

CERTIFIED TRANSCRIPT

**BOY SCOUTS OF AMERICA
OFFICIAL TORT CLAIMANTS COMMITTEE TOWN HALL
SEPTEMBER 09, 2021**



Court Reporting • Video

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1 **LUCAS:** And good evening, everybody. This is John Lucas of Pachulski Stang Ziehl and
2 Jones, and we just opened up the Town Hall. People are logging in now. And we're going to give
3 everybody a couple of minutes to get settled and to log in, and we'll start about five minutes after
4 the hour.

5 Good evening, everybody. This is John Lucas of Pachulski Stang. We just opened the Town Hall
6 meeting line here, and we're--people are logging in as we speak. And we're going to give
7 everybody a couple of minutes, until about five minutes after the hour.

8 Hey, good evening, everybody. We're going to get started in just a couple of minutes. And we're
9 going to start about five minutes after the hour, as people are logging in as we speak.

10 All right. Good evening, everybody. Hey, John Humphrey, I'm going to turn it over to you to
11 start.

12 **HUMPHREY:** Okay. Thanks, John. Hey, everybody. John Humphrey here, chairman of
13 TCC. Thanks for joining us. Looks like we have a pretty good number tonight. Already looking
14 at some of the questions. You guys have got some good questions, so we're going to cover that. I
15 would expect tonight to be a little shorter than normal, unless we have a lot of new topics. And
16 the reason is that the BSA was going to file a fifth amended plan. That has not yet happened, so
17 we're not exactly sure what our position will be vis-à-vis that plan.

18 I can tell you that the RSA has expired, so we are no longer compelled to support anything that
19 was agreed under the RSA. And so unless we have a big development, we're scheduling the next
20 Town Hall for October 7th. My suspicion is you've got to keep an eye out. Because if the BSA
21 does file a plan, and there's a lot of news in there, we'll want to communicate that certainly
22 sooner rather than later.

23 The chat is open. We're going to try to do our best to chronicle questions. If John says we'll
24 discuss it live, that means we've written it down and we're going to discuss it live. And as
25 always, if you want your question to be anonymous, and not have people see who you are, you
26 must pose it as an anonymous question. And then all the wonderful disclaimers. We're here to

1 update you, not give you legal advice. There's lots of questions about jurisdictions and attorneys
2 and all those sorts of things, so I'll let the attorneys handle those. And then you can always reach
3 out to BSA survivors at pszjlaw.com. And we're always keeping the TCC BSA site pretty much
4 up to date. I don't know if you guys have been there, but you can see the previous recordings.

5 We try to put links to the Omni site. And so we think that's a general place where you can stay
6 abreast of what's going on. In fact I think, Doug, we're about to put--we had a lot of requests last
7 time about mental health, and so why don't I turn that over to you and let you talk about that?

8 **LUCAS:** Wait one second before Doug jumps in. There are two features on the webinar
9 tonight. There's a chat feature, and it appears that a lot of people are in the chat feature. But
10 there's also a Q&A feature. If you would like to send questions to us so that we can attempt to
11 address them tonight, please do it in the Q&A feature. The chat feature is a little bit chaotic and
12 hard to follow, and so please do it in the Q&A feature. Some of you are doing that. I'm
13 responding to some of them. But I'm also keeping a tally of some of the other ones that are more
14 common that we're going to discuss as we go forward. Back to you, Doug.

15 **HUMPHREY:** Yeah, so before that, on that chat feature, like, every second somebody
16 hits enter the chat pops up, and so there's no really any way for us to understand a cohesive
17 thought, so please do it in the Q&A. So Doug?

18 **KENNEDY:** Yeah, thanks, John.

19 **STANG:** Doug, I'm sorry. I apologize. Some people are complaining about an echo. I don't
20 know if that's happening on our end. Not everyone appears to be having that. So sometimes
21 that's caused by people having a phone on with their computer on, so you might want to check
22 that. Sorry.

23 **KENNEDY:** Okay. Thanks. It always takes a little while to get it sorted out. And yeah, just to
24 echo something John Lucas said, if you could use the question and answer, that's a little bit
25 easier for us to focus on. And one of the things that we do is after these meetings we debrief a
26 little bit, and the TCC really start--tries to talk about what are the sort of themes and issues that

1 are coming up, and which of these can we address. Some of them we can't, because we aren't
2 your personal attorneys. We haven't employed personal attorneys.

3 But one of the issues that's come up with increasing frequency is the issue of people asking
4 where can they get any sort of counseling or mental health assistance. Is that something that's
5 being discussed? And what we've put together, and it's been posted to the tccbsa.com website, is
6 a statement on mental health and some resources. The tricky thing about this is that this
7 oftentimes does depend on what your insurance is, and what state you live in, and your personal
8 situation. But in general we want everybody to know that by law if you have health care, there's
9 a law that you have to have comparable mental health care to your physical health care. So we
10 have a link that talks about that. So if you have any questions about how much your insurance
11 should be covering, that of course would be individual. But you will have mental health care
12 wrapped into your insurance.

13 But beyond that, we have a few other links that if you think you need mental health assistance or
14 counseling it might be good to check out. One is nami.org. And again, this is on the website. It's
15 the National Alliance on Mental Illness. And what it does is it's basically a clearinghouse for all
16 50 states and territories, and it basically includes what those state by state options are for low
17 cost, or oftentimes no cost, mental health assistance. So it's a way for you to see what's located
18 and what's available in your area online as well.

19 Also, we have a link to another organization called 1 in 6. 1 in 6 specializes in essentially the
20 counseling and mental health care for males that have been the victims of sexual abuse. They run
21 online counseling sessions and group sessions, and you might want to take a look at them. We
22 have spoken with them about what their services are. They are also the service that the Boy
23 Scouts have referred people to, but those two organizations are completely independent. So there
24 isn't any oversight from the Scouts on them.

25 And then lastly, we have the link and the number--the Boy Scouts have said that they are willing
26 to assist with the payment of people's individual counseling. However, the TCC, because of our

1 situation, we're just providing those links and that phone number for people to investigate.
2 Again, we're not endorsing that in any way, shape or form. We're just providing these as
3 resources for you to investigate. This is highly individual. It depends on your insurance and your
4 situation. But please, please, please, we can only open the door a little bit on this. We hope you'll
5 take a look at this statement. It's at tccbsa.com. But it's critically important. We get that a lot of
6 people are struggling with what's going on, and we want you to get the help that you need. So
7 we hope that these resources will open the door a little bit, and let you take that first step. John?

8 **HUMPHREY:** Yeah, thanks, Doug. Just want to reiterate. I know some of you don't have
9 insurance, and that's why we've included some of the free and national organizations that can do
10 things for either no cost or a reduced rate. So I really do encourage that. We know this is hard. I
11 mean, it's hard on us, you know? We've been through the things that you've been through. It
12 seems like it's never going to end. It seems like every time we get on we're telling you that's
13 slightly different, and I know that it's very technical and can be confusing at times. So I just want
14 you to be patient. I appreciate you guys hanging in there. This is a long and arduous process.
15 Our mission from the beginning was to do the very best we could for all survivors, not for any
16 class, not for TCC versus Coalition or people that were aggregated. If you are a survivor with a
17 legitimate claim, we're going to fight for you. And we're gearing up for that fight right now. We
18 think there may be an opportunity to make this thing better than maybe what the Boy Scouts are
19 cooking up, but we haven't seen their final plan. So with that, know that we're fighting for you,
20 and we're looking at everything, not just the monetary things. You know, somebody asked about
21 the IV files. We'll talk about that later. Doug and I are committed to getting those published.
22 And then there's other things about the procedures that the trust is going to use. And there's
23 some things that you may not understand that are equally important to the dollars and the timing.
24 So be patient. It will take some time. And with that, Jim, I'd like to turn it over to you to kind of
25 give us a little bit of an update.

26 **STANG:** All right. Thanks, folks. For those of you who are new to these Town Halls, my

1 name is Jim Stang, and I am one of the attorneys at Pachulski Stang Ziehl and Jones,
2 representing the Tort Claimants Committee. The last Town Hall was August 12, and since then
3 there have been some developments that are important to understanding where we are in the
4 case. I am looking at the Q&A and chats as they're coming in, and a large number of the
5 questions go to how long will the process take, in effect, when will this be over? And I'm going
6 to try to fill in some of those details. But I want everyone to understand that this is a very, very
7 dynamic process. That probably deserves another "very." There are numerous insurance
8 companies involved. There are the local councils, the charter organizations, some of which have
9 organized themselves into their own committees, and then of course the Boy Scouts. You've got
10 the coalition and you have the official committee. And so it may seem like sometimes it's one
11 step forward, three steps back, but I believe we are making progress. But we are still not, I'd say,
12 in the red zone yet.

13 So what has happened? You've heard about something called the RSA. That stands for
14 Restructuring Support Agreement. That was an agreement that was reached between the Boy
15 Scouts, the local council committee, this committee, the Tort Claimants Committee, the
16 coalition, and the future claims representative. And it provided an outline for a plan of
17 reorganization that everyone who signed that RSA would work towards. And ultimately, if a plan
18 could be finalized, because it was an outline, the committee, the Tort Claimants Committee,
19 would endorse it, the coalition, which represents individual survivors, would recommend to their
20 clients to vote for it, and then you had the future claims rep who would support it, local councils
21 and BSA.

22 There was significant opposition to that Restructuring Support Agreement in the form of an
23 opposition to a motion that the Boy Scouts brought to have the court approve it. And the
24 oppositions were preceded by significant discovery taken by the insurance companies. The
25 insurance companies are the ones who opposed it. And there were some other, I think, other
26 parties who may have opposed it, but the real thrust of it was coming from insurance companies.

1 And in a sense they, while this was not the plan of reorganization, it did spell out the terms of a
2 plan that those parties would support. So in a sense, these objections were a preview to what
3 would be raised when the plan itself would be put before the court.

4 The court took two days of evidence regarding the RSA. A lot of it went to whether the Boy
5 Scouts had exercised reasonable judgment in approving and entering into the RSA. And the other
6 aspect of the objections had to do with The Hartford Insurance Company. Preceding the RSA,
7 the Boy Scouts had entered into a settlement with Hartford for settlement of all of the claims
8 under the Hartford policies for \$650 million. The TCC opposed that as being an inadequate sum
9 of money. I know it's a lot of money. But when you look at it from the perspective of how many
10 survivors were covered by the Hartford insurance policies, by the degree of abuse that those
11 people suffered, we felt that it was an inadequate number. And we were joined in that opposition
12 to the Hartford settlement by the coalition and also by the future claims representative.

13 The Boy Scouts, finally hearing the word no when we said, "We don't support it," asked the
14 bankruptcy court as part of the Restructuring Support Agreement to say that the Boy Scouts,
15 although they signed an agreement with Hartford, did not have the obligation to go forward with
16 it. Because the Boy Scouts felt that with the united opposition of the TCC, the coalition and the
17 FCR, that that settlement was going to go nowhere fast, and making it the cornerstone of a plan
18 of reorganization was just going to be a waste of time and an enormous waste of money. Because
19 getting a plan out for people to vote on entails a lot of expense.

20 The other aspect of the RSA that I want to highlight is that it required the Boy Scouts to
21 reimburse the coalition for approximately \$10 million in legal fees that the coalition incurred on
22 behalf of its bankruptcy professionals. This is not the contingency fee that coalition clients
23 agreed to. These are the fees of two law firms and a financial advisor who was advising the
24 coalition on bankruptcy issues. It also had a budget for that group's expenses going forward.

25 So the court ruled on August 19th that she would approve the Restructuring Support Agreement,
26 that it was a reasonable exercise of the Boy Scouts judgment to enter into it, but--so she didn't

1 approve the whole thing. There were two aspects of it that she did not approve. The first aspect
2 she did not approve was that she was not going to authorize the Boy Scouts at that time to
3 reimburse the coalition for upwards of \$10 million in fees. There are bankruptcy theories upon
4 which the coalition said that the Boy Scouts could or should be able to reimburse. But the court
5 felt that at this point in the case that it would be premature for her to consider whether the legal
6 requirements for reimbursement would be satisfied. The second thing she--the second "but" was
7 that she was not going to give the Boy Scouts the comfort that they had no obligation to Hartford
8 in connection with the agreement they had signed, and then were backing away from.
9 So in my world, if you're not approving a request in its entirety, but you're only approving some
10 of it, you're not approving the request. So people out there were saying the RSA had been
11 approved. I saw headlines to that effect. But the RSA in its entirety had not and has not been
12 approved. It was not approved on August 19th. And in fact, no court order has even been
13 submitted by the Boy Scouts in connection with the court's August 19th ruling.
14 Now, all of this may be somewhat water over the dam, because the RSA had a self-executing
15 termination date. It said that regardless of what the court did, if a plan was not confirmed--John,
16 you may have to help me a little bit on this, if I got it right. But if the plan was not confirmed by
17 August 27th, the RSA expired, and the parties would not be held to it.

18 **LUCAS:** Just one little tweak, Jim. If the RSA was not approved by a court order by
19 August 27th, the RSA expired.

20 **STANG:** Thank you.

21 **LUCAS:** And as Jim said, you know, that was one of the terms of the agreement. And so
22 since the judge did not approve everything, it was up to the parties to decide about whether or
23 not they wanted something less than everything to be approved. And certainly the RSA parties
24 did not want to go forward with less than the whole basket, if you will.

25 **STANG:** So what the RSA did was it set certain expectations of people as to what a plan
26 would look like. Up until August 27th the TCC, all the parties, the coalition, were bound to work

1 toward those terms in a plan. When the court had not approved it by August 27th, people were
2 free to go in their own direction. Is there an expectation that folks would stay committed to the
3 outline of the plan in the RSA? I guess some people might have that expectation. That document
4 was very heavily negotiated. Everyone who signed it gave up something in it. And when you're
5 no longer bound by something, and the circumstances on the ground change, I cannot guarantee
6 you that everyone who signed it is going to abide by its exact terms. The ground on which we
7 stand is moving and shaking it seems like every minute. So that's what happened to the RSA.

8 **HUMPHREY:** So what's ahead of us, Jim, next week?

9 **STANG:** So what's ahead of us? We have been expecting over the last week for the Boy
10 Scouts to file what would be their fifth amended plan. Why so many amendments? Well, the Boy
11 Scouts are in certain instances, on certain subjects, trying to be responsive to the comments and
12 oppositions and the input from the various people involved in the case: us, the coalition, the
13 FCR, the insurance companies. But they're also trying to settle with somebody other than the
14 local councils, that being really the insurance companies. And they would like to wrap at least
15 one insur--this is my read of it, okay? My read. They would like to wrap at least one of the
16 insurance settlements into the plan to demonstrate to all of you who are survivors on this call that
17 there's momentum towards a resolution of the case.

18 And so as of this afternoon there is not a plan on file. There are ongoing negotiations with the
19 major carriers, and those negotiations involve the TCC, the coalition, the FCR, obviously the
20 carriers, the Boy Scouts and the local councils, and increasingly, the chartered organizations. So
21 currently the court has on calendar a hearing set for September 21st to approve the disclosure
22 statement associated with the plan. The disclosure statement is a document that's supposed to
23 give you enough information so that you can make an informed vote yes or no on the plan.
24 Normally, we creditors get 20 days to look at the plan, to look at the disclosure statement, and
25 comment to the court on whether or not the disclosure statement is accurate, whether it needs to
26 be supplemented, or whether things in it are just plain wrong. Well, it's September 9th. It's not

1 20 days between now and September 21st. The plan hasn't been filed yet. And so we have been
2 told by the Boy Scouts that they are intending to file a fifth amended plan. We don't have a
3 deadline. It's whenever they're going to do it. And they want to continue--to keep, I'm sorry, to
4 keep the September 21st hearing. Whether they can do that, given the less than 20 days between
5 when the plan will be filed and the hearing, that will be up to Judge Silverstein. And from our
6 perspective, we have to see what the plan says. We have seen drafts, but we don't know what
7 settlements, if any, are going to be in it. And it's hard for us to assess whether the disclosure
8 statement we've already seen is satisfactory when we haven't seen the plan, because the
9 disclosure statement is supposed to give you the information so you can vote on the plan. If you
10 don't know what the plan says, you don't know if the disclosure statement is adequate.
11 So while all of this procedural stuff is going on, we had mediation today with one of the
12 insurance carriers. There had been ongoing offers and counteroffers going on between the TCC,
13 the coalition, the FCR, not always in sync with one another, but there have been offers and
14 counteroffers going back amongst major parties. And we don't have a deal with any of the major
15 parties yet. I don't want to say are we close, because there are so many folks that would have to
16 sign on. And we are privy to the thinking of some people, but not to the thinking of all. And so
17 all I can tell you, and it's not because of mediation privilege and that sort of thing, it's really
18 because, as I said, the ground's moving. We are trying really, really hard.
19 And I just want to say something that's a little off topic, John. I see the comments coming in the
20 Q&A and the chat room. And it is--how can I say this? It makes me feel good, I'll just say it
21 bluntly, to see that people are getting some utility out of these Town Halls. It makes me feel
22 good that people feel that we've got their backs, and that we're working hard for them. And look.
23 Lawyers, that's our job, but we are working really hard. And I will tell you that the two
24 gentlemen on this screen, Doug and John, are working as hard as anybody. They are the chair
25 and co-chair of the committee. All the committee members are working really hard, and these
26 guys are working doubly hard. So no one is taking breaks from this. Holidays, weekends, we're

1 all on it.

2 So where will the TCC come out at the end of the day? It's really what Doug and John said at the
3 beginning. It is our job to get your fair compensation. These two fellas and their seven colleagues
4 are the ones who on the TCC decide that. They are cognizant of the pressures that all of you
5 have: financial, physical, mental. And that factors in when we think about what our alternatives
6 are in terms of a settlement, the risk of rejecting a settlement, making a counteroffer that some
7 people think is too high. No one ever thinks it's too low. And so this factors in. These guys, John
8 said it before, you know, you are him and him is you, or something like that. These guys really
9 are representatives. So I went off a little bit, John, but I wanted to get that out.

10 **HUMPHREY:** Well, I appreciate the sentiment, Jim, and we certainly appreciate the work
11 that everybody is doing. And guys, we appreciate your stories, you know? I had an interview this
12 morning with a PR firm, and, you know, the thing that inspires me is that everybody's continued
13 to fight. You know, people say, "Oh, well are we going to do a race to the bottom and settle for
14 something that's less than what we deserve?" And, you know, for most of us within the sound of
15 my voice, we've been waiting 30 or 40 years, and we feel very strongly that some of the non-
16 monetary things, like the IV files, like the Youth Protection Program, like the Boy Scouts
17 changing their ways, are equally if not more important than the financial consideration. And so I
18 just want you to know that we are not afraid to zig while the other guys are zagging, or swim
19 upstream and object, even if we have our backs up against the wall and don't have necessarily all
20 the votes we need. We're going to do the right thing. And we've been consistently trying to do
21 that all through this. So why don't we move to Q&A? I've been writing some themes down,
22 John. I don't know if you have some questions that you want to...

23 **LUCAS:** Well, here, one thing I think we'll talk about, and everybody, remember to do
24 your questions in the Q&A as opposed to the chat. It's easier for us to follow, and so we'll go
25 there. But one of the things I wanted to bring up, and maybe, Jim, you could discuss, is will the
26 IV files ever be released? What's going on with the IV files?

1 **STANG:** So the IV files are the Ineligible Volunteer files, and they contain information
2 regarding misconduct by adults involved in scouting. And when I say misconduct, it does
3 involve a range of things. I haven't read every IV file personally, but I'm told it ranges from the
4 guy got drunk at the campfire to the things that you folks suffered. And it isn't necessarily every
5 report that ever was generated up to the local council level. It had to reach BSA national. So we
6 certainly can't attest that it is complete and accurate of every abuse instance that you all suffered.
7 Many of the IV files are published, and I know that the *L.A. Times, Los Angeles Times*, has a
8 link somewhere in its homepage to be able to find a portion of them, and those were published
9 by the hard work of a lot of plaintiffs' lawyers over the courage of litigation against the BSA.

10 **LUCAS:** And if somebody would like a link to the *Los Angeles Times* for the IV files, they
11 should email bsasurvivors@pszjlaw.com and ask for the IV files in the *Los Angeles Times*, and
12 we will get you a link to them, so at least you could see that portion of the files.

13 **STANG:** John, perhaps we could also see about putting it on the website?

14 **LUCAS:** Got it, yeah.

15 **STANG:** Now, there are...

16 **HUMPHREY:** And that's an incomplete list. I mean, we should...

17 **STANG:** Right. There are files that were not published. The BSA has, during the course of
18 the bankruptcy, resisted the production of those files. As I think it was Doug said, the committee
19 is absolutely committed to getting those published, to getting them available to the public, and
20 for utilization in the process of submitting your claim for evaluation. Because there may be
21 information in those files that pertain to your abuse claim, but may pertain to your abuser. And
22 so while your instance of abuse or instances of abuse may not have reached the IV file, maybe
23 this perpetrator's other abuses did. But this is something we are absolutely committed to. And
24 it's not just about the money, because we appreciate that the way one protects today's children is
25 to identify perpetrators and stop them from being involved in youth activities to the extent the
26 law allows that.

1 **LUCAS:** Yeah, okay. So another question, and I'll pose the question and I'll answer it.
2 Some people have asked, "What is Omni Management Services?" And so as you all know, you
3 have all filed your claims, and there are about 82,000 different, separate claims, right, for 82,000
4 people. Omni is a company that was hired by the Boy Scouts to be what's called a claims agent.
5 And you send the claims to Omni, and Omni collects them all, and has them in sort of an
6 electronic database, and it houses all the claims. So Omni is there for certain information that
7 people can call and sort of get documents that have been filed with the court. But primarily Omni
8 is just really sort of a bookcase, if you will, or a safe that holds all the claims.

9 **HUMPHREY:** Yeah, that was a good one. I had a topic on just news and reading the
10 news. There's a lot of crazy stuff out there. There's a lot of, like, the headline that came out
11 before the last hearing was that the RSA had been approved by the judge, when in fact it hadn't.
12 There's people that asked about, "If we've made settlements why haven't I been paid?" And so
13 the first thing that I would just say, I read those things twice, and I try not to get pissed off before
14 I get to the end, because my brain will make an assumption about what I'm reading. And so
15 really read them carefully, and then just sort of take a deep breath, and read something else, and
16 read something else, and try to make your own conclusion. But rest assured if anything
17 significant happens in this case that affects us, we will let you know.

18 **KENNEDY:** Yeah, I just want to add to that. A wise old sage bankruptcy attorney at the
19 beginning of this process told the TCC, "There are two things that all victims want to know, and
20 that is how much am I gonna get and when am I gonna get it?" And we know that, and the media
21 knows that as well. And it makes for a good story when they can say, "An historic settlement has
22 been reached." And that's one tiny sliver of this whole process, and we know how frustrating
23 that is. You know, John and I go into work, and people that know our situation say to us, "Hey,
24 congratulations. I hear that's a settlement." And all we can do is roll our eyes and say, "Not even
25 close." So we share your frustration. And I just wanted to go with what John said. When there
26 are significant developments in this outside of our regular meetings, we'll for sure get the word

1 out and let people know.

2 **STANG:** John, could I touch upon the how much and when, since that sage bankruptcy
3 lawyer is not on the screen?

4 **HUMPHREY:** Can you also cover the mechanism for allocation on that with how much
5 and when?

6 **STANG:** Sure. So the RSA spelled out how claims would be valued, and also talked about
7 how claims would be paid. There will be a difference between the dollar amount. Well, there
8 probably will be a difference between the dollar value of your claim and how much you will
9 actually get. We hope it will be 100%, but we don't have certainty of that. That is why we are
10 negotiating as hard as we can with carriers and other parties who might be responsible for the
11 abuse.

12 The RSA, and I think this is a provision that will ride through the plan, meaning it will be there,
13 is that if you personally sign your proof of claim form, and you have completed it, because folks,
14 I can't tell you how many of these claims forms are hugely incomplete. So if you sign the proof
15 of claim form yourself, not your lawyer, under penalty of perjury, that means you can't sign it. I
16 know you may not have. Your lawyer may have signed it. That doesn't preclude you from
17 signing it, okay? So if you sign your proof of claim form, and your claim form is substantially
18 complete, that you would receive \$3500, and then you're done. No more money from the Boy
19 Scouts. No more money from local councils. No more money from anybody connected with
20 scouting or any insurance company.

21 And there were a number of reasons for us doing that and approving that. And I'm not going to
22 get into the details of it, but that is--I saw someone said, "Is the maximum \$3500?" No. Now, if
23 your claim is not credible, if the claims reviewer, who will be appointed through the plan, thinks
24 that you are falsifying your claim, and after consultation with you and your lawyer still comes to
25 that same conclusion, the claims reviewer can say, "You're getting zero." It has to be a credible
26 claim, signed by you, that's substantially complete. But as you can see, the \$3500 is what some

1 people call almost a convenience payment.

2 Now, if you don't want to go that route, and you'll be given the chance to go that route on the
3 ballot where you vote yes or no on the plan, then you have some options as to how your claim
4 will be valued. There are mechanisms in the RSA, and this will ride through in some form, where
5 you can say, "I want to go back to state court and continue my lawsuit, or commence the lawsuit
6 that I didn't file because of the bankruptcy." And you can consult with an attorney or your
7 attorney to see if your claim is worth prosecuting through the state court legal system.

8 Alternatively, if you don't want to go that route, the RSA spelled out a process for an out of
9 court review of your claim. That process is--in concept, that process is laid out in the RSA. Will
10 it get tweaked? Possibly. Do the insurance companies like it? They do not. They are not involved
11 in the process of reviewing your claim that was set out in the RSA. That was part of the
12 objections to the RSA. And so that idea of how your claim is valued inside this non-court process
13 is something that's an ongoing discussion with the parties.

14 So at the end of the day, either because you have prosecuted your claim to a judgment, or you've
15 gone through this out of court process, your claim will be assigned a dollar value. And then it is
16 the job of the settlement trust, by taking the property the BSA has offered in addition to cash,
17 taking the properties the local councils are putting in, reducing them to cash, and litigating or
18 negotiating with insurance companies and other parties to try to get more money in, and then
19 make distributions from time to time as against the claims that have been valued.

20 So as you can see, because we don't have settlements in hand, it's really impossible for us to tell
21 you even what the global settlement would be. We have targets. We're not sharing those with
22 you. The TCC has targets in mind, both globally and for individual parties, be they insurance
23 companies or other folks who are responsible for the abuse. From a timing perspective, the
24 \$3500 option would be as quickly as that can be done.

25 In terms of the when it really depends on settlements or success in litigation against the insurance
26 companies. And while there are other parties that might have to pay into the settlement trust, the

1 insurance companies will provide the bulk of the money beyond what the local councils and Boy
2 Scouts are putting in. So I wish I could give you will it be next year, will it be the year after. We
3 don't know.

4 **HUMPHREY:** Jim, there seems to be a theme about putting pressure on the insurance
5 companies to pony up sooner rather than later. Could you explain how the policies are for the
6 BSA with liability and the local councils, and they will be pledging those policies to the trust?

7 **STANG:** Sure.

8 **HUMPHREY:** So (inaudible) and we really can't do anything directly.

9 **STANG:** Right. So the insurance policies have an insurer, that's Hartford, Century, AIG, a
10 bunch of them, and then the insured. And the insured includes the Boy Scouts of America, and
11 certainly after the mid '70s the Boy Scout policies also covered actions by the local councils and,
12 arguably, actions by the chartered organizations, you know, the local temple, church, school. The
13 pressure on the insurance companies is brought by making demands on the insurance companies
14 for reasonable settlements. And the TCC has reviewed the claims, has created tiers of abuse and
15 dollar equivalents. That was in the RSA. We have looked at the impact of statutes of limitation.
16 Those were in the RSA. And other what we call scaling factors, things that make you go up from
17 a starting number and things that might make you go down from a starting number. And those
18 starting numbers are all in the RSA. And then we make demands on the insurers. And under
19 applicable law, if the insurers are acting in bad faith, then there are consequences that probably
20 go beyond the discussion points of tonight's call. But that's how you bring leverage on the
21 insurance companies. There are other things, but that's probably the one that is easiest to explain
22 in a forum like this.

23 So right now we, the coalition, the TCC, FCR, we don't control the insurance policies. We're not
24 the insured. BSA is. Under the RSA, the BSA or the local councils were going to assign those
25 insurance policies to a trustee, who would then be the insured in effect, and be able to put the
26 pressure on the insurance companies. So we talked about negotiations, leverage. Right now that's

1 in conjunction with working with trying to pull the BSA along to do what we think is right. The
2 BSA has an obligation to cooperate with its insurance carriers. It honors that, because no one
3 wants the coverage to go away if you're at odds with your insurance company. But it is our goal
4 to push the BSA to make the most reasonable demands possible on the insurance carriers to try
5 to get settlements, so that we're not looking at years of litigation with the carriers to put money
6 into the trust.

7 **LUCAS:** Hey, one thing that I think is an important other theme is that out of the many,
8 many, many questions that are being asked, sometimes people are asking very specific questions
9 about, you know, "What about my statute of limitations?" Or, "This happened to me in some
10 state, and I think it happened to five other people. And I know that the abuser did it to a bunch of
11 other people. Is that going to help my claim? Is it going to hurt my claim?" And what I want to
12 say though is that--and I get calls and emails all the time asking, "What's going on with my
13 claim?" And this, please don't be frustrated by this, but people aren't looking at claims
14 individually right now. You know, we're not looking at the claim that Doug Kennedy filed, and
15 we're not looking at the claim that John Humphrey filed right now, and to determine and try to
16 evaluate their claim and to figure out what they're going to get. What we're trying to do now is
17 look at all of the claims together, and assuming that they're all true in trying to negotiate the
18 most amount of cash that we can. So that once we have the cash we can look at Doug's claim, we
19 can look at John's claim, and we look at, you know, this survivor over here and this survivor
20 over there, and evaluate your claims individually at that time and divide things up then.

21 **KENNEDY:** Thanks, John. Yeah, John, you make a really, really good point. And part of what
22 we want to do, the TCC, because we're all going through this same process, is when we hit these
23 sort of milestones, and people have to change their attention, now something's going to happen,
24 now there's a vote, now there's something else that has happened, we want to continue to
25 communicate to everyone, "This is the thing that has to be focused on." But we're not there yet.

26 **LUCAS:** Correct. Correct.

1 **HUMPHREY:** Yeah, and I would say bird dog your attorney. If you don't know who your
2 attorney is, how do they figure that out, John?

3 **LUCAS:** That's a great question. People call us all the time, and they have two primary
4 questions, and some of them have been asked tonight. Like, "I don't know what my claim
5 number is? How can I--can somebody help me in what my claim number is?" And so email
6 bsasurvivors@pszjlaw.com and we will get back to you and help you identify your claim
7 number, and even send you a PDF copy of your claim if you'd like.

8 **KENNEDY:** And that information is on the tccbsa.com website. Also, for anybody that came
9 on later and had audio problems, we post the video. Give us a little time to post the video, but
10 also a written transcript as well.

11 **LUCAS:** And so other people have hired attorneys, and they have no idea who their
12 attorney is. And so with getting your information from your claim, we can get you the
13 information of who your attorney is. And it's, you know, we put people in contact with their
14 attorneys, and give them the phone number or the email address, so that they can communicate
15 with them. And we can help you with all of that. And as Doug said, our email address is at
16 www.tccbsa.com.

17 **STANG:** John, I just want to add something about the attorneys. There will be a time, and
18 we hope it will be soon, when every abuse survivor is going to be given the opportunity to vote
19 yes or no on a plan and make certain elections. And I just want to point out, because I saw
20 something in the chat, you're not required to take \$3500. That is for people who, for whatever
21 their personal reasons are, just want to be done with this, and do not want to take the further
22 steps of either litigating their claim or going through this what I call the outside of court review
23 process. So please do not come away from this call thinking that we are advocating you take the
24 \$3500. That is entirely up to you.

25 But you will have a chance to vote yes or no on the plan. And from the very outset the TCC said
26 to us, "Will survivors be able to cast their own votes?" And the answer is absolutely. This is your

1 vote. Now, will they be cast through your attorney, so that the court doesn't get 82,500 ballots?
2 Very possibly. But we would urge you to be in touch with your counsel, to understand when the
3 time comes what the plan says, to understand the disclosure statement, or the parts that are
4 relevant to you, and to make an informed vote. This is your vote. It is no one else's vote. And if
5 you want to have a say in the outcome of this case when the plan is presented, that is the way you
6 do it.

7 **KENNEDY:** And also, I should add the TCC will have its opinion about this also, and that will
8 be shared.

9 **STANG:** Right. But we don't vote for you. You vote for you.

10 **HUMPHREY:** So the other thing is these guys on the screen, they are the attorneys for the
11 TCC. They do not represent you. So you've got to--if you're unrepresented, then you should
12 demand a ballot be sent to you. If you are represented, and you're concerned that maybe your
13 attorney has thousands of other cases, and they might vote a certain way for expediency, and you
14 want to make your vote yours, you have the right to do that. And we're counting on that. I mean,
15 it is likely there may be more than one plan, and you're going to have to decide, "Do I want to go
16 with this plan or do I want to go with this plan?" And you better read it for yourself. Don't take
17 anybody else's word for it, because it's a very technical process.

18 **KENNEDY:** If I could also say something too, and Jim was nice to compliment John and I, but
19 we would be remiss if we didn't also mention that there are seven other members of the TCC.
20 After this weekend we'll probably have over 300 meetings that everyone's been working on this.
21 And listen, gang. John and I, we talk each other off a ledge, so to speak, all the time. We get
22 angry. We get frustrated. We get mad at the bankruptcy. We get mad at what happened to us and
23 who did it to us. We get frustrated. And it's, you know, we're living the same thing. And we just
24 want you guys to know that, because the nine of us keep each other focused on representing
25 everybody that's listening to this tonight. And we're not only trying to do the best job we can,
26 but we're trying to do the best job and take into account the people we represent and the

1 frustration. So when we ask you to be patient, we're saying it's hard for us to be patient too.

2 **HUMPHREY:** Yeah, Doug and I aren't the most patient people. Just ask John and Jim.

3 **STANG:** I want to say just one more thing, because I am scanning the chats. I would really
4 recommend that people look at the RSA, even though it has terminated, because it does provide
5 you an under--some indication of how the process is going to work. So when someone says for
6 example, "Will the length of time I was abused affect my evaluation?" Go look at the RSA and
7 see what it says about what we call the scaling factors, the things that bring you up and the things
8 that bring you down from a starting base amount. I, frankly, could not on this call give you off
9 the top of my head an accurate description of each and every factor that's in there, but things like
10 that are considered. And I would ask you to look at the RSA so you can get a sense of what
11 we're talking about, but at the end of the day it's going to be the plan that's going to tell you.

12 **LUCAS:** Yeah, and Jim...

13 **STANG:** And you will get that.

14 **LUCAS:** Yeah. Hey, Jim, on that point, people should go to our website at
15 www.tccbsa.com, and there is a link there that says, "Trust distribution procedures." And in that
16 document, pages 89 to 118, and this is all--it says it on the website here, so you don't need to
17 write down the page numbers. It's all there. That is the document that Jim is wanting you to
18 review. Because it is in the trust distribution procedures that outlines how our or what our
19 intentions are to give--to put a number on a claim, and what's the value it will have.

20 **STANG:** Okay. John, we promised them a short meeting.

21 **HUMPHREY:** Yeah, I did promise you. So this is the last one I just want to say. So these
22 guys were just talking about the scaling factors. So in the two years I was part of--or the three
23 years I was part of Scouts, I was pervasively abused, well over 200 times. That would be a
24 scaling factor than one or two times on a campout. So if you were abused severely and
25 pervasively, and you filled out your claim form, and you know your local council, and you know
26 your perpetrator's name, and you describe in the notes the things that happened to you, that

1 scales up from the base. So hopefully, Alan, that answered your question.

2 As far as the long-term impact, I think that's part of...

3 **STANG:** It's in there. There's a mental health aspect to it. And then I just--I think I'd like
4 to, John, if I could, both Johns, take on the statute of limitations question, because I see it keeps
5 on popping up. First off, you look to the state where the abuse occurred, folks, not where you
6 live today. Where you live today is irrelevant, and so that is not really a subject of debate. Why is
7 there a statute of limitations adjustment? The committee members range from--I don't know if
8 anyone actually comes from the same state, but we have people on the committee who are in
9 states that are very difficult, if not impossible, to overcome on the statute of limitations. And we
10 have people from New York, which had an open statute of limitations until August 14th, and
11 people from California, where the statute is still open. So there's a range of viewpoints.

12 No one believes that the statutes of limitations are fair to survivors. No one can believe that. You
13 were unfortunate enough to have been hurt in a state that, for its own policy reasons, has decided
14 not to reopen the child sexual abuse statute. But there is a reality here folks, and that's insurance
15 companies don't give a damn about that. When they look at a claim in a state that some people
16 use the term "shut down," they turn to us and go, "The claim is not worth anything. We're not
17 paying on that." And so we have done a statute of limitations analysis both for purposes of
18 making demands, because I'm not going to ask an insurance carrier to pay me a million dollars
19 for a claim in a state that's shut down, because they will just laugh and tell me I'm wasting their
20 time. And at some point they won't even listen to us.

21 As to the distribution part of it, that's the demand part. How much will you pay for this abuse?
22 And it's just, frankly, a reality. And while lawyers will tell you that there's always a reason why
23 a statute of limitations doesn't apply, there are states where it's extremely difficult to bring some
24 of these claims. And they know it, the carriers know it, and we have to recognize that. On the
25 distribution side it's kind of a similar struggle we've had, which is people are expecting a
26 distribution along the lines of what they might get if they were in court or in settlement

1 discussions with a lawsuit. And it was a balancing act that we--not an act. It was a balancing that
2 we engaged in with other plaintiff representatives.

3 This was an extremely difficult decision to make. There was a lot of negotiation over which
4 states should have how much of a discount. But if you want to know why this becomes
5 important, it's because the sources of payment are on this like a tick on a dog. This is one of the
6 main things they talked about. And in talking to representatives of survivors, it's a matter of what
7 we can get the bankruptcy court to approve and people's expectations. So I wish every state
8 passed a window, so we didn't have to do any of this, but we--the cards were dealt. We have
9 statutes of limitations in these different jurisdictions, and we're trying to accommodate everyone
10 in a way that is fair and fulfills expectations. So I...

11 **HUMPHREY:** So thanks, guys. I want to wrap up, since I lied to you and said it was
12 going to be short. We've been one hour.

13 **LUCAS:** John?

14 **HUMPHREY:** You've got one more? Yep.

15 **LUCAS:** John, may I? I'd like to--so a number of people have brought this up, and I
16 think—

17 and I don't want to ignore it. And I realize that we haven't got to everybody's question.

18 **HUMPHREY:** Yep.

19 **LUCAS:** And so Jim, I'm going to throw this one to you. A lot of people are asking
20 questions about the Rule 2004 motion that was recently granted for Hartford and Century. And
21 they want to understand sort of what is the goal? There has been at least six or eight survivors
22 here that have asked that question.

23 **STANG:** Okay. So throughout the case Century and Hartford and other carriers, though
24 Century and Hartford are the ones that most people think of in this context, but all the carriers
25 are on this, have alleged that a very, very substantial majority of the claims filed in the case are
26 fraudulent. And they say that based on the fact that going into the bankruptcy BSA did not have

1 a lot of pending lawsuits, maybe a couple of hundred, if that, and then they end up with 82,000
2 or 83,000 claims. How could that be? They must be fraudulent.

3 So in pursuing that theory, they asked the bankruptcy court to be able to take discovery on
4 businesses that are sometimes referred to as claims aggregators or claims brokers. And there is a
5 world out there of people who took phone calls, and I don't know what they told you if you were
6 made a call like that, and they basically broker your claim. They sign you up as a client. I am
7 assuming they represent that they're a law firm. And then they co-counsel with other firms for a
8 fee. It can be a flat fee. It can be a portion of the contingency fee. This is not the world I live in,
9 folks. This is not how my firm gets clients, and so I'm learning. But this is what the insurance
10 companies were saying.

11 And so they have a declaration from someone who worked in what in effect was a boiler room,
12 where she got a bonus depending on how many claimants she signed up in a given hour or day or
13 work shift. That is what she said. I have no idea if that's true or not, but that is what she said.

14 There are instances, not a lot of them, where the claim forms clearly are problematic. And I'm
15 telling you this folks. It's all in the record. It's all published. But one of the insurance companies
16 found 70 claims made out for different people, bearing an ide--and signed by the claimant, right?
17 Not signed by an attorney. Signed by the claimant. Seventy different claim forms, and those
18 signatures are identical. And I'm not talking the same penmanship. They are identical. So with a
19 little smoke, they contend there is this enormous fire. And so that is what the discovery went to.

20 This has been sitting on Judge Silverstein's desk for quite a while. She took it up within the last
21 week or so, and she has authorized the insurance companies to demand documents from certain
22 identified claims brokers, and I believe also to be able to take depositions of those, of the
23 principals of those companies. What's the goal of the insurance companies? It's to try to get the
24 judge to believe that claims are not valid. Now, you know, I don't know the extent to which
25 claims brokers or claims aggregators were used, but their goal is to try to besmirch claims,
26 reduce the amount that can be reasonably demanded of them under their insurance policies, and

1 to depress values for creditors.

2 It is the goal of the committee, said from day one, to root out those who are taking advantage of
3 this process to your detriment. It's sad but true. There are people who do that. I have represented
4 over 15 creditors committees in sexual abuse cases in different contexts, and it does happen
5 occasionally. Much, much rarer than people think. But that's what that's about. So the court has
6 not yet entered an order allowing that discovery to be taken, but she did say that she's going to
7 allow it to be taken. And we'll have to see how that plays out.

8 **HUMPHREY:** And keep in mind there's not 82,500 on this call.

9 **STANG:** No.

10 **HUMPHREY:** So anybody else? Doug, you got anything in closing?

11 **KENNEDY:** No. I was just going to say there's still questions about statutes of limitations. And
12 probably the best website is childusa.org. that maintains an updated list of not only the statutes,
13 but also what legislation, what work is being done to change statutes in states. So again, that's
14 childusa.org. And as always, just stay strong, everybody, please.

15 **HUMPHREY:** Yeah, so I want to say something directly to you guys. I know many of
16 you are hurting, and many of you are angry, and many of you have been emotionally damaged
17 and it has changed the trajectory of your life. We get that. I guess for me I just refuse today to
18 allow that abuser inside my head. And so it's very, very helpful to be around other guys that have
19 had this happen to them. You know, being with the TCC members has been a godsend for me
20 personally. So there was a couple of talks about a forum. Whatever you guys can do to get
21 together, find each other, talk about it, the first time you talk about your story, you'll be bawling
22 like a baby. The fifth or sixth time you tell about your story, you'll be able to communicate the
23 hurt and the pain that you feel, and why this is so critically important to the fabric of our country.
24 For me this process, when it's over, is just going to be the beginning of my journey to advocate
25 for sexual abuse, whether that's the Catholic Church, or USA Gymnastics, or all these
26 universities that have abused children. So we've got your back, man. We are committed. And we

1 are the pig at breakfast, not the chicken. So with that, you guys have a nice evening. Take care.

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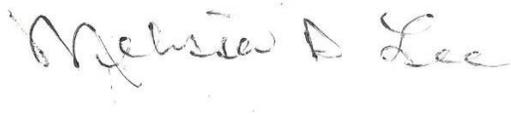
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