

CERTIFIED TRANSCRIPT

**BOY SCOUTS OF AMERICA
OFFICIAL TORT CLAIMANTS COMMITTEE TOWN HALL
MARCH 3, 2022**



Court Reporting • Video

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1 **HUMPHREY:** Hey, folks. Welcome. We're gonna wait a few minutes, like normal. We
2 normally wait about three to five minutes. In the meantime the Q&A is open, and we've got folks
3 standing by to answer questions. So we'll start here in just a few minutes. We've still got some
4 folks joining, so we're gonna get started in just a few minutes. The Q&A is open. I think we
5 should go ahead and get started, Deb. It's a few minutes after.

6 Welcome, everybody. Happy March the 3rd, the second year anniversary of the TCC being
7 together, and hard to believe two years have gone by. We're excited that you're here tonight. Not
8 a lot to cover. We want to give you some updates, talk about voting. Obviously we are excited to
9 have people vote to accept. If you had voted negatively prior, that gave us the leverage that we
10 needed to get back to the table on youth protection, and basically control of the dollars and how
11 settlements are done, and we're really excited about having the independent trustee appointed.
12 That was a huge win, and, you know, I think she's the real deal, and she's gonna manage the
13 trust accordingly. So we're excited about that.

14 So a reminder. We're not here to give legal advice. We're just here to update you. The TCC
15 counsel represents the TCC. It does not represent you, and we will not provide legal advice in
16 this meeting. So with that, Doug, I'd like to turn it over to you to just review for the folks what's
17 the basis of us changing from a no to yes.

18 **KENNEDY:** Sure, John. Good evening, everyone. Happy 3rd of March. I should mention we'll
19 talk a little bit at the end of this about the Town Hall meetings we're gonna have after this. With
20 the confirmation hearing coming up we're gonna be taking a bit of a pause. But just wanted to
21 mention again that the TCC is recommending acceptance of this plan. That's based on the three
22 things that we've promised all along we wanted to do when the plan was rejected to begin with.
23 That is to change youth protection. And I should mention (inaudible) refer to the website. We
24 posted on the website a file that shows what youth protection was in the last settlement, and what
25 it is on this settlement, and the improvements. So that's a piece of it.

26 The other piece is trust governance. And we think we've got trust governance now in a place, as

1 John mentioned, where we can all have some confidence in how the trust is going to be run. And
2 the last is the monetary path, and we think we've got a good monetary path. We put a pause on
3 settlements that will be approved without TCC input, basically, and what's gonna happen with
4 monetary settlements after this.

5 If you haven't checked the website and looked at last week's Town Hall, please, please, please
6 take a look at that, because we went in depth as to the reasons why the Boy Scouts going into
7 Chapter 7, why that would be a bad idea for survivors, and why it would leave survivors,
8 especially those in states with bad statutes, would really leave them out in the cold. So if
9 anybody's telling you that was a good idea, please check the facts. Go back and look at last
10 week's Town Hall where we talk about that in detail.

11 Also on the website we've got instructions for--there's still time to change your vote, and John
12 Lucas is going to talk about that. We put together a video talking about the trust distribution
13 options and the review options. It'll give you a little bit better idea how that might be working if
14 it's confirmed.

15 And then lastly, when we overhauled the website we took down the local council dashboards.
16 Those were the financial dashboards that the TCC's financial professionals put together. We just--
17 -we took them off. It was not an intentional act. And we heard from a number of people who
18 said, "Where'd the dashboards go?" So we put them back up. So we just want to give everybody
19 a heads up about some changes, some things on the website. And please look back. Check the
20 website periodically, because as changes occur that's where we'll post things.

21 **HUMPHREY:** Yeah, Doug, one last thing on that. You know, you guys did that really
22 great video on trust distribution independent review, and right underneath the video is a time
23 slice of all of the major topics in that video, and I think it was really helpful. When I went out
24 there, if I just wanted to look at two or three things, it said, you know, where's the minutes where
25 these things started. So really nice job. It makes it easy to figure out what's going on.
26 So with that, let's talk a little bit about vote changing. And John Lucas, can you lead us through a

1 discussion there?

2 **LUCAS:** You bet. You bet. Debra, can you please put up the slides for the votes? Thank you.
3 So everybody, as one--the first thing I'm gonna say before we get started with the votes is that,
4 obviously, the voting deadline has been extended, and it's been extended to March 7 at 4:00 p.m.
5 Eastern Time. And so that means that the vote, the ve--the new vote, or your election on the
6 ballot, whether it's a master ballot or a direct ballot, needs to be in the hands of Omni by March
7 7th, no later than 4:00 p.m. Eastern Time. And so if your attorney collected your vote, and sent
8 your vote, your election in to Omni by way of what we call a master ballot, with your attorney's
9 other client survivors, then you need to get in touch with your attorney and inform your attorney
10 of what your elections are. You can change from accept to reject, reject to accept, you can elect
11 to do the \$3500, you can unelect to do the \$3500 if you had did it before. All the options are
12 open. But obviously, as we've said before in the prior Town Halls, the TCC are recommending
13 that everybody accept the plan. We think that the current plan in its current form is the best
14 option collectively for all survivors.

15 And so if your attorney isn't getting back to you, then there at the bottom here--and these slides
16 are up on the tccbsa.com website. At the bottom there on the last bullet there's an email address
17 where you can email Omni, the voting agent, and ask for your own ballot. So let's go to the next
18 slide, please, Debra.

19 So again, here are individual ballots. If you have the ballot in your hand, then accept or reject.
20 You can change any of those items. Change the \$3500 distribution. Opt out or not opt out. But
21 again, the TCC is recommending for everybody to accept the plan, and again, the deadline is
22 4:00 p.m. Eastern Time next Monday, March 7th. It has to be in the hands of Omni. It can't—
23 postmarking doesn't work. So let's go to the next slide, Debra.

24 Here is some information. One more. So when you do your ballot, you have to make sure that
25 you sign it, and you put in all the information that it's requesting. The last four digits of your
26 Social Security number, maybe your address, and any other information that it's asking for, and

1 then you sign it and send it in. There's the information to snail mail it, and there's a web address
2 there on the bottom if you were to scan your ballot and upload the PDF through the web portal to
3 Omni, which is, obviously, once that's done, it's immediate.

4 And again, to the attorneys that might be listening to the Town Hall, and you're doing the master
5 ballot, you need to do three things. You need to use the Excel document to update the changed
6 votes. You need to send in a new log that reflects how your clients instructed you to record the
7 vote. That is, you know, did you have a phone call with them? Did you get an email from them?
8 The date for all those things, when those things occurred. And then lastly, the firm has to execute
9 the certification that it did before, and, you know, and date it, and send those thing--three things
10 in to Omni.

11 And so here on the last slide, if anybody has questions, you could email us here at
12 tccquestions@pszjlaw.com. You could call Omni there at Omni's voting agent hotline. Email
13 Omni there at the bsaballots@omniagnt.com. And again, the website portal there at the bottom.
14 So, you know, if you're represented by counsel, and you email the TCC at the [tccquestions](mailto:tccquestions@pszjlaw.com), the
15 email address, we're not gonna respond to you. I apologize in advance, but if you're represented
16 by counsel, your counsel needs to contact us. And--but if you're not represented by counsel, then
17 we will respond to you and we'll get back to you. And if you're having problems with Omni
18 getting you a ballot, we could help facilitate that and get a ballot in your hands as quickly as
19 possible. That's all I have on the voting, everybody.

20 **HUMPHREY:** Thanks, John.

21 **LUCAS:** Yep.

22 **HUMPHREY:** You know, Jim, people kinda want to know where do we go from here?
23 What does the confirmation hearing look like? I've seen two questions that you might want to
24 weave into your answer. One is of the other insurance companies, where are we on settlement
25 negotiations or answers? And you might outline the control that we have over that in the
26 agreement. And then what an appeal delay might look like. So I know you're gonna talk about

1 going through the appeals court or the district court and that sort of thing, so I think that'll get
2 those two questions. So if you could talk to us about where we go from here, that'd be great.

3 **STANG:** Sure. So the confirmation hearing starts on March 14th at 10:00 Eastern Time. That
4 is going to be by Zoom, and people will be able to attend that hearing much like they have been
5 able to attend all of the hearings that the court has conducted. There will be no live presence in
6 the courtroom. Could that change between now and the 14th? Possibly. But the last information
7 we had from the court is that it's going to be all by Zoom.

8 So let's work kind of backwards from that date. Yesterday was the deadline for filing objections
9 to the confirmation hearing.

10 **LUCAS:** These are--those are replies to objections--

11 **STANG:** Replies.

12 **LUCAS:** --and briefs in support of the plan.

13 **STANG:** Thank you, John.

14 **LUCAS:** Yeah.

15 **STANG:** So if you go onto the Omni docket, and you want to read encyclopedic works on the
16 various issues that are before the court, that would be a good place to go and get an education.

17 On March 7th the court is expecting the debtor to provide, and other parties, to provide a witness
18 list and an exhibit list. That will be filed. Whether that's gonna be something that will be one
19 integrated list, I think the judge would appr--said she'd appreciate that, but we'll have to see to
20 what extent the various parties who are participating in the hearing can actually coordinate that.

21 On March 7th, as we've indicated, there's a deadline for any vote changes. So March 7th is an
22 important date for survivors in terms of their voice being heard. It is also an important date to see
23 exactly what the lineup is gonna look like for the confirmation hearing.

24 On March 8th, I believe it's also at 10:00 Eastern, the court is having a pretrial hearing. The
25 court's going to try to sort out as best as she can what it's actually gonna look like on the 14th.

26 For example, in an unrelated mass tort case the bankruptcy court said, "I want these topics

1 handled on these days. I want these topics handled on the next three days.” And one could decide
2 if you wanted to Zoom in on the exciting issues regarding subject matter jurisdiction, versus the
3 ability to issue and the standards to issue third party injunctions, versus issues regarding voting.
4 It’s possible that this may be approached by topic, but we won’t know for sure before the 8th,
5 and frankly, we may not know even after the 8th. But there is a pretrial hearing that if you’re
6 interested in attending the ultimate--the March 14th hearing, you might get a sense of what’s
7 gonna happen when--if you Zoom in on the March 8th hearing.

8 On March 10th there is the voting report. The votes are due March 7th. The voting report is due
9 March 10th. And then we have the hearing start on the 14th. The court has said, you know, we
10 were talking about this before we went online tonight that most people’s experience, hopefully,
11 with the legal system is watching it on TV. And you have a jury, and there’s an opening
12 statement, and it’s all very dramatic. This is what we would call in effect a bench trial. There is
13 no jury. And Judge Silverstein has had an enormous amount of briefing. She’s had to resolve a
14 large number of disputes regarding discovery. So she’s got a pretty good idea as to what the
15 issues are gonna be. And so an opening argument like you see on, if I date myself a little bit,
16 *Perry Mason*, is this is what we’re going to prove. This is the story we are going to tell through
17 our witnesses. She knows the story. Anyone can read the briefs, and you’ll know the story that is
18 expected to be told.

19 I was reading the Boy Scout brief today, and often it says, “We will show at trial” X, Y, and Z.
20 So in effect, the opening statement that--where people say, “This is my story,” has already been
21 done. And she has said she does not need any opening statements. So I would think that, except
22 for some minor housekeeping issues, on the 14th the debtor will put on its first witness.
23 Okay. Live witnesses, part of the drama. The court is willing to accept testimony, direct
24 testimony, this is what the witness wants to say, by the witness being in effect live, meaning on
25 the Zoom, or by declaration. If the witness is going to provide his or her testimony by
26 declaration, those declarations must be submitted at least 72 hours before the start of the hearing,

1 'cause the court wants to familiarize--I'm sorry. Before the witness t--is put on. So if I'm gonna
2 be a w--I'm not gonna be a witness, but if I were a witness, the court wants to see my declaration
3 three days before. Then I have to be available for cross-examination. So testimony will be
4 provided one of two ways, by live testimony or by declaration, and the witness will be available
5 for deposi--for cross-examination.

6 How long is this all going to take? We don't know. The court at a hearing recently explained that
7 she pretty much had the two weeks following March 14th as being open. I think she said one day
8 she might've had some other matters. But I think you can expect this will for the most part be
9 every day. And, you know, they have breaks for lunch and--but this is a hardworking judge, and
10 so she'll do what's necessary to get it done. But how long it will take, we really don't know. The
11 pretrial hearing on March 8th may tell us something about that.

12 So this is important for those of you that are going to attend by Zoom. She does not want your
13 camera on unless you are speaking to the court. And she's made it really clear, folks, really clear,
14 that if you're represented by counsel, it is your lawyer's job to address the court. You will not be
15 allowed to speak to the court directly. So you've got to do it through a lawyer, unless of course
16 you're a witness. That's different. But if someone just wants to speak to the court about a
17 position they have, or why the plan should or should not be confirmed, when that's done will
18 probably be at the end of the people testifying. But it's got to be through an attorney if you have
19 an attorney. And if you intend to participate, there is a notice that you had to f--you have to file.
20 John, I'm not sure what the deadline is for that. But you can't just waltz in and say, "Gee, I'm
21 here. I'd like to talk to you, Judge." You have to file a notice of intention to participate.

22 **LUCAS:** Correct. And people are still doing that to this day. And if you would like a form of-
23 -to participate in the confirmation hearing, please email us here at the TCC, and we can send you
24 a form. But--and I'm sorry, Jim, if you already said this. If you are represented by counsel, she
25 will not let you participate. You have to participate through counsel.

26 **STANG:** No. And I want to make clear, you don't have to file this notice of intention to

1 participate to listen. Anyone can walk into the courtroom, if you will. This is if you intend to
2 speak to the court or have your attorney speak to the court.

3 **LUCAS:** Yeah, well, and Jim you raise a good point, and I'm not sure if you covered this,
4 'cause I was answering questions. If you do just want to attend, then you have to register, and
5 you have to send in your email address. And you have to--and you'll get a Zoom link back from
6 the court. And so when the agendas for the confirmation hearing are filed, there's a link on the
7 agenda that you click, and it'll bring you to the court's website, and it'll say, "Please enter your
8 name. Please enter your email address." And then you will get an automatic Zoom link back
9 from the court within a couple of hours.

10 **STANG:** John, it's much like everyone's been doing for all the prior hearings?

11 **LUCAS:** Yes, there's no difference. But I just don't know if there's anybody new here, or if,
12 you know, people haven't been attending the hearing and they wanted to see the confirmation
13 hearing, you know? Which reminds me, you know, perhaps Doug and I will create a little outline
14 of, "Hey, how do I sign up to attend the hearing by video or Zoom." And perhaps we'll even post
15 the agendas on the TCC website, so that they're readily available for everybody, and they have to
16 go looking for them through--on the Omni docket.

17 **STANG:** So after the court has taken all the testimony, and again, that could be two to three
18 weeks, the court is then going to, and it may be the next day. It won't necessarily be the moment
19 the last witness testifies. The court will say to the parties, "You know, you spent a lot of time
20 educating me about issues, but can you address this particular issue? And can you help me out on
21 this particular legal matter?" Or there's a factual dispute. Maybe she'll have questions for the
22 witnesses that she'll want to go back and ask. So there may be--she will ex--there will be a
23 closing argument. There will be a chance for everyone to say, "We told you the story, Judge,
24 through the witnesses. Now here's the law. And this is where you should come out." When that
25 closing argument will occur, we don't know. It could occur right after the testimony is
26 completed. But I suspect there will be a little break, because the judge may have questions that

1 she'll want people to address at their closing.

2 So what happens when the closing is finished? She gets to go back into her office and issue an
3 opinion and an order on whether or not she's going to confirm the plan. How long will that take?

4 Good question. I don't have the answer. Some judges can do it in t--in a couple of days. Some
5 judges take longer. There really is no way of telling how long it's going to take. The only thing I
6 can assure you is that Judge Silverstein considers this probably the most important case that she
7 currently has on her docket. And she understands the importance to the organization, but I think
8 more importantly to all of you, that you need to know what the resolution is gonna be.

9 Okay. She's now issued her opinion. She's written her order. The plan I'm gonna--will be
10 confirmed. I--I'm not--we want you to vote yes, so I'm gonna go with that path, if you will.

11 What happens next? Well, the Boy Scouts are going to take the--Judge Silverstein's order and
12 her opinion to the district court for the District of Delaware. Because of the nature of the claims
13 in this case, her jurisdiction, Judge Silverstein's jurisdiction to confirm a plan, some people
14 debate it and question it. So the Boy Scouts are going to get what they call an affirmation order
15 from the district court. How long will it take the district court to do that? We don't know. So
16 there's not gonna be an appeal from the bankruptcy court to the district court. They are gonna
17 ask the district court to essentially bless what Judge Silverstein has done.

18 Okay. Now the district court has done that. What happens next? Someone asked about appeals.
19 There is the right to appeal from the District of Delaware decision to the Third Circuit Court of
20 Appeals. That appellate period is 30 days. From the time the district court enters its order
21 approving the plan, those who opposed it have a 30-day opportunity to ask the Third Circuit
22 Court of Appeals to take it. If the Third Circuit decides to take--well, if the Third Circuit--if there
23 is an appeal to the Third Circuit, will the plan still go forward? Will people be funding money
24 and so forth? We'll have to go back to the specifics of the plan and see, because the settlements
25 vary with the insurance companies as to when certain monies are supposed to go in effect. But
26 until the order is final, meaning that there is no appeal pending, the case is not gonna start

1 processing, probably will not start processing the reviews of claims, and liquidating assets that
2 are being given to the trust. I mean, it's an open question as to how much can be done while the
3 appeal is pending. But the timeframe is bankruptcy court finishes, district court finishes, 30 days
4 before the Third Circuit might be called upon to consider an appeal.

5 Are negotiations going on with the insurance companies? Tim Gallagher, who is the mediator,
6 continues to work to try to bring settlements to the parties. We have a provision in the term sheet
7 settlement agreement with the debtor that until the effective date of the plan, meaning when the
8 order is final and everything goes into place, no settlement can be reached without the TCC's
9 approval. Now, there are other people that have veto rights too, but we're just talking about the
10 TCC tonight. That was done to avoid low-end settlements. And so there are discussions going on
11 with the insurance companies, and the TCC has a veto right. That's it, John.

12 **HUMPHREY:** Thank you. So as you guys can hear, you know, one step at a time. I think
13 the important thing is to get the votes in, so that at least we show 85% to 90%, and then the
14 confirmation hearing is a process of legal arguments. The partic--you know, the vote's not a
15 complete slam-dunk. So it's the legal arguments, and then it has to go through the judicial
16 process. So it's gonna take some time. You know, I guess if you're still on the fence I would just
17 say think through what your alternatives are if you don't think this is the best way forward.
18 Because we've thought about every way forward, and we honestly--we wouldn't be making this
19 recommendation if we didn't think this was the best for survivors. So anyway, Doug, anything in
20 closing tonight?

21 **KENNEDY:** You know, the only thing I wanted to say was, you know, the--our professionals
22 have been through bankruptcy. They know how it works. John and I don't know how a
23 confirmation hearing works, and what happens after. The nine members of the TCC don't. So
24 we're gonna be keeping an eye on what's happening. We'll update the website when we know
25 we're going to have another Town Hall meeting. I think John Lucas is absolutely right. We'll put
26 something together, so please check the website. We don't have the ability to send out notices

1 any longer, so you can ask your attorney to do that, if you have one. And I think I just want
2 everybody to know that as we enter into this next phase of bankruptcy, John and I and the TCC
3 will be trying to update people when it's going to make the absolute sense. And check the
4 website.

5 **HUMPHREY:** Yeah, you know, honestly, in a lot of ways the TCC becomes the
6 sideshow, and all the professionals take over and work with the judge and the legal system. So
7 probably as informative to stay close to the Omni site and see what gets posted as anything else.
8 But our next scheduled Town Hall, we're gonna move back to monthlies. It'll be like April 7th.
9 But, you know, we're gonna be fungible on that, depending on if there are any developments that
10 we feel like you guys need to know about. So with that, stay safe. Look at TCC/BSA. If you have
11 questions, tccquestions@pszjlaw.com. Appreciate all of our speakers and question guys. Nice
12 work. You got through just about all but like five or six, so that was great work. And everybody
13 have a really nice evening, and enjoy your March.

14 **KENNEDY:** Stay strong, everybody.

15 **HUMPHREY:** Good night.
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03/10/2022

Melissa Lee

Date

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Signature