

CERTIFIED TRANSCRIPT

**BOY SCOUTS OF AMERICA
OFFICIAL TORT CLAIMANTS COMMITTEE TOWN HALL
FEBRUARY 17, 2022**



Court Reporting • Video

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1 **HUMPHREY:** Welcome, everybody. We're gonna wait a few minutes like normal.
2 We've got the splash screen up. It has our questions, email address, but we'll be taking some
3 questions today. So just wanted to welcome everybody. Normally I wait until, you know, five
4 minutes is up, but since we are recording I just want you to let--let you know we typically get
5 going about five minutes after the hour. We're here to answer questions about where we are in
6 the bankruptcy process. The recording of this event will be on the TCC BSA website. So
7 anything you want to know about what's going on, when the Town Hall is, when the next Town
8 Hall is, what developments, materials that we talk about tonight, we're gonna be working on
9 getting some more materials out on tccbsa.com. And the email on the bottom of that screen is
10 tccquestions@pszjlaw.com. So we're not here to give you any legal advice. We're at the point in
11 this process where you need to be talking to an attorney. Please start asking questions. We have
12 folks that are lined up to answer them. And we look forward to having the meeting start here in
13 about two minutes.

14 Evening, folks. About four minutes after the hour. We're gonna get started here in just another
15 minute, and we've got an action-packed lineup tonight and a lot of material to cover, so grab
16 your cup of coffee, or your Mountain Dew or your water. And we're gonna try and keep it to an
17 hour, but we're gonna put a lot of material at you. So we'll get started here in just a moment.

18 **KENNEDY:** Just looking at some of the questions coming in, John. We're getting a lot of
19 questions, and we're gonna do our best to get them answered tonight, and also pull some off that
20 we'll talk about a little bit. But we're gonna really be focusing on weeks ahead and trying to
21 answer the most pressing questions.

22 **HUMPHREY:** Great. All right. Deb, I think we've got a pretty good group of folks. Why
23 don't we go ahead and get going? Good evening, everybody. John Humphrey and Doug
24 Kennedy, both co-chairs of the Tort Claimants Committee. I think in the next couple of days
25 we'll be celebrating our second anniversary together. How about that, Doug? Long time.

26 **KENNEDY:** Time flies when you're having fun, huh, John?

1 **HUMPHREY:** It does. So as we've told you before that, you know, all the disclaimers.
2 We're not le--we're not attorneys. We're not gonna give you legal advice. We would recommend
3 that at this point in this process you are talking to your attorney. There, you know, we'll put up
4 the tccquestions@pszjlaw.com, but it's probably the point that you start asking your attorney
5 questions.

6 So what are we here to do tonight? We're here to talk about the revised plan that we've been
7 working diligently on since you all voted. And I want to just shout out to everybody, you know?
8 We're here because we got the pressure to go back and work on a deal that's substantially better
9 for every single survivor. And, you know, is it perfect? It isn't perfect, folks. But, you know, I
10 don't think the word perfection follows trial, lawsuit, mediation, attorney. But this is a good deal,
11 and so we're here to encourage you and inform you to vote to accept it. There will be an open
12 window for the next several weeks for you to change your vote from no to yes. And we want to
13 give you enough information for you to have a meaningful discussion with your attorney or your
14 advisor, so that you can make that decision. Doug, any thoughts as we get started tonight?

15 **KENNEDY:** You know, I think we're hearing from a lot of survivors that everybody's very
16 anxious. Everybody wants to get this to move on. A lot of questions are how much longer is this
17 gonna take? When am I gonna see my money? Things like that. And, you know, the TCC has
18 really come to understand that this is a process, and the process takes time. And we just want to
19 be in the advocacy business. We've always been advocating for what's best for survivors. But we
20 also want to be in the education business, and we just want to make sure that everyone has a
21 good idea as to where we are in the process, what's going on. We know how long it's gonna
22 take. We'll share that with people. But we just want people to be updated. And I think one of the
23 messages tonight is going to be, you know, we still have got to be patient as this works its way
24 towards the confirmation process. And I will say, you know, the TCC has talked at length about
25 making sure that the trust understands that it is going to have to communicate with survivors as
26 well. So we're gonna communicate a bunch in the weeks ahead, and we are hoping that that's

1 gonna continue.

2 **HUMPHREY:** Great. Thanks, Doug. So we've got our group of advisors on tonight. I
3 think you're gonna hear mostly from Rich Pachulski and Jim Stang, who you've gotten to know
4 over the last year or so. We told you when we asked you to vote no that what we wanted was a
5 chance to go back to the negotiating table, and work on youth protection, figure out how to get
6 more money, and build an independent trust that not only was accountable independently to you
7 all, but didn't have an ax to grind for anybody else, and was a steward of the assets that are going
8 into the trust. And we still believe that. And so we're gonna turn it over to Rich Pachulski, and
9 he's gonna go through some of those details, but I think he will echo that what we did was a lot
10 of yeoman's work to put a really good deal together. And, you know, it was tough for both sides,
11 but we're all pulling on the same rope now, and now we've got to go through the confirmation
12 process. So Rich, I'd like to turn it over to you.

13 **PACHULSKI:** Thanks so much, John. Thank you, Doug. I want to start with a couple of--
14 first, a thank you to everybody who voted no. I know you got pushed by different sides of the
15 issue, but I don't believe that we would've ever come even close to the deal that was ultimately
16 cut without the no votes. So for that I can't thank everybody enough. But I also want to say
17 something else.

18 We have said at a number of Town Halls, both before I got involved and after, that we were very
19 focused on three legs of the stool. One was fair compensation for the survivors, second we
20 discussed was an independent and fair trust, and the third, which was also absolutely critical, was
21 a transparent and thoughtful youth protection program. And if we didn't get any one of those
22 three, we were never gonna go forward.

23 But the other thing I want to make really, really clear, because I, for instance, and Jim Stang and
24 others were in negotiations for the last several weeks after the vote came in no, and we attended
25 probably 15 around the clock mediation sessions. We did not make a deal because we felt we had
26 to make a deal. We did not make a deal because we felt we had to take the best deal we could

1 get. If we could not get what we thought was a very favorable deal on the three issues that I
2 outlined, we would've walked, and we would have opposed the plan. I can't make that clearer.
3 And so we're coming here today, as John said, not that this is the best possible plan. I don't
4 know. I've done this for 42 years. I'm not sure there is such a thing as the best possible plan. But
5 considering the circumstances of Chapter 11, the time it's taken, the--and most importantly, the
6 desire to get the survivors significant and compensation as possible, and deal with that through a
7 trust, and make sure the Boy Scouts in the future have a fair youth protection program, I think
8 we've done as well as could possibly be, even if we had started earlier. So I wanted to start with
9 that. And then what I'm gonna do is go over the two of the legs of the stool, which is the
10 compensation issue and the trust, and then turn it over to my partner, Jim Stang, who is going to
11 spend time discussing the youth protection issues.

12 So let me spend some time, and some of this is gonna be at a high level, and we're gonna have
13 more Town Halls to get into more of a--more of the pathway to get the confirmation. As I've
14 said, we had three goals: the pathway to more value, higher compensation, second, the
15 independent trust, and the third, the meaningful youth protection measures. That's what we
16 looked at.

17 So in the first, which is the value and distribution, we right now in the trust, for the benefit of the
18 TDP program, is approximately \$2.7 billion. Now, we believe there are enou--at the time that we
19 began the negotiation there were a couple of things we believed in. That we could not allow the
20 negotiations to continue on to get low dollars from either charters or from the insurance
21 companies. The charters had received significant releases that we did not agree with, and we had
22 to narrow those releases. So we came up with a pathway that thought there were some
23 settlements in place, including with the Methodist and the TCJC for instance, that there could be
24 no more negotiation or settlements--we would negotiate, but not settlements with the non-settling
25 charters, or people who had not put in real money. And so that was an issue, even though the
26 plan as now projected would have given them releases.

1 So what did we do? We insisted as part of any settlement that through the effective date the TCC,
2 and there are others, but the TCC has veto rights over future settlements through the effective
3 date of the plan. If we don't like the number, it's vetoed. As compared to what happened before,
4 there were settlements that were included without us. After the plan is approved, the settlement
5 requires a trustee to approve it, who will be an independent party, as I will describe shortly, and
6 the advisory committee of seven members have to approve it. And so that is critical. Whereas
7 before our concern was that there would be settlements that would be unfavorable even before
8 there was an effective date, before the plan went into effect, and now that will not happen.
9 Now, we also have had to deal with the fairness of the claims. And as I said, there's \$2.7 billion
10 right now that goes to the TDP. Now, the TDP will also be administered by a claims
11 administrator who is an independent party, who is not controlled by anybody. The TDP has three
12 levels of potential review. The first level will be done by a neutral who will be review it. But if
13 you're dissatisfied, you can go to a second review. That second review will cost \$1,000. Not
14 insignificant, but there has to be a cost because of the time commitment, and there will be a
15 second review. If you're still dissatisfied, there is a third option, which is simply to say you're
16 dissatisfied, and you want to litigate in court as to what an appropriate TDP would be for you.
17 Now, many of you have then heard of this concept of an independent review. The independent
18 review is, frankly, separate in many respects from the TDP. The independent review, and I'll--is
19 dealt with because that is the best mechanism to get to the excess insurance. The vast majority of
20 claims cannot get to the excess insurance. At this moment there is a--will be a second pot for the
21 independent review. To be frank, there is nothing in that pot, because not a single excess insurer
22 has settled to date, so there is a risk if you decide to go into independent review.
23 Now, there has been a lot of discussion that there is a cost to that. The cost is \$10,000 to initiate
24 the review, and another \$10,000 when the review begins. Now why is that? The independent
25 review, as compared to the TDP, is the equivalent of a mini trial. People have to sit for their
26 depositions. There may be the need for experts. There may be an insurance company that will

1 oppose it. So it is a mini trial of which, frankly, there have not been that many against the Boy
2 Scouts. Most of those have been settled. But this is a mini trial. It will cost. And one of the things
3 that we thought would be unfair is if people went into independent review so that they can seek
4 to go after the excess insurance, and the people who remained in the TDP would pay for that.
5 That said, if there's a party who wants to go into independent review, and believes that the cost is
6 a problem, then that party can seek a waiver of the first fee, or some partial waiver of the first fee
7 from the trustee. So we've tried to come up a fair mechanism, but also to be very, very clear.
8 This is complicated, and we know it, and it's also relatively new. And so we intend to put
9 materials on the TCC website, which will include a video that explains this in a lot more detail.
10 Because we do not want--there has been a lot of confusion and misinformation, and we do not
11 want that to continue. So we will address that at future Town Halls, and more specifically in a
12 video and additional materials. So hopefully that will be helpful.

13 The next issue is there's been a lot that we said at prior Town Halls about the need for an
14 independent trust governance. We cannot have trustees that have relationships with parties in this
15 case. It will not be transparent, as it should be, and it's critical that we do that. And so one of the
16 things we insisted on was that there would be a settlement trustee who would have no ties to the
17 Boy Scouts, to the local councils, to the charters, to insurance companies, and the--or the
18 plaintiffs' attorneys, so that that person would be independent. That there would be no question
19 about the integrity of the system.

20 There was also a requirement that the claims administrators at the end of the day would be
21 experienced in the--particularly in the evaluation and settlement of claims, and that those claims
22 administrators, like the settlement trustee, would also be independent, and not have ties to any of
23 those parties. And we also felt to have a real balance on the advisory committee, that there would
24 be three members selected by the coalition, three members selected by the TCC, and, frankly,
25 one member who would be selected by another group who was opposing the plan, who we
26 worked in--hand-in-hand through the mediation process. So we are excited about both the

1 compensation and the trust structure, which in both cases are dramatically better than what we
2 had before. And at this point I would turn it over to Jim to discuss the youth protection program
3 and how that will go forward.

4 **STANG:** Thank you, Rich. Doug Kennedy and I, with the assistance of all the other
5 committee members, led the discussion with the Boy Scouts, the charters, on--and members of
6 the coalition, on how to improve the Boy Scout youth protection program. And I know people
7 sometimes wonder why are you so interested in youth protection? The people who are the
8 constituency of the TCC are adults. They suffered the harm already. Well, you know, there's a
9 belief that the greatest form of charity is giving anonymously. People don't know who you are.
10 Well, if these protections are enforced, you will be protecting people you will never meet. You
11 will be protecting a generation that's not born yet. That is one of the highest forms of giving. So
12 there will be compensation to you, but if this plan is approved, and if the youth protection
13 program is implemented the way survivors have the ability to influence it, you will be making a
14 contribution for untold thousands and thousands of kids. So that's what motivates me, Doug,
15 John, and the other seven members of the committee to keep this as a focus. A stool needs three
16 legs. We were prepared to walk out of that mediation if we didn't have this. For all the money
17 that people talk about is in that settlement trust, and what will be added, we were going to walk
18 out if this wasn't done.

19 So the first component of the youth protection program is something that Doug really wanted,
20 which was a change in the culture, a change in the institution. We could sit down and talk about
21 we don't like this particular policy, get rid of the 72-hour no registration policy, but there had to
22 be something done to the Boy Scouts as an institution that was going to protect kids. And the
23 first thing that we got was an agreement to hire a youth protection executive. And there's a
24 deadline for doing that, and a group called the Youth Protection Committee is going to be part of
25 the process of retaining that executive.

26 Now, they had an executive. You might remember Michael Johnson making statements about

1 youth protection. He's no longer with the Boy Scouts. The Boy Scout plan didn't contemplate
2 when a youth protection executive position would be filled, because it's been sitting empty for
3 some time. There's going to be a Youth Protection Committee. It's going to be made up of a lot
4 of people from different groups, but half the membership has to be made up of survivors
5 nominated by the TCC and the coalition.

6 **KENNEDY:** And Jim, let me interrupt for one second. We've heard from a number of
7 survivors that have said, "How can I get involved in some of these things?" And the details on
8 that are still to be worked out. When we figure that out, we'll sure communicate that.

9 **STANG:** Absolutely. We want people who have--and look. All of you suffered. All of you
10 are able to say, "If this had changed, this would not have happened to me." We need people who
11 have the time commitment and the ability to effect institutional change at the Boy Scouts. Very
12 importantly, a survivor seat will be on the BSA's national executive board, something that's
13 never been done before in the Boy Scouts. The BSA and the Ad Hoc Global Council will
14 recommend that a like position be created on local council exec--on local council boards. And
15 the last one may sound like it's not all that institutional, but the inspiration for this came from,
16 for me, the Diocese of Davenport, which went through Chapter 11. And when you walk up to
17 their headquarters, there is a memorial to children who were abused. So we have negotiated for
18 the instillation of--it's called A Place of Remembrance for child sexual abuse at every high
19 adventure facility, not out in the woods somewhere, but in a prominent place where everyone
20 who comes to that facility will see it, and have a chance to reflect on how important it is to
21 protect children. Now let's go to the next slide.

22 So one of things that Doug was very concerned about was how do people find the protection
23 materials? I mean, if you want to take a look at the website, where would you find them? If you
24 were entering scouting, how would you know where all these different threads are? So it was
25 very important to us that the youth protection program be consolidated into a manual for adults
26 and a manual for kids. So that's point number one.

1 Point number two was you need to have an organization that was independent and expert in how
2 to evaluate programs and advise the youth protection executive. Importantly, the Youth
3 Protection Committee will participate in the selection of that organization. Really critical. This is
4 another way survivors have an input on how to change BSA's youth protection program.
5 The other thing that was really important to us was that people understand what the BSA was
6 doing and what it wasn't doing. And so the organization's evaluation of the program would be
7 provided to the Protection Committee and the Local Council Executive Committee, not just what
8 the organization was recommending and what the BSA accepted, but what the BSA rejected and
9 why, so that there can be accountability for why the organization's recommendations were not
10 gonna be accepted. The Boy Scouts have committed to having a month each year designated as
11 the period for emphasizing the importance of youth protection, with the development of
12 appropriate materials to be used during that special month of focus.
13 And the last point is something that Doug remembered, that at one time the Boy Scouts had a
14 program that was not just for the Boy Scouts, but for other youth service organizations. One of
15 our goals here is to make the Boy Scouts the platinum standard for youth protection, but to share
16 its experience with other youth service organizations. And the last bullet point talks about a
17 biannual meeting to do just that. This is not just for the protection of kids in Boy Scouts. This is a
18 program for protecting kids all over the country. All of you may have known this, but I'll say it,
19 because sometimes I repeat what doesn't need to be repeated. The crimes against children are the
20 most unreported crimes in the United States, the most underreported crime in the United States.
21 The Boy Scouts should take leadership, and we think through this program can take leadership,
22 in protecting children all over the country. And the last slide I'm gonna ask Doug to take the lead
23 on.

24 **KENNEDY:** Sure. Thanks, Jim. And I hope people start to see one of the reasons we are so
25 fortunate to have Jim on board. He has dedicated his career to the protection of youth, and has
26 been instrumental in this process, letting us know what's happened in other bankruptcies in other

1 areas as well.

2 One of the things that we heard loud and clear from survivors from the very beginning was there
3 needs to be the release of these I.V. files, and we went into this agreeing 100%. There are these
4 files, some of which are already available. They're in redacted form. They're available online.

5 But there were other files, and we said, "These have to see the light of day." As the TCC started
6 to dig into this more and more, we realized it isn't that easy. It's difficult for me to talk about as a
7 survivor, because I'm also not an attorney. There are a lot of issues in this related to privacy,
8 related to legalities, and it's a bitter pill to swallow. So as we started to get into this and realize
9 that it isn't as simple as, say, opening up a filing cabinet and start putting these online, what we
10 realized is a process is gonna have to be put into place that was going to allow the--us all to have
11 some assurance that we're working towards a time when these can get released, okay?

12 So I think one of the takeaways from survivors could be, "Wait a minute. The files aren't getting
13 released? That's a huge failure." Well, it isn't, because we've set into place a process that's
14 going to allow those to see the light of the day and the court to get involved. I'm gonna ask Jim
15 to talk about the--kind of the legal side of this, and what that means in practical terms.

16 **STANG:** Just before I do that, one of the things that we are really focused on in this Town
17 Hall, and in subsequent Town Halls, is why should I change my vote? Why should I change my
18 no vote to a yes vote? The plan that you voted on did not have the ability--anyone to have the
19 ability to go to court and compel the publication of the relevant ineligible volunteer files. It was a
20 promise to come up with some kind of effort to work to get it done. What the committee has
21 done here, both in this context and in the other context, is put some teeth into the "we'll
22 consider," "maybe we shall," "maybe, but, you know, we'll see." What we really changed was
23 the conversation. It was not "you'll think about it," but "you will do it." And this is probably one
24 of the most important of the "you will do it."

25 So the I.V. files consisted of information that covered a host of conduct. It wasn't just sexual
26 abuse. And so go saying, "Well, open up the cabinet and just start publishing this stuff," would

1 involve publication of information that, frankly, isn't really necessarily about the protection of
2 kids. And to the extent that it is about sexual abuse, obviously we want to make sure that the
3 names of survivors are protected and that your privacy is protected. But we also need to make
4 sure that no one is exposed to lawsuits, to unfair allegations of misconduct. And so other courts
5 that have compelled the production of portions of the I.V. files have required redactions and
6 reviews. That is, in our opinion, appropriate. And so what we have done is given the Boy Scouts
7 and the youth protection executive and the Youth Protection Committee a year to work through,
8 so that we have files that can be produced that protect children without sacrificing the rights of
9 people who shouldn't be the subject of a published report. So if that can't get done within a year,
10 the settlement trustee will have the right to ask the bankruptcy court to order it.
11 So it really was a recognition of the reality of what these files are, and how best to use them for
12 the protection of kids. I will just say that if you want to know where those files are that have been
13 published, simply go to your browser and type in Los Angeles Times Boy Scouts of America
14 files, and you'll come up to an archive on the L.A. Times that has it. Now, there are other
15 websites that have them. Some of your lawyers may have them on their websites. But the L.A.
16 Times one is the one that I go to when I'm looking to see something from an ineligible volunteer
17 file. Okay. Doug, back to you.

18 **KENNEDY:** Yeah, let me just--

19 **STANG:** Wait. Hold on.

20 **KENNEDY:** Let me wrap that slide up a little bit, if you'll go back up there for a second, Deb.
21 The other two pieces of this that are critically important is that we wanted to make sure that
22 people were informed if there were issues of abuse, if people were placed on the I.V. file. So
23 what we have now is a system where if people are involved in that troop they're going to be
24 informed, but also, parents of prospective scouts are going to have the opportunity. A protocol is
25 being developed so that if you're thinking about putting your children into scouts, then you can
26 call up and see what the--if there's been any issues in the last two years. So this is really, again,

1 an effort to have a culture that really is sensitive and is focused on protection of youth, and
2 running through every thread, from the top, through the local council, down to the individual
3 troop, there be transparency, and also outside review of this as well.

4 One of the things that we've done is we have put together, if you want to scroll down, Deb, for a
5 couple of examples. We put together a cou--some charts showing the comparison, and again, one
6 of the reasons we want you to support the new plan. It shows what the old plan is and the new
7 plan, and we put this together in a file. It's going to be up on the website, if it isn't already, and
8 you're going to be able to look at that in detail.

9 Last thing I want to say, and this is important, that is, you know, Jim mentioned me, and I would
10 really be remiss if I didn't also mention the work that was put into this by survivors from the
11 coalition's working group. They had a great deal of input on this, also survivors that contacted us
12 and said, "This is critically important to me. Here are my suggestions," members of the TCC that
13 all weighed in on this. And I have to tell you we took so much strength from the number of
14 survivors that said what Jim alluded to in the beginning, and that is, "I might not see much
15 money out of this, but I want to be sure that children are safe moving forward." So that really
16 gave us a lot of strength, and we think that we're in a much better place. And I even want to
17 point out that the Scouts had to make a lot of hard decisions on this. And at the end of the day,
18 we really appreciate the support for everything that wanted to be accomplished. And we think
19 this is gonna change the culture, and be a huge asset, and a great reason why if we can get this
20 plan passed there will be significant changes in scouting to keep youth safe. So we're throwing it
21 back to you, John.

22 **HUMPHREY:** You know, I've been on Zoom for two years now. You'd think I'd learn to
23 turn off my mute. But I was just about to say, John Lucas, could you tell us how our votes get
24 changed? How do we actually do that if we want to?

25 **LUCAS:** Yeah, thank you, guys. Hey, you know, sort of changing your vote is really no
26 different than the way that you initially submitted your vote. So let's start with those of you who

1 are represented by counsel. Most of you that are represented by counsel had your vote tallied, or
2 sort of collected, if you will, through your counsel by a master ballot. And you communicated
3 with your attorney, and you told your attorney, “I want to accept,” or, “I want to reject.” And
4 your attorney took that instruction, marked it on the master ballot, and sent it in to Omni or the
5 voting agent. And all of that is still the same. And so we encourage everybody to do that now, to
6 change your vote. And as it’s obvious here, we’re encouraging everybody to vote to accept the
7 plan and to make that change. And let’s go to the next slide, Debra.

8 For those of you who voted directly, and you received the ballot yourself, you can either reuse
9 the ballot that you have, if you still have the blank ballot or the form that you received, or you
10 can email Omni, and we’ll get to the Omni website here, and ask for a new ballot, and they will
11 email you a new ballot. And so again it’s the same thing. You mark to accept you--or reject,
12 whatever it is that you want to do. We’re encouraging everybody to vote to accept. If you want to
13 elect for the \$3500 distribution, and you didn’t before, you could do it now. Or if you did it
14 before, and you want to undo it, you could undo it and you just don’t check that box now. You
15 know, if you don’t know if you have any of the other claims of the other release parties, you just
16 check out the opt out box. And make sure that you fill in all the information on the ballot, your
17 name and your address, the last four digits of your Social, and you sign and you date it, and you
18 make sure that it’s gonna be received by Omni by 4:00 p.m. Eastern on March 4th. So let’s go to
19 the next one here.

20 And so here’s the information. All this information will be on the ballot, where you send it, and
21 there also is the website there on the bottom there, ‘cause you could also scan your ballots, fill it
22 out, scan it, and then upload it electronically through the web portal also. The next one here
23 about some questions, if you have questions to the extent that they’re not legal questions, but
24 they’re sort of informational questions about, “Hey, can you help me get my ballot?” Go to
25 tccquestions@pszjlaw. The bsaballots@omniagnt.com is the email address that you should use
26 to get a new ballot, and there is the address again where you--if you had to write them or ask

1 them questions, and you could also submit online inquiries there at that bottom website address.
2 But again, those two right there, those two email addresses, are the most important. The bottom
3 one there bsaballots@omniagnt.com, that's how you get your new ballot if you don't have one
4 readily available. And if you're having some problems or you need some help, email us at
5 tccquestions@pszjlaw.com, and we will connect you with somebody at Omni to get your ballot.
6 And so when you're asking for your ballot, it's important to include your name, your date of
7 birth, the claim number if you have it, and the last four digits of your Social Security number. All
8 that information makes it much easier for Omni to identify who you are, and so they can make
9 sure that they get your ballot with your claim number and your ballot ID number. You'd be
10 surprised, you know? There's more than one John Humphrey out there. There's more than one
11 Doug Kennedy out there. And so there's a lot of names that you see that are the same, and it's
12 important to give that personal identifying information so that they could be sure that they're
13 giving you your claim number.

14 **HUMPHREY:** Thanks, John.

15 **LUCAS:** Yep.

16 **HUMPHREY:** Appreciate it. So I've been sort of picking some questions out. I can tell
17 you that we are not gonna get to everybody's questions tonight. We're well over 125 answered,
18 and over 125 still coming in. So lots of questions. We'll try to get those out and onto the site. But
19 if I could pick a couple, and I'll just throw this out to the group, why--there's some insurers and
20 counc--and sponsored organizations that haven't settled. Why would an insurer settle now if they
21 haven't had to already? What's the process there? You're muted, Rich.

22 **PACHULSKI:** The--I think the part of the issue related to what the plan looked like, and
23 moving forward to the confirmation, and as you--as happens in most of these cases, as you get
24 closer to the reality that there's confirmation and parties are getting out, that they're paying to get
25 out, the pressure becomes more intense, because it becomes much harder after the bankruptcy is
26 --after the bankruptcy plan is confirmed. So one of the reasons we insisted on the veto right is

1 because we want to avoid cheap settlements. A lot of the insurance companies actually were in
2 negotiations, because they wanted to get it done before confirmation of the plan, and we put a
3 stop to that. There have been no settlements since we started negotiating. We would veto all bad
4 settlements. And we think that at this point the insurance companies, we are told, still want to
5 settle in many cases, but without appropriate settlements it will not happen.

6 **HUMPHREY:** And there also seems to be some confusion, but I know you outlined that
7 we're gonna put more information on the website on the various levels of review in the TDPs
8 and in the trust in general. But it's more than just hey, you gotta pay a bunch of money to have
9 that right. And I don't think people understand that these processes protect the pot of money for
10 all survivors, so it's just not a penalty against survivors. This is so that the very best reviews go
11 forward. Isn't that correct?

12 **PACHULSKI:** Well, it's not only that. It's our best chance to get maximum dollars from
13 the--particularly the excess insurance companies. Right now, and I may--my numbers may be a
14 little off, there are only three primaries left. The \$2.7 million plus have come from the Boy
15 Scouts, the local councils, at least a couple of charters, but the vast majority of the money is
16 coming from the insurance companies. And those insurance companies have settled, primarily
17 settled, based on primary. They may have some excess. But there are three primaries left. That
18 money goes to the TDP. And there are about 17 excess, from small amounts to larger amounts,
19 and none of--

20 **HUMPHREY:** And explain what excess--

21 **PACHULSKI:** --those except--

22 **HUMPHREY:** --insurance is real quick.

23 **PACHULSKI:** Excuse me?

24 **HUMPHREY:** Explain what excess insur--

25 **PACHULSKI:** The excess insurance is that many times you'll get an insurance policy and
26 it will say, "The first million dollars of insurance will be paid by the primary insurance." You

1 pay less insurance for excess, because it's only for damages, for instance, above a million
2 dollars. But--and the excess carrier will always say, "Well, there's enough in the primary, so I
3 don't have to pay." Excess carriers are notorious for fighting it, because they know that there's a
4 level in insurance that's ahead of them that has to pay it, and so the excess have tried to get out
5 on the cheap. And what the independent review does is makes it more compelling for the excess
6 insurance companies to actually settle out, or ultimately pay if they don't settle out. And so the
7 independent review is not just to help certain--a particular group of survivors. It's to help all the
8 survivors get excess. Because 20% of all of the money that comes in in excess goes into the
9 TDP, which otherwise would never happen if we can't get that insurance.

10 **HUMPHREY:** Great definition.

11 **KENNEDY:** It's worth reminding everybody too that the plan--a lot of these materials are
12 posted on our website. There's a lot of questions about evaluation of things, and that's on the
13 plan as well. I don't know if we mentioned this already, John, but we're gonna be putting
14 together a video to explain in depth the different paths for review. I mean, it gets technical. It's
15 very, very detailed. And rather than run through it in this meeting, I think we're gonna do this in
16 the next few days, we're gonna go ahead with some slides and run through the different levels of
17 review, what costs are associated. And we think by having a video up it will allow people to just
18 sort of stop, look at it, go back and forth, and really digest it. So give us a few days, and we'll get
19 something up on our website.

20 **PACHULSKI:** Yeah, if I could just add to that. One of the things that I didn't say that I
21 should've said is one of the reasons I think we want to put the materials up, and we also want to
22 take a little more time, because it's a lot to digest, is I would very strongly recommend to each of
23 you that has a lawyer, to speak to that lawyer about this process. Many of the state court lawyers
24 have been very much involved, and that's who should be telling you. Because in terms of
25 whether you should stay in the TDP or go into independent review, it's fairly complicated, and
26 your lawyer should be the one who should be assessing that. And then we'll give general

1 information about how the TDP and independent review, and as Doug said, the different levels of
2 review on both. But it really is important for you to speak to your own lawyer about it.

3 **HUMPHREY:** So a couple of questions around timing, and one is specifically related to
4 this, you know? We talked about this independent trust. How long before we find out, you know,
5 who the members are, who the trustee is, who the, you know, claims representatives are? Is that
6 wh--how long does that process take?

7 **PACHULSKI:** Well, that's an interesting que--as of now the independent trustee and the
8 two claims reviewers, who th--and there will be a huge staff beneath it to review all these claims,
9 that is supposed to be disclosed to the court by tomorrow. If we had the information, John, we'd
10 do it today, but I know there's been an interview process going on, and that is mandated by the
11 court tomorrow.

12 **HUMPHREY:** And then--so I think that this is two questions. One is what happens now?
13 I mean, is this deal done? What happens when it goes to the confirmation hearing? And then
14 what happens after that? I mean, how long--does it go to appeal? And how long does it take the
15 trust to get set up? I think the root of the question is, you know, when does the money start, you
16 know, the thing that Jim said, like, two years ago, "How much am I gonna get, and when does
17 the money start flowing?" But I think people want to know what the mechanics are over the next
18 several months.

19 **PACHULSKI:** Jim, I'm happy to do that if you want to (inaudible).

20 **STANG:** I can do it, Rich.

21 **PACHULSKI:** Go ahead, Jim.

22 **STANG:** Okay. So the voting deadline is March 4th. And I just want to make clear to
23 someone, everyone, if you don't want to change your vote, because you've already voted yes,
24 you don't have to vote again. This is if you want to change your vote. Of course, as you can see
25 from the backdrop between Dou--behind John and Doug, I mean, if you--and if you've been
26 listening, we recommend you change your vote. But if you don't want to change what you've

1 done, you don't have to submit something again.

2 So the deadline is March 4th. The bankruptcy court will start a hearing to confirm, or to app—
3 another way of putting it is to approve the plan, on March 9th. The lawyers are still working out
4 the list of witnesses, and the procedures for how the trial will be conducted, but it will start on
5 March 9th. It will be by Zoom. There will be no live attendance in the courtroom. And we will
6 publish to all of you how you can attend the hearing. If you are represented by an attorney, Judge
7 Silverstein has made clear that you cannot address the court except through counsel. It doesn't
8 mean you can't attend. It just means you can't speak to the court. She has not told us how she
9 will handle people who are unrepresented, but the court knows who is and is not represented. So
10 if you want to have your voice heard, it's gonna be through the lawyer you hired.

11 How long will that trial take? Well, there are many pools going on about that. But I think we can
12 expect it will take no less than two weeks. Some people think it will take longer. But like I said,
13 write to us, and we will tell you how you can be in the betting pool. Once the court has taken all
14 the evidence, and has heard the closing arguments of counsel, she will go back to chambers,
15 reflect on the law, reflect on the evidence, and will write an opinion. How long that will take, no
16 one knows, but it will take at least, I would think, two weeks. So we're at least a month out,
17 probably closer to six weeks, that's my bet, from March 9th, for the court to announce her
18 decision.

19 Once the court announces her decision, the U.S. District Court for the District of Delaware will
20 be asked to also confirm/approve the plan. We'll have to see from the District Court how much
21 the court will entertain in terms of additional briefing and additional evidence. It will be, in
22 effect, another bite of the apple. But I've heard from lawyers who practice in Delaware all the
23 time that the District Courts do take these, if you will, affirmation orders, that's what it's called
24 in the Boy Scout plan, very seriously. It is important. But typically it's at least a month for the
25 District Court to decide if it's also going to confirm the plan.

26 If both confirm the plan, if there are still objecting parties, they have the right to appeal the

1 confirmation order, the approval order to the Third Circuit Court of Appeals. But that does not
2 mean that the plan can still not go effective, which is all of the gears kind of going into place.
3 Some people's money will not be payable in its entirety until the plan has a final order with no
4 appeal pending. It's not that there'll be no money coming in, but the totality of the money, some
5 of it will be tied up if there are appeals. And we will be urging the District Court to affirm the
6 bankruptcy court's order, and there will not--probably won't be another voting process. It's just
7 gonna be the lawyers going to the court, the District Court, and asking for approval. And we will
8 also be urging confirmation, if there is an appeal, to the Third Circuit Court of Appeals. Again,
9 no re-voting, just legal argument.

10 Once the trust is up and running, I would hope that the \$3500 expedited payment would in fact
11 be expedited. And that--there are some requirements, even for the expedited payment. You have
12 to sign the claim form yourself. You have to make sure it's substantially completed. But I would
13 hope that from the time you've done that to your check, I mean this is my hope, would be 90 to
14 120 days. Again, that's if you got your paperwork in.

15 As to when the money will start flowing based on trust distribution procedure evaluations, or the
16 independent review evaluations, honestly, it's--I don't think anyone could predict that with
17 enough accuracy to start putting dates out there. I think it would be unfair to survivors to say,
18 "Oh, you'll get it by the end of 2022." It's just not--it's just too hard to tell, given all the things
19 that will have to happen for the full amount of the funding to be deposited with the settlement
20 trust. So Rich, that's my best timeline, and happy for you or John Lucas to amend, supplement.

21 **KENNEDY:** I did want to make one comment, Jim, and I think for a lot of survivors there's a
22 feeling of, okay, something has now happened. What do I have to do next? When's my deadline?
23 Am I gonna miss a deadline? And for sure the TCC is gonna be posting any of those dates that
24 are gonna be coming up, and then we're gonna make it clear to the trust there has to be the same
25 level of communication, a way for people to know what's coming up. So that will just sort of
26 reduce that level of stress. So we're still in let us get to the confirmation hearing mode right now.

1 **STANG:** So right now with your red marker and your calendar, March 4th. And if you're
2 gluttons for punishment, March 9th. And then draw a line for the next two weeks. Doug, one of
3 the things we--

4 **KENNEDY:** March--and March 4th is the new voting deadline, and then--

5 **STANG:** New voting deadline. I'm sorry.

6 **KENNEDY:** --March 9th will be--

7 **STANG:** The start of the--

8 **KENNEDY:** --the confirmation hearing.

9 **STANG:** --confirmation hearing. You know, one of the things you, Doug, you and I didn't
10 talk about was--we love acronyms in this case, SASAC, the Sexual Abuse Survivors Advisory
11 Committee. Separate from the advisory committee to the trustee, the plan provides for I believe
12 it's a six-member survivor committee. I think it's six. It's five--

13 **KENNEDY:** I wanted to say--

14 **STANG:** --or six.

15 **KENNEDY:** --five.

16 **STANG:** Five or six, just survivors, who will attempt to survi--making sure the STAC and
17 the trustee don't lose sight of what's important to survivors. Now of course they won't. But there
18 is a separate entity of just survivors, not run by plaintiffs' lawyers, not run by the bankruptcy
19 lawyers, just survivors who will be making sure everyone remembers what this case is about.

20 **KENNEDY:** Yeah, and we've also spoken too about getting the members of the STAC, the
21 trust advisory committee, on one of these meetings, so that survivors can be introduced to who
22 they are too, and have some confidence in them. But Jim, you make a really good point, and that
23 is the survivors are still going to be paying attention formally to trust operations.

24 **STANG:** Right.

25 **LUCAS:** Yeah. Hey, I saw another question, and it had to do--sort of a plan type question,
26 and I saw it more than one time. People were asking can you please explain in sort of clear sort

1 of details what it means to have a claim before 1976 and after 1976, and what are the
2 consequences? And so--

3 **STANG:** You know--

4 **LUCAS:** Oh, you want me to do that?

5 **STANG:** Well, John, I just--I want to remind the five of us and the audience that some of
6 these provisions in the plan are detailed. You're hearing us, you know, speaking it to you. You
7 don't have something to study, but you'll get something to study. So with that, John, please go
8 ahead. But I want to make sure that everyone knows that you will have resource materials on our
9 website, so that you can see in clear language what some of these distinctions mean, including
10 the one you referenced.

11 **LUCAS:** Yeah. So those survivors that have claims against chartered organizations that arise
12 January 1st of 1976 through the petition date, those claims are all being channeled to the trust.
13 They're for the most part covered under the Boy Scouts common insurance, and for that reason
14 they are all sort of channeled to the trust in that sort of lump sum fashion.

15 For claims that arose prior to 1976, they're only channeled to the trust to the extent that there is
16 an independent policy that was issued to a chartered organization by a settling insurance carrier.
17 Otherwise the claim prior to 1976 is still out there, and you can have it liquidated under the TDP
18 and under all those processes, or after the expiration of 12 months after the plan goes effective,
19 you can sue that chartered organization, if it hasn't settled. So I think that's just sort of the most
20 sort of simple way to look at it. And I realize it's technical, but we, as Jim and Rich and
21 everybody said, you know, as we move forward here we'll get more and more materials on our
22 website to walk people through these tough questions.

23 **HUMPHREY:** And I will tell you guys, you know, I've read a lot of these terms sheets,
24 and I've read more legal documents in the last two years. It will make your head explode, which
25 is probably why we ask you to get le--to get counsel to give you advice. And it's still not too late
26 to do that. Doug, you have anything else in closing before we wrap up tonight?

1 **KENNEDY:** No, just thanks to our folks. Thanks to all survivors for just hanging in there. We
2 know this is tough. We're trying to do our best job to educate. These questions inform us. We're
3 gonna try and get to work on that video very, very soon. And as Jim mentioned, if you want to
4 change your vote, and we're hoping that anyone that voted no we're recommending to accept
5 now, that March 4th is the deadline on that. And I think we're anticipating being back next
6 Thursday. Is that correct, John?

7 **HUMPHREY:** I think so, yeah. So look--

8 **STANG:** And John, I'm sorry.

9 **HUMPHREY:** Yep.

10 **STANG:** And just, you know, fine point on it, March 4th, 4:00 p.m. Eastern.

11 **HUMPHREY:** It has to be--

12 **STANG:** 4:00 p.m. Eastern.

13 **HUMPHREY:** --in their hand by 4:00 in the afternoon Eastern Standard Time.

14 **LUCAS:** So if you're using snail mail, remember it's called snail mail for a reason.

15 **HUMPHREY:** Yeah, you know, I don't think if I was gonna mail it I'd use snail mail,
16 folks. I'd spend the money on FedEx or UPS. But look, wrapping up tonight, we just want you to
17 know that we appreciate your support. It's been a long haul. We're where we wanted to be. We
18 knew we were the little guy in the fight, and we got a chance to get back at the table. And so we
19 think this plan is something that you all should support, but you should talk to your attorney
20 about it, and go to the TCC BSA website. If you have any questions, the

21 tccquestions@pszjlaw.com is always there. Remember that the voting deadline is March 4, 2022.
22 Keep looking at the site, and look for the schedule for our next Town Meeting, which--Town
23 Hall, which we think is going to be next Thursday. So thanks, everybody. Have a great evening
24 and a great weekend. Take care.

25 **KENNEDY:** Stay strong, everyone.

26 **HUMPHREY:** Good night.

1 I hereby certify that the foregoing is a true and correct transcription of the audiotape labeled
2 GMT20220218-010114_Recording_1760x900.

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8 02/21/2022

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Melissa D. Lee

10 Date

Printed Name

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Signature