

# CERTIFIED TRANSCRIPT

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**BOY SCOUTS OF AMERICA  
OFFICIAL TORT CLAIMANTS COMMITTEE TOWN HALL  
FEBRUARY 24, 2022**

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1 **HUMPHREY:** Evening, everybody. Happy Thursday night. We are going to wait a few  
2 minutes while folks join before we get started. I don't expect tonight will be much more than 30  
3 minutes. We're gonna give you an update on where we are. So just hang on for about three or  
4 four more minutes.

5 **KENNEDY:** John, was it 40 in Texas today, and gonna be 80 tomorrow?

6 **HUMPHREY:** No, we had ice storms, so it was 24.

7 **KENNEDY:** Good God.

8 **HUMPHREY:** And we all stayed home. Got folks joining now. We're a couple minutes  
9 away from getting going. Q&A is open if you want to ask questions. We will be taking a stab at  
10 those tonight like normal. So as we're getting ready to start, I just want you guys to see the  
11 screen in front of you that talks about where you can ask questions if you're not on a Town Hall,  
12 at [tccquestions@pszjlaw.com](mailto:tccquestions@pszjlaw.com). You can also keep abreast of what's going on at the [tccbsa.com](http://tccbsa.com)  
13 website. We've been doing a lot of work on that. I think there's gonna be some more videos up  
14 there that you're gonna hear about tonight. So it looks like it's slowing down a little bit, so Deb,  
15 why don't you go ahead and let's go? You got to put me in the thing.

16 **KENNEDY:** You should be there, John.

17 **HUMPHREY:** Otherwise it's gonna be the Doug Kennedy show.

18 **KENNEDY:** No, no. I think you're there. Go up to view and click gallery or something. I think  
19 you'll pop up.

20 **HUMPHREY:** Got it. Okay. So welcome, everybody. I have my Zoom coach, Doug  
21 Kennedy, here, co-chair of the TCC, and my name is John Humphrey. We're happy to see you  
22 all again. Hope everybody's staying safe and warm, and that you're not in some war torn part of  
23 the world. Just a quick reminder, my always disclaimer that we're not here to provide legal  
24 advice. And there's questions that you might ask that we may not answer and we may not be able  
25 to answer, but we'll do the best that we can. We've got our answer guys and gals online. So with  
26 that, we're not here to provide any individual legal advice. We're here to give you an update.

1 There was a hearing today, so you're gonna hear about that. And I would just say in opening,  
2 Doug, that it was a really good day for survivors. I think the fact that we got an independent  
3 trustee and a couple of real pros on claims administration, those are a huge breakthrough. And,  
4 you know, if you guys remember, the third leg of that stool was the independent trustee, 'cause  
5 this trust is gonna have billions of dollars in it. And we think it's important how that money's  
6 spent, and we think it's important that the money get out to you quickly. And we've always  
7 thought it was important that there was a degree of scrutiny so that the dollars got to the people  
8 who had legitimate claims, and so we've been working on that very, very hard. Not to undermine  
9 youth protection or the opportunity to get more money, but just really pleased about that. So any  
10 thoughts, Doug, as we get started here?

11 **KENNEDY:** Yeah, I agree, John. I think today was a good day, and we're gonna talk about that  
12 a little bit more. You know, we've been talking a lot on the TCC about our work and our role,  
13 and how important it is for people to understand it. And I'm reminded of something that I tell my  
14 students every semester, and that is, "You are entitled to your opinion, but you aren't entitled to  
15 your facts." And I think it's important every now and then that we remind everyone that the TCC  
16 from its first day really saw its mission as advocating for all survivors, and for educating and  
17 communicating. You know, we're coming up on almost 30 Town Halls. We have always said to  
18 survivors, "Here's what--here's how we're encouraging you to vote. Here's what we're  
19 recommending, but we just want you to vote." That's why we put out a voting video. And I think  
20 it's important to understand that the TCC is independent. I got to tell you, it's independent.  
21 We have nine survivors. We've got our own individual attorneys that advise us, but we've got  
22 amazingly skilled and experienced professionals, attorneys, financial and insurance professionals  
23 as well that advise us, and we ask brutally difficult questions, frank questions. We have TCC  
24 meetings where we're laser focused on doing what's best for all survivors. So we recognize that  
25 any settlement, any recommendation, might in your case personally, maybe you wish things were  
26 different. Maybe you wish our recommendation was different. But we're trying to advocate for

1 what's best for all survivors, and not leave any behind, and that's really important. And I can tell  
2 you the other eight men on this committee, I have seen them vote against their own personal  
3 interests to do what's best for all survivors. So if you have any notion that the TCC is selfish,  
4 acting on the interests of one group and not everyone, absolutely not the facts. So--

5 **HUMPHREY:** Yeah, you know, it's funny. When I go back, Doug, and I think about  
6 when we all got together in Delaware, and they kinda roll called our names and, you know, your  
7 stomach turns upside down, and you're thinking, "What do I do now?" I think the first thing that  
8 we did was we dismissed all of the professionals, and decided we were gonna get to know each  
9 other. Because we knew that COVID was here, and that we were gonna meet virtually. And I  
10 don't know, you know, whether you guys value this backdrop, but, you know, these guys are  
11 just, you know, they're just volunteers. You know, we're all cobbling out a living, trying to take  
12 care of families, trying to go on vacations, doing all the same things that people do every day.  
13 And, you know, the unfortunate thing about the world we live in today is--with social media and  
14 all of the channels for communicating, is that we've sort of forgotten the respect of the  
15 individual.

16 And so we have, you know, when Doug talks about entitled to the facts, we've been knee-deep in  
17 this stuff for a long time. And we told you that we were gonna do the best that we could to get  
18 the youth protection in place, to get the most money that we could, and to put an independent  
19 trustee trust together that would minimize expenses and maximize the output. And we think  
20 we've done that. Now, we certainly know there's people out there that have an opinion that the  
21 BSA should go away, and that we should blow it up, and, you know, none of those things are  
22 even true, and nor would they result in you getting more money.

23 So we think that the structure that we've put in place is the structure that gets you the money in  
24 the quickest possible way, in the fairest possible way. And look, it's not perfect. Nothing's  
25 perfect. But we're excited that we're at a place now where we can actually encourage you all to  
26 change your vote if you voted no, and vote to accept it. It came right down to the wire. And so

1 with that, what I'd like to do is invite Rich Pachulski to come in and just share with us sort of  
2 what's been going on around governance. We had a hearing today. What happened there? And  
3 just get us up to speed, Rich.

4 **PACHULSKI:** Thanks so much, John. So I want to address a couple of things. As John  
5 and Doug have said, we had three legs to the stool. We've--we feel that with respect to youth  
6 protection and compensation we have--we made tremendous progress, and the third was trust  
7 governance. And so when we spoke last week, the--which was the 17th, there were still  
8 interviews going on. It had not been disclosed yet. By Friday the claims administrators had, in  
9 fact, been selected. The TCC STAC members were very much involved, as were the coalition  
10 and one other who was an objector and has changed, what we call (inaudible) group. And the two  
11 claims administrators are a former--a retired district court judge, who was very involved in a  
12 number of sex abuse issues. He was a former district court judge from Illinois, and he retired,  
13 and then started to do I believe arbitrations and mediations. And the other is a woman--and his  
14 name is Michael Reagan. There's also one by the name of Diane Welsh. Diane Welsh has a great  
15 deal of experience particularly in the sex abuse area, and she was a former magistrate for the  
16 district court out of eastern Pennsylvania. So they are two excellent choices. They will be  
17 overseeing the claims evaluation process. I believe Judge Reagan will be reviewing the  
18 independent review part, and that Judge Welsh is going to review the TDP part.  
19 As of last Friday there was not a choice of a trustee. The process was still working. The debtor  
20 felt that it was taking too much time, gave the STAC members time to work on it, but they did  
21 not come up with a consensus candidate. The--it came down to two candidates. One of them was  
22 one that in particular the TCC doing its evaluation was very supportive of. The other candidate  
23 was actually also qualified. But, among other things, the TCC STAC members, from what I  
24 understand, believe that the independent trustee that was chosen was gonna be able to do it, for  
25 instance, full time, and has an impeccable record. Her name is Barbara Hauser. She was a former  
26 chief judge of the bankruptcy court based in Dallas. She has historically been the president of the

1 National Conference of Bankruptcy Judges, which is a significant organization, obviously. And  
2 her most recent involvement was to be the lead mediation judge among--I believe there were five  
3 total judges to try to mediate the Commonwealth of Puerto Rico's restructuring, which she  
4 completed in a way that she would now be able to work on Boy Scouts, because she retired  
5 effective February 1st. And if you do research on her you will find that she's extraordinarily  
6 bright, independent, highest integrity, and will do a great job of managing this trust.  
7 And why the claims administrators and independent trustee were so critical to the TCC was to  
8 make sure that distributions would occur to survivors as soon as practical, considering the  
9 number of survivors and the number of claims that are going to be dealt with through the  
10 independent review and the TDP. And so I can tell you, as someone who has evaluated the  
11 credentials of these parties, I don't think that the trust could have a better governance system,  
12 and particularly in terms of independence and competence. So I'm excited about that. I think the  
13 TCC members are excited. And I believe that the staff, the issue came up today in court, as Doug  
14 had referred to, because there had not been a choice of a trustee as of today. It actually happened  
15 this morning, but the various insurers had written a letter to the judge saying that the trustee had  
16 not been selected, and was supposed to be selected last week. And the judge had set a status  
17 conference. At the status conference the debtor had confirmed that Judge Hauser would be the  
18 trustee that they were designating for purposes of the plan, and the judge accepted that today. So  
19 at least we know who the independent trustee and the independent claims administrators are  
20 going to be on a going forward basis. So I think that was a very, very good thing for survivors.  
21 Because of a prior hearing, as people know, we were supposed to start trial on January 24th. It  
22 got moved to February 22nd. And then again, because of the arran--of the settlement that had  
23 been reached among the TCC, the coalition, the debtors, the FCR and one of the objecting  
24 parties, the (inaudible) group, the February 22nd was, frankly, moved to March 9th. And because  
25 of additional work that was being done, it has now been moved to March 14th. So the trial  
26 should start on March 14th. I don't see it moving from then.

1 And just so everybody is aware, the--it doesn't end the mediation. There are insurers and charters  
2 that have not settled. There are mediations going forward. But to be clear, as I mentioned last  
3 week, that the settlements are conditioned on the agreement of all of the groups that have been—  
4 that participate in the settlement, not the least of which is the TCC. So one of the major issues  
5 that we were able to deal with through the mediation process is we felt settlements were being  
6 entered into that were not favorable to the survivors. And now if another settlement comes  
7 forward, up through the effective date until the trustee is in place, any of the client--of the  
8 representatives, including the TCC, can veto it. And so there has been no settlement that has been  
9 entered into since, I believe, third week of December. And if it's brought forward to the TCC, the  
10 TCC will either decide it works or it doesn't, and we can try to move forward and feel  
11 comfortable that we won't have a number of bad settlements that are not appropriately reviewed.  
12 So I think, Doug and John, that's I believe where we are right now, unless you have any further  
13 questions. But I think really the trial--

14 **HUMPHREY:** It's very exciting. I mean, you know, running that--doing the judicial  
15 review on Puerto Rico is a pretty big deal. So as far as changing votes, Doug, do you and John  
16 Lucas want to talk about how people go about doing that and give us some instruction? 'Cause I  
17 know you've got a video that you've put together and--

18 **KENNEDY:** Well, we've got a video on that. It's one of our questions later on, John. But why  
19 don't I let John Lucas just touch on that briefly?

20 **HUMPHREY:** Okay.

21 **LUCAS:** Hey. Hello, everybody, and good evening. And we're gonna talk again a little about  
22 changing votes, which we did last week. And Debra, if you could, maybe you could put up the  
23 vote slides. There we go, everybody.

24 So how do I change my vote? So number one, if you're represented by an attorney, and your  
25 attorney voted throu--for you through what we call a master ballot, and you didn't get the ballot  
26 yourself, then you should contact your attorney, and discuss the plan and the revised plan with

1 your attorney. And make a decision with your attorney on how you want to change your vote.  
2 You know, the TCC now, in light of the new plan, the TCC is recommending everybody to  
3 change their votes to accept, and you are--we're encouraging everyone to change their votes to  
4 accept. And so instruct your attorney in writing. Use an email. That's just the most quickest way  
5 to change your vote, or instruct your attorney to create a record. And, you know, you could also  
6 do it by telephone, and your attorney will take down a record of the conversation, and mark the  
7 master ballot, and send it in to Omni, the voting agent by 4:00 p.m. on March 7th, 4:00 p.m.  
8 Eastern Time. And so the next slide, please, Debra.  
9 So if you voted yourself, and you got an individual ballot, and you don't still have your blank  
10 ballot that you used before, then you need to email Omni. And we will get to the email address.  
11 And you can get a new ballot, and you'll get one in an email. And you can either mail it to Omni,  
12 or you could upload it through the wh--the claim portal. But in that ballot you need to do a  
13 couple of things. You need to make the sel--the election to either accept or reject. And as I said,  
14 the TCC is encouraging everybody to accept the plan. And you need to decide whether or not  
15 you want to make the \$3500 distribution if you want just that. And so if you said you wanted the  
16 \$3500 distribution before, you could un--you could just not do it this time and leave the box  
17 unchecked. Or if you didn't do it last time, you could check the box this time.  
18 As for the opt out, we're recommending that people check the opt out box. Fill in all the personal  
19 information in there, your name and your address, the last four digits of your Social Security  
20 number. And most importantly, sign it, and it needs to be received by Omni by 4:00 p.m. Eastern  
21 on March 7th. And here come the details of where it's going to go. Completed and signed. That's  
22 the address. And the website there on the bottom is where you could upload your ballot. This  
23 slide deck here that we're going through is on our website at [tccbsa.com](http://tccbsa.com).  
24 You got questions about voting? We encourage you to first ask your counsel, if you have them.  
25 But if you've got basic just sort of logistical questions, send them to us. If you need a ballot,  
26 [bsaballots@omnimanagement.com](mailto:bsaballots@omnimanagement.com) is the place where you can get your ballots. You could

1 obviously write to Omni, but we don't recommend it, because we think it's gonna take too long.  
2 To the best--and if you're having some other issues, get in touch with us, and we could help  
3 Omni get you a ballot also.

4 **KENNEDY:** And John, it's probably a good time for us to remind everybody that these videos  
5 of all our Town Halls are--will be posted on the website. So if you've been scrolling furiously,  
6 you'll be able to go back and pick all this up.

7 **LUCAS:** Yeah, and that little sort of few pages that we went through with the information on  
8 it is also posted on the website, and all that information is there. And anybody who is asking  
9 questions about that through [tccquestions@pszjlaw.com](mailto:tccquestions@pszjlaw.com) should be able to get an answer through  
10 that way too.

11 **HUMPHREY:** Thanks, John. Thanks, Doug.

12 **LUCAS:** Yep.

13 **HUMPHREY:** So listen, folks. You know, some of you are asking what's different, you  
14 know? Why were we so adamantly--and if you go through all the things, there was a video of  
15 Doug and I sitting on a dock, you know, objecting to things, and so why now? Well, I will tell  
16 you that the no votes that you guys put in absolutely allowed us to get back at the table. We had  
17 no control or power in the trust. We were stalled on youth protection. And we not only weren't at  
18 the dollar amount that we wanted, but we had no veto rights over settlements as they came in.  
19 And they were coming in, and there were some lowball things that got, you know, slipped  
20 through the cracks. And so we've addressed all of those things.

21 Now, why stay no? You know, if you want to go it alone someday and vote to object on this  
22 thing, and you think you can go into the local courts that are all backed up for years based on  
23 COVID, you know, that's a big risk. And so what we tried to figure out is what is in the best  
24 interest of all 82,500 survivors, so that everybody has the opportunity to get something. And so  
25 this is why now we're asking you to vote to accept it. And spread the word. Let people know that  
26 you did. And, you know, Jo--Rich, I think we've already covered some of the government—

1 governance issues, so I think we should go to Q&A. Is that okay with everybody?

2 **PACHULSKI:** I think that makes sense.

3 **HUMPHREY:** Okay. So Doug, you want to lead us through some of the questions that  
4 we've sort of accumulated over the last--

5 **KENNEDY:** Yeah, sure. Jim, one of the things that we hear, questions that we hear, is wouldn't  
6 we be better off if the BSA liquidated, if they just went out of business, and we got the hands on  
7 all their assets? And that's kind of a two-part question how liquidation works. But also if  
8 something like that ever happened, why would that not be a good thing for survivors?

9 **STANG:** Thanks, Doug, and good evening, everybody. First, the bankruptcy court does not  
10 have the authority to force the Boy Scouts into a liquidation proceeding, which bankruptcy  
11 lawyers sometimes refer to as Chapter 7, which is Chapter 7 of the Bankruptcy Code. Because  
12 the Boy Scouts would qualify as a non-profit, some people use the term non-monied corporation,  
13 the statute is absolutely clear. The Boy Scouts cannot be forced into a Chapter 7 liquidation  
14 proceeding. The court does not have the power to do it.

15 So liquidation is in a sense a hypothetical. We'll get into liquidity and the resources of the Boy  
16 Scouts in a few minutes in terms of them going forward. But let's pretend that, for one reason or  
17 another, the Boy Scouts did liquidate, even in with the context of the existing Chapter 11.

18 Because converting the case to a Chapter 7 forces the liquidation, but in a Chapter 11  
19 corporations liquidate all the time. Is that good or bad for survivors?

20 The TCC did an extremely deep dive into the assets of the Boy Scouts of America. We looked at  
21 their cash, I'm sorry, its cash, its investments, its real estate, including valuation of real estate.

22 The deep dive included a review of what we called donor restrictions. "I hereby give the Boy  
23 Scouts \$10,000 to be used only for the operation of Camp X." You know, that restriction is  
24 binding on creditors, and so the BSA, or creditors to the BSA, do not have the ability to break  
25 that restriction, but we looked at them very hard. If it said, "I'd like that money to go to Camp  
26 X," we considered that unrestricted. But people have a right to dispose of their property the way

1 they want. And we looked hard at the restrictions in evaluating what could be obtained from  
2 BSA in liquidation, and that includes the endowment that the BSA has and a foundation that the  
3 BSA has.

4 We also looked very hard at the high adventure facilities. And those adventure facilities were  
5 appraised, and they are subject to mortgages from J.P. Morgan in amounts that far exceed the  
6 value of the high adventure facilities. Now, I don't think J.P. Morgan was making a gift to  
7 anybody, but the facts are that the value of that real estate is less than the mortgage, and so a sale  
8 of the high adventure facilities, based on appraisals, would not yield anything to survivors. In  
9 addition, J.P. Morgan, by virtue of certain bankruptcy protections that it obtained at the  
10 beginning of the case, also may have claim to get some of the cash in investments that would  
11 otherwise be able to go to us, the unsecured creditors.

12 So at the BSA level we did a really, really deep dive into their assets, and concluded that it's not  
13 really where the big value is, folks. It's not at BSA National. The value is, if anywhere relatively  
14 speaking, at the local councils. I did see a question in the Q&A about the artwork. The settlement  
15 trust is getting their artwork. Judge Hauser, when she's confirmed as the settlement trustee, will  
16 be in charge of liquidating it. And we have spent some time over the last year and a half plus  
17 looking at the market, and contacting people for the eventuality of when that artwork would  
18 become available.

19 So now let's talk about the local councils. In a BSA liquidation the local councils will, in effect,  
20 have their charters terminated. These are annual charters. They go away at the end of whatever  
21 year is left. What happens to those local council assets? Well, we have been told by the local  
22 council ad hoc committee that many of the local councils will file bankruptcies. So that has its  
23 intended delay. That has its intended costs. Under the governance documents of the Boy Scouts,  
24 if the charter is revoked, the assets of the local councils get liquidated for the benefit of that local  
25 council's creditors, not for the benefit of survivors as a whole. And so if you're looking at the  
26 goal of this case to be a fair settlement for all survivors, the liquidation of the Boy Scouts, with

1 the loss of the charters to the local councils, simply does not accomplish that.

2 So that's the answer. We don't think--yeah, on paper one could make an argument that the  
3 liquidation numbers turn out to be different. Oh, by the way, there's also a claim by the Pension  
4 Benefit Guarantee Corporation, which is, at least according to its analysis, in excess of \$1 billion  
5 that is against all the local councils and the BSA. Not a billion for each, but a billion in total. And  
6 that would clearly dilute recoveries from survivors. All these positions can be contested. But at  
7 the end of the day, as John and Doug have said, we had to make a decision, and that was what is  
8 in the best interest of survivors. And with the changes that were accomplished because of the  
9 power of no, your no vote, we came to the conclusion, "we" meaning the TCC, came to the  
10 conclusion that it was time to vote to accept the plan.

11 **HUMPHREY:** I know we had--I saw a number of questions in the Q&A, and we had  
12 harvested this one, Rich. It's, "What happens with the insurers who have not settled?"

13 **PACHULSKI:** Okay, John. That's a very fair question, and frankly, it's one of the major  
14 reasons that the TCC ultimately decided to enter into a settlement. Because what we were seeing  
15 was that there were settlements that we did not--were not pleased with, and frankly, we didn't  
16 see that that was gonna stop. And the choice was to have--continue to have the settlements that  
17 we didn't find favorable, and ultimately a plan was confirmed that was a lot worse than we might  
18 be able to do vis-à-vis a settlement.

19 So let me kind of explain the answer in this respect, because they're different periods of time.  
20 From now until the effective date, and this is a critical issue in my view, there can be no  
21 settlement without the approval, among others, of the TCC. We have veto power. Now, we're  
22 not gonna just use it to veto. If the mediator who's, I understand, continuing to try to mediate  
23 with insurance companies and charters, if the mediator comes up with a fair settlement, we  
24 evaluate it, we can analyze the claims, then we will support it. If we do not believe that's the  
25 case, then we will veto it. And so that will go forward until the effective date, which assuming  
26 the plan is confirmed, will be somewhere in the second--somewhere probably in the second

1 quarter of this year.

2 After the effective date, one of two things will happen. Either the settle--the independent trustee  
3 will negotiate with the insurance companies. There will be a presentation to the STAC members,  
4 and the STAC members can go ahead and approve the settlement. That is one approach, and that  
5 would be the favorite approach.

6 On the other hand, if negotiations take place or do not take place, and the independent trustee  
7 makes a determination that it's not worth trying to negotiate anymore, there will be litigation  
8 against the insurance company, and the settlement trustee will push as hard as possible to try to  
9 get a favorable ruling from the court. And so there are mechanisms in place before confirmation  
10 of a plan and post confirmation of a plan, so that the insurance settlements will be thoughtfully  
11 either resolved through settlement or resolved through litigation. And that's how it's going to be  
12 going forward.

13 **HUMPHREY:** Thanks. And there was another question to that vein. We can't go back to  
14 Century or Hartford and improve those deals at all?

15 **PACHULSKI:** That's a great question I know a lot of people have asked. And so here's  
16 the reality: We had to make a--what was in the best interest of the survivors. We were not  
17 satisfied with some of the settlements. There's no question about it. We could've just said, "We  
18 are going to oppose." And that would've been an option, and settlements would've, in my view,  
19 continued on, and we would've been even angrier than we were based on the past settlements. So  
20 like anything else, you have to look at a cost/benefit analysis. There were still billions of dollars  
21 of potential insurance, and we didn't want to lose that opportunity. And yes, we had come to the  
22 conclusion that the settlements that had come through were lower than they should've been. But  
23 there was not a reality of getting a veto right or a better structure on future settlements and  
24 changing the past. The Boy Scouts, the local councils, the insurance companies who had been  
25 involved, would have never allowed that. And so this wasn't like, "Let's get a better deal and  
26 let's negotiate a great deal in the future." To put it in a simple way, it was binary. We could

1 either accept what was there and protect the future, or object to any settlements, including new  
2 settlements with the--that were going through mediation. And I think the decision was made,  
3 which I think was the absolute right decision under the circumstances, to go forward and make  
4 an arrangement to protect the future, even if we couldn't change the past.

5 **HUMPHREY:** And by "protect the future" that means we can go--there's still  
6 substantially more money to go get.

7 **PACHULSKI:** We think there is substantially more money to get, both in primary  
8 insurance and excess insurance. And I was very nervous that the vast majority of that would've  
9 been settled in a way that we would've found very unfavorable.

10 **KENNEDY:** You know, I was gonna say, John, the other wrinkle to Rich's point is the more  
11 time we spend in negotiation, the more of the Boy Scouts' money was gonna be spent on  
12 bankruptcy, and kept out of the hands of survivors. And quite frankly, we had survivors that we  
13 were concerned about them living through this bankruptcy as well. So it's, you know, just  
14 waiting would not have been the right strategy either.

15 But I think this also leads to the next question for Jim, and you touched on it a little bit before,  
16 Jim, but what about the notion of getting more money from the chartering organizations or the  
17 local councils? And I think probably we need to explain what's gonna happen with the charter  
18 organizations at this point.

19 **STANG:** So I saw a question that said, "Why don't we just get X thousands of dollars from  
20 the 40,000 chartering organizations, and that's adds up to," and it was several billions of dollars  
21 that was in the question. And I guess my answer to that is, "From your mouth to God's ears."  
22 Think about it folks. Forty thousand chartering organizations that are gonna be pursued in state  
23 court, which as John pointed out, almost every dock--civil docket in the country is backed up  
24 several years with COVID. Chasing organizations that--whose assets, by the way, have not really  
25 been analyzed by anyone. And so I understand that if everyone put in X thousands of dollars it  
26 adds up to a lot of money, but that is chasing a lot of cats.

1 So the plan provides for releases for certain chartering organizations. And I think that rather than  
2 going into an explanation of which ones are getting released and which ones aren't, probably  
3 best left to something on the website so people could understand it. But there is an enormous—  
4 from the perspective of trying to negotiate a settlement with that group in the context of the  
5 bankruptcy, that was a task that Herculean doesn't begin to describe it. Frankly, I think it was  
6 impossible. We saw some ad hoc committees form. There's a Catholic--a Roman Catholic ad hoc  
7 committee. There is the Methodist. I think--I don't know if they had an ad hoc committee, but  
8 they were negotiating. And so certain groups were able to kind of pull it together and negotiate  
9 as a group. But it just did not appear to be us--to us to be cost effective to try to do it in a  
10 collective way at the bankruptcy level.

11 **HUMPHREY:** Okay. Doug, anything else from you?

12 **KENNEDY:** Well, the only thing I want to add to this is we've seen a lot written about why it's  
13 going to cost \$20,000 for a review, and a lot of confusion about the review process. So a couple  
14 days ago John Lucas and I put together a video. The trust distribution process, the review  
15 process, is complicated. It's nothing you can explain in just a few minutes. So we put together a  
16 video that is about 50 minutes long. And we had a great suggestion to put some sort of a time  
17 stamp on it, so that survivors could go back and go to minute number 43, for example. So we  
18 wanted to get that up tonight. Apologies. Hopefully it's going to be up tomorrow on the website.  
19 And we really think that's gonna be a good video. It's basically John Lucas, who understands  
20 this far better than I ever could, answering my questions as we run through it. But we really think  
21 it's going to help to explain the three paths that are part of the review process for claims, and  
22 answer a lot of questions. Again, we know it's lengthy, but this is important stuff that can't be  
23 just glossed over.

24 **HUMPHREY:** Yeah, listen. There's lots of opportunity to have somebody listen to your  
25 desire to improve your claim. This \$20,000 number is a lightning rod that everybody seems to be  
26 rallied emotionally around, but there are several other ways before you even get to that. And the

1 video is great. It goes through all the details. So if that's something you're concerned about, then  
2 check out TCC BSA over the next few days, and we should have all the updates, including the  
3 recording for this.

4 So with that, I think we're gonna wrap for the night. If you have questions,  
5 [tccquestions@pszjlaw.com](mailto:tccquestions@pszjlaw.com). Remember that the voting deadline is new. Last week it was March  
6 the 4th. This week it's been extended to March the 7th. That means that your ballot needs to be at  
7 Omni by 4:00 p.m. Eastern Standard Time. So if you have any questions, reach out to us. I'd just  
8 like to thank everybody for being here tonight. Thanks for all the participation. Keep an eye on  
9 the website, and we'll see you next time.

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

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1 I hereby certify that the foregoing is a true and correct transcription of the audiotape labeled  
2 GMT20220225-010027\_Recording.

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8 03/02/2022

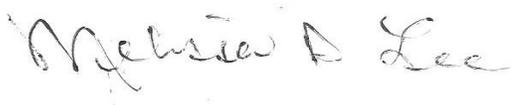
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Melissa D. Lee

10 Date

Printed Name

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Signature

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