to BSA, and the councils, and the
8 chartered organizations, and the insurers, that we are acting as one. And it gives us more power,
9 and the greater likelihood for a beneficial outcome for survivors.

10 So, that's--that was New York. Next steps after New York--nothing has been scheduled for an
11 in-person meeting, but there are, every day, discussions going on with the people that have
12 authority to further try to drive towards a resolution. It may be a global resolution, where
13 everyone who has responsibility for the abuse you suffered, has made their contribution, and that
14 would be proposed to you in a plan, or it might be parts, where BSA settles with the local
15 councils who are still out there. And I saw a question about what happens if they don't
16 participate. We'll talk more about that. It might be some insurance companies, but not all of
17 them. So, we are trying to be very nimble to ensure that we get you the best values.

18 So, I'm gonna have to step out of the picture for just a moment. John, back to you. Or, should I
19 just keep going?

20 **HUMPHREY:** No, you can keep going.

21 **STANG:** Okay. So, where are we at the moment? The Boy Scouts of America have filed a
22 plan--has filed a plan and disclosure statement. It is the second amended plan and disclosure

1 statement. They filed one on the day they filed bankruptcy, it was a placeholder, it was
2 essentially a shell.

3 They filed a first amended plan and disclosure statement that made some monetary offers and
4 had a basic outline of how they wanted to reorganize, and then they filed a second one, which
5 had a lot more detail in it. The disclosure statement is a document that the court must review and
6 approve before the reorganization plan can go out to you for you to consider.

7 Now, if you want to see it, it's available on the Omni Management site. But, it's not there for
8 you to vote on, because the first step is to ensure that you get a statement that gives you enough
9 information so you can make an informed vote. Now, the disclosure statement that they filed, I
10 actually went and weighed it, it weighs two pounds, and there's a lot in there.

11 But, honestly, there's a lot that's not in there. And so the process that's going on now is parties
12 who feel more information is needed are objecting to the adequacy of the disclosure statement.

13 So, you have a disclosure statement, it is the proposed disclosure statement, it was written by
14 BSA, and different parties have filed objections to it saying what's wrong with it, what
15 information needs to be added, and also explaining to the court why the BSA reorganization plan
16 is, in the term--in the words of one party, dead on arrival.

17 So, how many people have responded to the disclosure statement? We filed an extensive
18 objection that is available at the website that John has--gave you the address on. The Coalition
19 filed an objection. The Future Claims Rep filed an objection. The Girl Scouts of America filed an
20 objection. I'm not gonna list everyone by name, this is just the highlights. And the Justice
21 Department, through the Office of the United States Trustee, filed an objection.

22 And these objections say, in effect, you haven't given people enough information. Ten insurance

1 companies filed objections. Seventy-three law firms, on behalf of 10,000 survivors, filed
2 objections. Seventy-three law firms on behalf of 10,000 claimants filed objections. Four
3 chartered organizations filed objections. I know the Mormons did, I think the Methodists did, I
4 don't know who the other two are off the top of my head. Over 300 letters have been sent to
5 Judge Silverstein by survivors, explaining the impact of the abuse and asking her to make sure
6 the Boy Scouts do the right thing.

7 Our disclosure statement objection is on the website, you can read it. One of the--two very
8 important things are in our objection, and it kind of relates to these letters. The letters that are
9 going in to Judge Silverstein are directly from survivors, they are not letters from lawyers to the
10 judge, that's why lawyers file pleadings.

11 And for every letter that comes in, Judge Silverstein is sealing it, which means you can't see the
12 letter at all, that's version one. And then version two is a redaction of the letter, which takes out
13 the name of the sender and identifying individuals, and also, I think, she's taking out things that
14 she fees are very graphic. Some people actually wrote across the top of their letters, "Do not
15 redact," but she's in control of her docket and she can put up there, in terms of redactions,
16 whatever she likes.

17 But, it was very important to the Tort Claimants Committee members for her and the public to
18 see some information about the abuse you suffered. Now, obviously, it's representative, no one
19 can speak for you as individuals, in the sense of what you experienced and how it's affected you,
20 but the members of the Tort Claimants Committee can do that.

21 And so several put their personal--bits of their personal story, at the very beginning of the
22 disclosure statement objection. So, if you do look at it, it's very long, and if you read it through,

1 you're running a marathon. But, it might be interesting for those of you that aren't prepared to go
2 through our 70-page objection to see how we've portrayed the survivor experience as understood
3 by Tort Claimant Committee members.

4 And I thought it was very compelling, and that's not redacted, folks, that's there for everyone to
5 read. The other part of our objection that I think is interesting, and I understand it's causing some
6 heads to shake, is an exhibit. We have a financial advisor, Berkeley Research Group, you've
7 heard us talk about them. In fact, I think Matt Babcock from BRG actually attended one of these
8 town hall meetings and spoke to all of you.

9 We have done an in-depth financial analysis of every local council. People think I'm being a
10 little smartass when I say I think we know more about them than they know about themselves. It
11 is, John will correct me, at least 15 or 20 pages on each local council, ranging from an analysis of
12 the claims that are against them, the cash and investments they have, the real estate they have,
13 identified by camp, the camps that they don't need because of underutilization, their membership
14 trends, their operating expenses, our assessment of how much cash they need to have on hand to
15 continue performing the scouting mission.

16 It's all in an exhibit as an exemplar for one local council. Now, that local council's name is
17 redacted, but it shows you, and it shows--more importantly, it shows them what we know about
18 the local councils. We are, probably on Monday, going to start rolling out to each local council
19 their own analysis, we refer to them as dashboards. And each local council is gonna get its
20 dashboard. And we are hoping that the people who manage the local councils and advise the
21 scout executives will review those dashboards, will assess what can really be done to address
22 their responsibility for survivor abuse.

1 So, if I had to say there's two standout things about our objection, it's the testimony by certain of
2 the Tort Claimant Committee members and it's the demonstration that we have a very detailed
3 understanding of the local council assets and liabilities.

4 **HUMPHREY:** Hey, Jim, before you go on, let me just--let me just add some color to that.
5 You know, folks, it's a long document, in fact, the BSA's plan was so lacking we had to actually
6 petition the court to use more pages in our response. And it's not hard to read, and it's in English,
7 and you can see just the total lack of attention to detail and the total lack of information.
8 There's simply not enough information in this thing for any of us to make an informed decision.
9 And I would say that to the local councils. You know, we do not want scouting to end. I know
10 that there are some of you out there that are hurt, and you are indifferent to that, that is not our
11 goal. Our goal is to get maximized the claims and the dollars that we get for survivors.
12 And we believe that the local councils have substantial assets that they could make available to
13 survivors. And the detail that we provided, as Jim said, is thorough. So, I think it would do you
14 good to read it. It's the crux of our argument.

15 **STANG:** I want to just build on that for a moment. Every analysis that we did, which
16 includes a proposed contribution of money and camps to a settlement fund, is premised, first, on
17 that each local council will keep two years of operating money. We know how much it costs to
18 operate your local council, we have all of that financial information. So, we didn't zero out the
19 bank accounts, two years of operating money and whatever else you raise--or I should say, the
20 local councils raise, by donations or otherwise, is in addition to that.
21 So, there's that buffer we put in there. It underscores what John just said. These proposals do not
22 seek to liquidate local councils. The other thing we did was we looked at camp utilization. There

1 are numerable reports coming from BSA and individual local councils that the camps are
2 underutilized. So, we mapped out the location of every camp in the country, every scout store in
3 the country, and we drew a circle around each camp to see what other camps were nearby.
4 What was the utilization of those camps, 'cause, frankly, while we hear every camp is essential,
5 if you take away a single camp it'll destroy our local council, the fact of the matter is, in lots of
6 parts of the country, there are so many camps so close to one another that if you were efficiently
7 using them, there's probably about 40 percent or 50 percent of the camps that you could dispose
8 of and not affect a kid's ability to go camping.

9 So, that's what these dashboards show. And, again, we're hoping that it will break some log jams
10 in what we're having in negotiations with the local councils. The other objections--oh, by the
11 way, we worked closely, very closely, with the 73 law firms that represent 10,000 claimants and
12 their disclosure statement objections. This was an effort to make sure that the court wasn't
13 inundated with duplicative pleadings, 'cause the last thing she needs to read is--I don't know
14 how many we had all together--close to 100 objections, and so we were trying to be very targeted
15 about what issues would be raised by who.

16 So, that's where we are on the disclosure statement. The hearing on the disclosure statement is
17 May 19th, and the court has scheduled an overflow hearing for May 24th. There are a lot of other
18 issues that the court has before her, besides the approval of the disclosure statement. I think—
19 we'll see how far she gets, I don't know that she'll complete the work by the 24th.

20 And as, I think it was John, said, the Boy Scouts are filing another plan and disclosure statement
21 Sunday evening. And, presumably, it will build upon what they already have. Hopefully, it will
22 improve the disclosure statement to narrow the differences on its adequacy, but we'll see. Once

1 the disclosure statement has been approved by the court, if she decides to approve it, the plan and
2 the disclosure statement and other accompanying materials will be sent out to creditors and
3 survivors so you can vote.

4 And, John Lucas, if you could chat for a few minutes about what that process looks like, in terms
5 of who's getting the plan and disclosure statement and what people need to do to ensure that
6 they're a part of that process.

7 **LUCAS:** Yeah, so, you know, I sent a link--somebody asked a question about where I can
8 find the disclosure statement and the plan, and in response to that question, I posted an answer to
9 a link to the Omni website which has a button, if you will, to review the court docket. And on the
10 court docket you could just type in, "disclosure statement," and the link there will pop up, type of
11 plan of reorganization, and the link will pop up, and you'll probably have a couple of choices,
12 but that's--

13 **STANG:** John, if I can just volunteer. There's actually a button for plan documents, you
14 don't have to go into the docket itself, I think there's a button that says, "plan documents," it'll
15 be easier to search.

16 **LUCAS:** Yeah.

17 **STANG:** But, talk about the--how do I know--how am I gonna get my plan and disclosure
18 statement? Does my lawyer get my plan and disclosure statement? Can you just chat about that
19 for a moment?

20 **LUCAS:** Can you say that again, Jim, I didn't hear what you said, I'm sorry.

21 **STANG:** How do people know whether they're gonna get their plan and disclosure statement
22 delivered to the house, is it gonna go to their lawyer, how do they know who's gonna actually get

1 these materials if the court approves the disclosure statement and sends the plan out for a vote?

2 **LUCAS:** Yes. So, here, I'll start this way first. If you are acting alone and without an
3 attorney, which means you filed a proof of claim yourself and you have the address and contact
4 information on your proof of claim, the plan and disclosure statement and the other materials that
5 go along with it will be mailed to the contact information on your proof of claim.

6 If your proof of claim includes an attorney, and you checked the box that says, "you may contact
7 my attorney," then all of the solicitation materials will be sent to the attorney, and you should
8 contact your attorney to get all of the materials, because they will not be sent to you.

9 **STANG:** Okay.

10 **HUMPHREY:** And isn't it true that, in a lot of ways, you know, our objections is the
11 beginning of a negotiation, and a plan that may or may not get approved might be completely
12 different than what was filed already by the BSA.

13 **STANG:** We're hoping it's completely different.

14 **HUMPHREY:** I'm just trying to set expectations that--

15 **STANG:** Right.

16 **HUMPHREY:** --we could be in this process of updating and negotiating and changing for
17 some time to come.

18 **STANG:** This is an ongoing--I mean, folks, it's happening every day. It's very fluid and
19 that's why we want to have these meetings periodically to keep you advised, and if we get into
20 some tighter schedules and we need to have one more frequently than once a month, we will do
21 that. So, okay. So, I think we've covered the plan and the disclosure statement process. I will just
22 add this last bit, in the package of materials that John was just referring to, John Lucas, there will

1 be letters of recommendation as to how the parties feel you should vote.

2 There'll be one from Boy Scouts of America. In their current proposal to the court, you only get
3 to put a letter into the envelope if you support the plan. We obviously think that's a little too one-
4 sided and one of our objections to the court is that the Tort Claimants Committee, as the
5 fiduciary representative of all survivors, should have the ability to put its letter in.

6 It might be a letter of recommendation, but it might be a letter to vote yes, but it might be a
7 recommendation to vote no. Likewise, I believe the Coalition has asked for permission to put its
8 recommendation in as well. So, those materials will have that kind of cover transmittal, but if
9 you're represented by counsel, absolutely contact your attorney so that you understand how you
10 should vote, and if the attorney is voting for you, very clear direction as how you want the
11 attorney to vote.

12 **HUMPHREY:** So, Jim, we saw that BSA got a big splash in the newspaper and Hartford
13 reported in its quarterly financials about this purported settlement that they did with the BSA.
14 Can you comment on that?

15 **STANG:** Sure. Just as the TCC and the Coalition have uniformly said, "We do not support
16 this plan," both the TCC and the Coalition of said, "We do not support the Hartford settlement."
17 Hartford is one of the two largest insurance carriers with the largest insurance risk in the case.
18 And the BSA negotiated a settlement with Hartford, by which Hartford pays 650 million dollars
19 on account of no less than 24,000 claims, and it, in effect, tears up the insurance policy, in
20 exchange for 650 million dollars.

21 There is an adjustment to that 650 million, depending on what another insurance company does.
22 It's a company called Century. So, this is a little complicated, but I'll try to say it simply. The

1 benchmark for Century is 1.3 billion dollars. If Century pays less than that amount, the Hartford
2 settlement goes down. So, let's assume--there's no agreement with Century folks, this is just a
3 benchmark that Hartford and the Boy Scouts established. So, if Century were to pay a billion
4 dollars, half of the difference, 300 million is the difference, half of that is 150, the Hartford
5 settlement goes down from 650 to 500.

6 Half of the difference between 1.3 and what Century pays reduces the Hartford number. We have
7 no idea how much Century will pay. I mean, I guess, theoretically, it could pay zero, which
8 means Hartford pays zero. But, that's the Hartford settlement. It has to be approved by the
9 bankruptcy court. It is likely to be part of the amended plan that we expect to see Sunday night,
10 we're just not sure, we haven't seen drafts.

11 But, that number is a big number. 650 million dollars is a lot of money. But, take out your
12 calculators and divide it by 24,000, which, by the way, is the--at least the number of Hartford
13 claimants, meaning claims that fall in the Hartford insurance years. It is probably a greater
14 number because many, many survivors, this is the old thing you've heard from us before, did not
15 put the dates of their abuse in the claim form, at least not in the computer fields which asked for
16 it.

17 And so, it's at least 24,000, and I don't know the number off the top of my head, but it's not a
18 lot, per person, on average. So, that's the Hartford deal. And as I said, it is a subject--it will be
19 opposed by the Coalition, it will be opposed by us, and I think any other creditor representative
20 that I've been in touch with or that John Lucas has been in touch with, intends to oppose it.

21 If it doesn't get approved, Hartford's on the risk, Hartford has exposure, which can be realized, if
22 you will, make them pay, in lots of different ways. So, that's what the Hartford settlement is.

1 **HUMPHREY:** Did we have a local council presentation a week or so ago?

2 **STANG:** Yes. So, as part of--John--I'm just gonna stop for a moment. John, are there any
3 other insurance questions or disclosure statement questions that you want to interject with now or
4 should I keep going with local councils?

5 **LUCAS:** No, I think I've answered some. You know, there's quite a few questions and I've,
6 you know, rattling, you know, responding back in trying to answer quite a bunch. So, I'm sort of
7 scrolling through and sort of trying to go back to the earlier ones. I think we should just continue
8 to move on, and I'll jump in when I think I need to.

9 **STANG:** Okay.

10 **KENNEDY:** And let me just say one thing, I'll let Jim catch his breath for a second and, John
11 and I are both responding to some messages. I'm trying to send some messages to people
12 directly. But, one of the themes I'm seeing that I'd like--maybe John, maybe you'd be the person
13 to respond to this, is a number of people are saying, why don't we just liquidate the Boy Scouts?
14 You know, with what they did to us, how could we ever consider that they should continue.
15 You know, why don't we just go ahead and just clear them out and take every dollar we can?
16 And that's a question that, quite frankly, the TCC talked about very early on when it met, and
17 there's some reasons why, for the good of survivors now, we have to take a very, sort of, I think
18 what Jim said one time, an agnostic view of the future of the BSA. John, could you just address
19 that for a second? And John Lucas, maybe?

20 **LUCAS:** So, I think there's a couple ways to sort of look at this. The first of all is if the Boy
21 Scouts themselves just decided just to pull the plug and just to liquidate everything, I think that
22 there's probably a sense that the liquidation itself would take longer than a consensual sort of

1 resolution through the plan of organization. And I think that some are under the belief that the
2 cost associated with the liquidation--in particular, let's say in the Chapter 7 context, where
3 there's a trustee, that there would be a steeper learning curve to deal with the liquidation and the
4 claims reconciliation.

5 And so, some of us think that trying to engage with the insurance carriers and to come to an
6 agreement to put all of the resources into a trust will actually yield more value for everybody.

7 And so, that's the direction I think where we're going to do. And then, there's sort of a more of a
8 technical, legal answer also. Because the Boy Scouts are a non-profit organization, they cannot
9 be forced into a liquidation.

10 The Boy Scouts, as a non-profit, sort of control the aspect of their restructuring. And so,
11 regardless of how hard we push, we can't push them into liquidation without their agreement.

12 That's why I think that those are the two balancing factors. I don't know [inaudible]--

13 **STANG:** Yeah, I'll just add one more thing. A plan of reorganization has to satisfy some
14 minimum standards, and there are about, I think, 17 or 18 different boxes that have to be checked
15 to make sure that a plan can be approved, or we use the word confirmed. But, one of them is the
16 following, "Creditors are entitled to get, under the plan, at least what they would get if the Boy
17 Scouts liquidated." So, when we look at our demands to the Boy Scouts, and the local councils,
18 we are looking what could we get for survivors, if in fact, they went through a Chapter 7
19 liquidation bankruptcy.

20 That is the floor that creditors are entitled to. And so, well, there might be a certain personal
21 satisfaction in seeing the Boy Scouts cease functioning for some people. From an economic,
22 financial perspective, if they're not paying what creditors would get in a liquidation, they cannot

1 confirm their plan. And that is something we are laser focused on in our negotiations with all of
2 the parties.

3 Okay, local council. So, during the New York mediation we had the opportunity to address our
4 analysis of the local councils' assets and liabilities to the entire local council population of those
5 who wanted to dial in. I think we had 725 people attend that Zoom meeting, and I think the
6 lowest number, once we hit that high, was in the very high 600's, because the meeting went on
7 for close to two hours.

8 We presented the materials that you will see as an attachment to our disclosure statement
9 objection. We wanted to give the local councils a chance to ask us questions. Our microphone
10 was taken away from us. We were told at just--in fact, I said, when I opened the presentation,
11 "We will be taking questions," and I was corrected saying, "Oh, no, we're not allowing a Q&A."
12 So, if there are local council folks listening who want to know why, during that presentation, we
13 didn't answer your questions, we were not allowed to see the question--I don't even know if you
14 were allowed to submit questions. We were not allowed to see them.

15 It was a little bit like the old Reagan speech, "I paid for this microphone, so it's mine." It was a
16 call set up by BSA, and that was what they imposed on us at the last minute. The next day, I
17 think it was the next day, the ad hoc local council committee responded to our presentation.

18 The audience that we had for our presentation was not reconvened. That was the decision. That
19 was not our decision, we would've welcomed the opportunity for the local councils who--people
20 who showed up on that Monday to hear the ad hoc committee's response, 'cause it was a bit of a
21 dialogue.

22 It wasn't our decision, that's what they did. I would say that we didn't think it was a good

1 response. We thought we gave a very detailed analysis, again, by example of the local councils,
2 and what we got back were, what we thought, generalities. And in some cases information that
3 we thought was simply inaccurate. And I'll just give you one example.

4 It's a big issue in this case as to whether anyone who contributed money or property put
5 conditions on it. We refer to those as donor restrictions. You may only use this campground for
6 this purpose. And if you use it for any other purpose, this is in the deed, then it comes back to us,
7 the donors. So, we were presented--we did a detailed review of the restrictions on the local
8 council camps.

9 We looked not only at conservation easements, utility easements, rights-of-ways, but also
10 whether there were these kinds of donor restrictions that would impact the value of the property
11 if we tried to settle. So, one example that was thrown up at us at the response by the ad hoc
12 committee was a campground in Texas, I'm not sure which local council it was, that is supposed
13 to be used to commemorate the Texans who signed the Republic's Declaration Of Independence.
14 They said, "See, here's a piece of property that you can't access." Well, if they had bothered to
15 tell us that they were gonna use that as an example, they would've seen that in our list of
16 properties that should be contributed, that property was not on the list. Why? 'Cause we read that
17 deed restriction, we understood it was enforceable, we knew it, essentially, eliminated the market
18 value of the camp for anything other than acting as a memorial to those Texans, and we didn't
19 include it.

20 Yet that was thrown up to us as an example of why our analysis was inaccurate. So, just one
21 example that stood out. In fact, every example they gave to us of deed restrictions on property,
22 was properties that we did not include in our calculation of what local councils should present.

1 So, needless to say, we weren't very happy with the response. And as I said, the dashboards are
2 going out next week through BSA.

3 **HUMPHREY:** Hey, Jim, on the next--these are legal terms, so can you, you know, give
4 use the interpretation, so folks can understand what some of these motions were?

5 **STANG:** Sure, John, do you want to take this?

6 **LUCAS:** So, I was--

7 **STANG:** Or, it's up to you.

8 **LUCAS:** --I'm was--no, Jim, I'd like you to, just because I've been rifling back, trying to
9 answer questions, and so I haven't been 100 percent focused and--

10 **STANG:** Okay.

11 **LUCAS:** --I missed--

12 **STANG:** No problem.

13 **LUCAS:** --I missed the cue to me, so I apologize.

14 **STANG:** That's okay.

15 **HUMPHREY:** Well, at least you're answering questions, way to go, John.

16 **LUCAS:** Right. I've only answered, you know, 76 so far, so--

17 **STANG:** By the way, John and I often know what each other is thinking, 'cause we probably
18 speak to each other seven or eight times a day.

19 **KENNEDY:** John is doing yeoman's duty tonight and I'm also--I've got a couple main themes
20 I am gonna ask you guys about before this is over, to try and capture some.

21 **STANG:** Okay. I actually think we're a little ahead of our schedule, so it's good, we'll have
22 time. So, there are a couple of other matters that are before the judge on May 19th, as I

1 mentioned. The largest, most significant one is the disclosure statement objections. There is a
2 motion by the debtor to extend the time period during which only the debtor, BSA, can file and
3 propose a plan.

4 The bankruptcy code sets forth a period of time where only the debtor can propose a plan and
5 then that period can be extended. Not forever, but I think it's a total extension of 18 months, and
6 they're not quite 18 months into this case. We call that concept exclusivity. The debtor has plan
7 exclusivity. So, coming out of the Miami mediation, the debtor had filed a motion to extend its
8 plan exclusivity, and we were extremely disappointed with what had happened in Miami.

9 So, the TCC filed a motion objecting to the extension of the debtor's plan exclusivity and
10 volunteered, in the pleading, that the TCC would file its own plan. And there were some
11 significant differences between what--obviously, or else we wouldn't have objected to
12 exclusivity. If we were within spitting distance, we would've tried to work it out, but we weren't
13 even close. A llama couldn't reach in spitting how far apart we were.

14 And so, eventually, the Coalition joined our exclusivity objection, and we are working closely
15 with the Coalition to see if we can come up with an agreement on the terms of a survivor
16 sponsored plan. The court knows this, the court can, see from the disclosure statement
17 objections, that as one party said, "From a survivor's perspective, this plan is dead on arrival."

18 So, she will determine whether she can open up the process to allow other parties to propose
19 their own plans. Honestly, plan exclusivity is often not a big fight, because we're all trying to
20 pull in the same direction, we're on some common themes, and you're working together to try to
21 make it all consensual, 'cause it's cheaper that way and it's more efficient and it's faster.

22 We're just not there with them. So, at the moment, both the TCC and the Coalition are opposing

1 plan exclusivity, asking the court to open up the process so that a survivor sponsored plan can be
2 presented to you. The second thing that she's going to be considering is what we call estimation.
3 No one really knows how much the claims are worth. I would suspect that none of you or with
4 very, very minor exceptions, have a judgment against BSA or local council, or have an unpaid
5 settlement agreement. The court, for lots of reasons, needs to understand the value of the claims.
6 And so we have filed, with the Coalition and the Future Claims Rep a motion for the bankruptcy
7 court to estimate the claims and the aggregate.

8 Not how much claimant number one's claim is worth, but in combination what these 84,000
9 claims are worth. And we've asked the judge to do it on a couple of different silos, by year, so
10 we could let the insurance companies know what their exposure is by local council, so we can
11 talk to the local councils about what their exposure is, and that motion for estimation is before
12 the court on the 19th.

13 Likewise, the Boy Scouts have proposed their approach to estimation. It's different. This meeting
14 probably not the right forum to explain those differences, but they're different, and they're
15 different in a meaningful way. At the beginning of this I did hit the Q&A just to see what was
16 coming in, and I saw someone said, "Can you tell us about the tiers of abuse?"

17 We have published, and it should be on our website, the categories of abuse and the values we
18 ascribed to them. So, the categories of abuse are those that were in your proof of claim form,
19 penetration, oral copulation, masturbation, groping under the clothes, groping over the clothes,
20 and other. I think those were the categories. And we have values for each. These are values that
21 we think represent fair settlements. And it was a combination of the--I'll probably say over a
22 couple hundred years of experience of the plaintiffs' lawyers who work with the TCC and years

1 of experience in dealing with Boy Scout litigation.

2 And so, when we talk about the value of the claims, we take each proof of claim form, identify
3 the level of abuse, put it on that claims chart, and we add it up. And then we apply various
4 discounts for factors, including the fact that, sadly, some states are very tough on defenses, not
5 only statute of limitations, but defenses to these claims, and that some will be successful, and
6 some won't be.

7 And, based on the experience of the plaintiffs' lawyers we deal with, we have come to am
8 assessments of the overall value of the claims. And that governs our negotiating perspective. So,
9 that's estimation, and that's sort of the struggle we have with valuing 84,000 claims.

10 The last is confirmation scheduling. Confirmation is another word for the approval of a
11 reorganization plan. The disclosure statement approval is only a preliminary step to
12 confirmation. As I said, there are, I think, 17 or 18 factors that the court has to find exist before
13 she can confirm the plan.

14 There will be discovery--fact discovery regarding issues that she has to decide. There are a lot of
15 legal issues that the court has to decide, and the Boy Scouts have proposed a schedule for how it
16 will proceed. The Boy Scouts goal is to have a confirmation hearing at the end of August. I
17 wouldn't bet the farm on that date, but we'll see.

18 We'll see how long it takes to get the disclosure statement approved. But, right now the court has
19 reserved a couple of days, I believe, at the end of August, maybe it's a week, actually, I just
20 don't remember, for the hearing and confirmation of the plan.

21 **HUMPHREY:** So, last--everybody wants to know the big question--

22 **STANG:** When do I get paid?

1 **HUMPHREY:** --when do I get paid?

2 **STANG:** Right. So, the answer is, honestly, I don't know. Confirmation of the plan is not
3 really going to trigger a distribution to creditors. And the reason is that we don't have adequate
4 contributions by the local councils, and we certainly don't have adequate contributions for the
5 insurance companies.

6 And so what confirmation of the plan will do is get some money from some sources. I mean,
7 BSA will have to put in some amount of money, and some amount of property. It can't skate in
8 the same way that local councils can or chartered organizations, because the Boy Scouts are
9 actually in the bankruptcy, and for them to get out of the "roach motel," as one judge used to call
10 it, there's a price they have to pay. And we are negotiating with them separately, if they're
11 willing to engage with us, about what it will take from their non-insurance assets. The Norman
12 Rockwell paintings, the oil and gas rights. The Scout university, the headquarters, and cash on
13 hand.

14 How much value we can extract from those sources to allow them to exit the bankruptcy. But,
15 that's not gonna be enough money to make a meaningful--or even an inconsequential
16 distribution, frankly, to 84,000 people, whose claims have not been valued yet.

17 I mean, there's a process that has to get employed to do that, and that comes at an expense. So,
18 "When do I get paid?" We are trying, with the Coalition, to put as much pressure as we can on
19 the other sources of money. Be it the local councils, the chartered organizations, and the
20 insurance companies. I can't tell you when it's gonna be. All I can tell you is that we are as
21 motivated as anyone could be to get you a reasonable amount of money as quickly as possible.

22 And I understand that the amount of money versus the time when you receive it have a

1 relationship. We appreciate--folks, I think I've told this the first time. I have been representing
2 sexual abuse survivors in bankruptcy cases since 2004. I know there's an age issue, I know there
3 is a health issue, emotional and physical, and just frankly, especially after COVID, a financial
4 need.

5 That is not lost upon any of your representatives. Be it, John and Doug, and the seven others on
6 the committee, or their lawyers. But, there is a point at which we say it's not enough, and we're
7 still at that point. So, I wish I could give you a better time frame, I just am not able to, and have
8 you have something you can rely on.

9 **HUMPHREY:** Yeah. Look, guys, we're fighting, and we're doing everything we know
10 how to do. But, we absolutely will not take less than you deserve. So, that's the commitment of
11 the TCC. So, John and Doug, I'm gonna put you on the spot, 'cause we've got, like, four minutes
12 left. Are there any themes in the questions that you have not answered that you'd like to address
13 verbally?

14 **LUCAS:** Well, here, I'd like to address one, and this won't be the last time that we talk about
15 it. But, it's been raised a number of times, and it goes back to the plan and voting materials.

16 About whether or not they're gonna sent to the survivors, or they're gonna be sent to the law
17 firms.

18 Many people have asked, "If the materials are sent to my lawyer, who votes on the plan?" And I
19 tried to respond a couple of times, but let me just make clear that it is your decision to vote on
20 the plan. You either vote to accept, or you vote to reject. You can consult your--and get advice
21 from your attorney, and you can inform your attorney on how you want to vote.

22 And so your attorney or law firm should be going to you and asking you how you want to vote,

1 and if the firm is not doing that, then you need to go to them and make it known how you want to
2 vote. This time has not been set. It probably won't be until June even July or some time exactly
3 when that debt line happens.

4 And so we will discuss it again, but it is your decision on how to vote, and you need to consult
5 with your attorney and make sure that your attorney understands that.

6 **HUMPHREY:** Hey, John, can you clarify this concept of the master ballot? Because we
7 have objected to it. I'm not sure everybody completely understands it, but even if the master
8 ballot is approved, a survivor has the right to go to his attorney, or her attorney, and request to
9 vote, correct?

10 **LUCAS:** Yes. So, you know, there are roughly 84,000 survivors who are going to have a
11 chance to vote in the plan. That is a lot of ballots. And so the Boy Scouts have tried to make it
12 administratively easier, because there are some law firms that represent 10,000 survivors. And so
13 what they want to do is to send one package to that law firm on behalf of the 10,000 people,
14 rather than 10,000 packages, and have that law firm work with its 10,000 clients to vote on the
15 plan.

16 The law firm will collect the votes and put it on a list, and all of them will be accept, reject,
17 accept, reject, or exactly how it's going to be to record your vote and that law firm will send in
18 the master ballot reflecting what your desires are. That's how it is supposed to work.

19 **HUMPHREY:** Okay.

20 **STANG:** But, as I think John was trying to bring out, you should be in touch with your
21 lawyer and, obviously, you'll follow our TCC town halls, and you'll look at our website from
22 time to time to know that the plan and disclosure statement have gone out to vote. You have to

1 pick up the phone. You have to go to your keyboard and write to your attorney saying, “I want to
2 vote on my plan. I want to discuss it with you,” or however your law firm’s communicating with
3 you, ‘cause that’s their duty. That is what lawyers are supposed to do.

4 And, in fact, the master ballot will have a representation that you have either authorized your
5 attorney to vote for you or that you have directed them on how to vote. ‘Cause some people just
6 say--thank God it’s not me, “Jim, do what’s right.” And the lawyer will vote yes or no. But, you
7 have the right, under every law of every state in this country, to direct your attorney what to do.
8 And if you want to have that voice, all you have to do is exercise it.

9 **HUMPHREY:** Okay. We’re coming up against 8:00, Doug, anything to add before we
10 close?

11 **KENNEDY:** Yeah, just a couple things. First of all, I want to thank John Lucas, you know,
12 John answered--I’ve answered a handful, but John answered the bulk of 104 questions tonight.
13 We tried to go through as quickly as we could and answer them. We know for some of you--we
14 know that you’re frustrated because we couldn’t answer your questions, but a lot of them were
15 very individual situations that it’s a reason why you need to speak with an attorney.
16 I do want to tell everybody, you know, you can feel the frustration there from some people
17 saying, “Let’s get on with this, you know, the Boy Scouts, the insurance companies are stalling,
18 when is this gonna be over?” We get this. The nine of us get this. We’ve been dealing with what
19 happened to us for decades, and now it’s so tantalizingly close to a resolution, you know, we just
20 want you to know that we’re working on this as hard as we can, and the attorneys are doing
21 everything in their power to try and push this forward.

22 But, a couple themes. One is, Jim, a number of people have asked, “What about the Boy Scouts

1 Youth Protection program and their IV files? Is anything gonna be done to address those?"

2 **STANG:** We have in--we call these plan term sheets. These are, essentially, summaries of
3 what our demands are, and our demand in that relation is twofold. One, and I'm not actually sure
4 this has been conveyed to the Boy Scouts formally, but, if they're listening, we're doing it now.
5 That they retain an outside professional that the TCC agrees with, to review their child protection
6 program and to modify it per the recommendations of the professional. Second, all IV files,
7 rosters, troop, volunteer, camp rosters, are turned over to the settlement trust.
8 That the IV files be published, with appropriate redactions, in a place that the public can access
9 them. So, that is what our demand will be. I think the Boy Scouts, in effect, know that. I'm not
10 sure it's been handed to them in writing yet, 'cause we're still trying to finalize other aspects of a
11 plan term sheet with the Coalition, but there's no disagreement on those provisions.

12 **KENNEDY:** And then my--the last, I think, major theme is that a number of people, Jim, have
13 said, "Can I write the judge, and if so, what's that address?" If that's appropriate, is that
14 something we can post?

15 **STANG:** We can post it on the website. If you go to the Omni site, the court's address is
16 there.

17 **KENNEDY:** Okay.

18 **STANG:** If you are represented by counsel, you're supposed to communicate with the court
19 through your lawyers. If you want to write--if you're represented by counsel and you want to
20 write to the judge directly, you absolutely should be in touch with your lawyer and consult with
21 him or her about that.

22 I would never advocate that a represented person write to a judge without consultation with their

1 attorney. That would be potentially dangerous to your case. For those of you that aren't
2 represented, if you want to write to the judge, go ahead. What she's doing--I don't know whether
3 she's reading each letter. She did say, at one point in the hearing, that she is looking at every
4 claim.

5 Now, there's 84,000 claims. I suspect she is--and she said that at a time, by the way, when there
6 weren't 84,000 claims, but Judge Silverstein is dedicated to her job. She is one of the stars of the
7 bankruptcy bench. And I don't think she's listening to this town hall, so I'm not getting any
8 advantage by saying that.

9 She, I'm sure that if not personally then through staff, is getting reports as to what these letters
10 say. But, just so you know, when she gets a letter, she is sealing it--so when you look at the
11 docket, if you go to Omni, you'll see letter from J.S., it doesn't list your name, sealed. Which
12 means, for that docket entry, if you click on it, nothing happens.

13 Next one is, letter from J.S., redacted. And she has redacted, clearly, names and I think some of
14 the graphic descriptions. There's no published standard on how she's doing that, we see the un-
15 redacted letters, because we're allowed to see the claim forms, and we can see, generally, what
16 she's doing. Again, Omni has the court's address and if it's not on our website, we can post it.

17 **HUMPHREY:** And listen, guys, we're gonna wrap it up here. But, I just want you to
18 know that as a guy that buried my story for the better part of my adult life, and then came out and
19 was able to communicate that to others, it is a cathartic process. I will tell you that beyond a
20 shadow of a doubt. It's probably frustrating when you finally get the courage to write it down
21 that it gets redacted, but we see it, our professionals see it, we understand what you've been
22 through and we carry that with us. So, with that--

- 1 **STANG:** John, I'm sorry, can I add one thing? I apologize, and I wish we could've closed
2 with that, but there is one thing I was asked to say. We have talked a lot in these meetings about
3 suing local councils. And some people, apparently, have interpreted that to mean no matter what
4 my claim is, the problems with it, the statute of limitations with it, I need to sue. I want to make
5 really clear, if you want to sue--we encourage lawsuits against--good lawsuits, enforceable
6 lawsuits, against local councils and chartered organizations.
7 It's how we put pressure on them to come to the table. But, consult with a lawyer, a lawyer that's
8 educated about child sexual abuse claims in your state, and be informed as to the merits of your
9 claim. It's just not walking down to the clerk's window and plunking down a complaint. And so,
10 I'm sorry, I kind of took the air out of the balloon a little bit by interjecting this after John's
11 comment. But, I was asked to make sure people understood that we're talking about merit-based
12 claims. Sorry, John.
- 13 **HUMPHREY:** Thanks, Jim. And the lawyers have just one more thing to say. You guys
14 gotta know that's never happened before.
- 15 **LUCAS:** No, but, there are so many questions that are coming in that if your question did not
16 get answered, please send your question to BSASURVIVORS@PSZJLAW.com.
- 17 **HUMPHREY:** We're looking at all--
- 18 **STANG:** One more time, John. John, one more time
- 19 **HUMPHREY:** Say that again.
- 20 **LUCAS:** BSASURVIVORS@PSZJLAW.com.
- 21 **KENNEDY:** It's on the website, too, that's posted on the website.
- 22 **HUMPHREY:** Hey, listen, man, we appreciate you guys, hang in there, and good luck.

1 We'll be in touch. Goodnight.

2 **STANG:** Goodnight.

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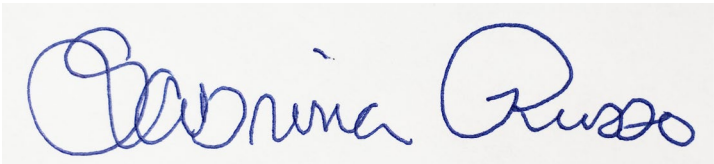
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