

# CERTIFIED TRANSCRIPT

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**BOY SCOUTS OF AMERICA  
OFFICIAL TORT CLAIMANTS COMMITTEE TOWN HALL  
JULY 01, 2021**

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1 **HUMPHREY:** Well, hello, everybody. Long time, no talk. We are back. My name is  
2 John Humphrey, the chairman of the TCC. I'm joined by Doug Kennedy and our councils, Jim  
3 Stang and John Lucas. And it's been a very busy day full of negotiations; but the late breaking  
4 news is that the BSA has filed, and we have signed to a restructuring support agreement, also  
5 known as an RSA. So, we're going to try to outline that tonight. We're going to go through an  
6 agenda of the insurance, non-insurance, the BSA and the locals will talk about chartered  
7 organization and insurance companies, what an RSA is and a term sheet, what the timeline might  
8 be forthcoming, what a trust distribution procedure is. Doug is going to cover some of the non-  
9 monetary demands that we were able to get secured; and then we'll tell you what the next steps  
10 are.

11 We have opened up the Q&A, and John Lucas will be fielding those questions. If you enter your  
12 name in the question and we respond to it online, people will see your name. If you would rather  
13 put an anonymous question, just put it forward and anonymous. So, thanks for coming. We  
14 know we're on the eve of a Fourth of July weekend; and I, for one, am grateful for all the hard  
15 work that's been done. You know, in a mediation, I guess I've heard that if it's successful,  
16 everybody is a little but unhappy with the outcome. So, there's going to be some really great  
17 things about this process, and there's going to be some things that people aren't particularly  
18 happy with; but our desire was to get the most we could get for you guys and do it in a timeframe  
19 that was more expeditious. So, with that, I'm going to turn it over to Jim Stang and let him  
20 outline what is part of this agreement.

21 **STANG:** Thank you, Joh. For those of you that attended last night, I hope that John Lucas  
22 and I are looking a little fresher. It was a very long two days. I think in terms of actually sitting  
23 in active mediation, it was over 24 hours between the two days; and I can only handle so much  
24 coffee. But we've had a bit of a day of "relaxation", so hopefully—some people said yesterday

1 that I looked discouraged or tired. I was tired. I was not discouraged. So, let's talk about what's  
2 happened in the last few minutes, literally the last few minutes.

3 The Boy Scouts have filed, as John reported, a restructuring support agreement. And for those of  
4 you that were on yesterday, I'll try not to be too repetitive; but there are more people on tonight  
5 than there were yesterday, so I want to give some of this terminology and explanation. A  
6 restructuring support—the restructuring support agreement that was signed was between the Boy  
7 Scouts of America; an unofficial committee of local councils; the Tort Claimants Committee,  
8 that's us; the coalition, which is an unofficial committee of people and lawyers who collectively  
9 represent 60,000 people. So, a lot of accountability with survivors for this agreement. The  
10 committee is a fiduciary to all of you; but a group of lawyers representing 60,000 of you have  
11 signed this term sheet. And then you've got someone called a future claims representative who  
12 represents people who, as of the bankruptcy date, were minors or had repressed memory, which  
13 is a psychological state that basically you didn't remember what happened to you. So, we court  
14 appointed someone who is kind of like a guardian to represent those folks.

15 So, those are the parties to the restructuring support agreement. And what the restructuring  
16 support agreement says is that we who signed it support the plan that is outlined in the attached;  
17 and the attached is called the plan terms sheet. And it goes through in some detail, certainly not  
18 as much detail as the plan itself will, and outlines the major subjects that will be treated in the  
19 plan of reorganization.

20 A critical part of the terms sheet is what we call the trust distribution procedures; and while it is  
21 part of the terms sheet, in terms of the subject matter covered, it is a separate document. And it  
22 is attached to the restructuring support agreement filing that we'll talk about exactly where you  
23 can find it over the course of this presentation. So, you've got the restructuring support  
24 agreement, RSA, plan terms sheet, the TDP, the trust distribution procedures; and as part of the

1 TDPs there is also an analysis of statutes of limitation. And I don't want to unduly focus on that  
2 at the moment; but I know a lot of you have questions about what is the effect of my state's  
3 statute.

4 A lot of people on this call were terribly injured decades ago; and while that's often used by  
5 people to kind of minimize your claim, it does have a legal importance, and we'll talk about that.  
6 And then, there is going to be some additional documentation filed. Tomorrow the Boy Scouts  
7 will file the actual plan of reorganization, it will be the fourth amended one; and a disclosure  
8 statement that explains how the plan works and is meant to give you enough information so you  
9 can decide, in consultation with your attorney if you have one or if you get one, the important  
10 information so you can make a decision to vote for the plan, to vote against the plan, to object to  
11 it, or to support it.

12 We who have signed the restructuring support agreement are going to advocate that you accept  
13 the plan. There's a lot of detail--the expression much between the lip and the cup; there's a lot of  
14 detail to work out, but the broad parameters have been agreed upon and are set forth in the RSA,  
15 the restructuring support agreement. And from time to time, John is going to interrupt me; and  
16 John Lucas is going to say, "No one wants to hear what you're talking about, Jim. This is what  
17 they want to know." So, he will interrupt me with questions, and we might change the subject in,  
18 if not mid-sentence, at least mid-thought.

19 So, let's go down and talk about what this RSA says. What does the term sheet say? The first  
20 thing is; how much are the Boy Scouts putting in? Now, I'm not talking about their insurance  
21 companies. We'll get to that in a few minutes. But how much are the Boy Scouts putting in?  
22 And Boy Scouts means Boy Scouts of America, not the local council. We'll talk about that after  
23 we talk about BSA.

24 BSA is putting in a package of property and cash totally \$250 million. This is about twice as

1 much as they—as it originally offered. It will consist of cash. It will consist of real estate,  
2 specifically Scout University, which is in escrow, by the way; so, we'll get the property, or we'll  
3 the sales proceeds. The distribution warehouse subject to a lease, because the Boy Scouts will  
4 continue to lose it; but we could sell the property, subject to the lease. It's a lease back to the  
5 Boy Scouts so that they have continued use of it. It's art collection and a group of oil and gas  
6 royalties. And based on appraisals, the estimated value of those assets if \$250 million.  
7 We have been asked; what if the building does sell for the appraised amount? Well, if it sells for  
8 more; we get to keep the upside. If it sells for less; we suffer the downside. There is no  
9 backstop to the 250; but the folks who will be in charge of the disposition of those assets will  
10 work as hard as they can to get more than the 250, but there is no guarantee to that number.  
11 When BSA transfers that money—and again, we'll talk about the insurance in a minute. But,  
12 when it transfers that money, property, and its insurance rights; it is done. It has made its  
13 contribution to compensation of survivors. And for those of you who—well, I'll leave it at that.  
14 What are the local councils pulling in? So, the local councils have participated in a bankruptcy  
15 case through something that we call the ad hoc, a-d h-o-c, local council committee. It's not an  
16 official committee appointed by the court; but the people who have volunteered to be on that  
17 committee and their council have been interacting since the beginning of the case with all of the  
18 local councils, which number about 250.  
19 We have talked a lot on these town halls about the local council assets. And the local councils  
20 are going to put up, collectively, approximately \$600 million. We will—the disclosure statement  
21 will include information about how much each local council has been asked to put up. And  
22 when I say asked; the local—the ad hoc committee has been in negotiation with the individual  
23 councils and has, in a sense, sent a bill to each of them. Now, it's not a bill they must pay; but it  
24 is a bill that the local council committee thinks is their fair contribution to the total \$600 million.

1 **HUMPHREY:** Hey, Jim. I might interrupt you for a moment.

2 **STANG:** Sure.

3 **HUMPHREY:** You might just cover briefly the legal structure difference between BSA  
4 National and each one of the local councils, and the fact locals are not in bankruptcy.

5 **STANG:** Sure. Okay. Let me just finish the thought about the property; and then I'll circle  
6 back. So, what are the local councils putting up? What does that \$600 million consist of? It will  
7 consist of \$300 million in cash, \$200 million of real estate, and a \$100 million promissory note.  
8 The \$300 million in cash, I really don't—can't speak to that; it's cash. On the real estate, it is  
9 going to be at least worth \$200 million based on appraisals that this committee has undertaken,  
10 that the debtors have—the debtors have undertaken; and we will figure out which properties are  
11 actually going to be contributed, but it's going to be based on appraised values.

12 We don't anticipate that the local councils will immediately transfer the properties to the people  
13 in charge of running the compensation program, because the last thing we want to do is be the  
14 operator—the largest operator of camps in the United States. We're not set up to be a real estate  
15 management company; but there will be commitments that will be enforceable to ensure that  
16 those properties are being marketed and when sold, that the sales proceeds will come for the  
17 benefit of the survivors.

18 And then finally, there is a promissory note. It is geared off of monies that will be excess for the  
19 local councils. There are a lot of protections being built into the term sheet that make sure that  
20 there's no funny games going on about whether the cash will be available to pay that note.

21 The BSA is a corporation created by the Federal Government—chartered by the Federal  
22 Government; and it is the entity that's in bankruptcy. It has agreements with these things called  
23 local councils that, in effect, allow the councils to go out and create troops. The local councils  
24 are corporations in the state where they exist. So, the L.A. Boy Scout Local Council is a

1 California corporation. It has relation—obviously very extensive relationships with the Boy  
2 Scouts of America; but those local councils are not in bankruptcy.

3 So, part of the dynamic we have is how to get the local councils to put up money and property  
4 and give them relief from the abuse claims that are being brought against them. It has been a  
5 very complex part of the job, which is multiplied by the fact that there are 250 of them. And  
6 while this ad hoc committee has tried hard to manage the process; they all have their own boards  
7 and have similar, but also different interests. So, that's BSA contribution. That's local council  
8 contribution.

9 In addition to the cash and the property that I've mentioned; the BSA and the local councils are  
10 also assigning to a settlement trust, which is the vehicle for handling the cash and handling the  
11 real estate and the paintings and the royalties. And they are assigning their insurance rights to a  
12 trustee who has been selected by joint agreement of the coalition and the people it represents, the  
13 Tort Claimants Committee, and other parties in the case.

14 That person will not be appointed until the plan is approved—or he has not been appointed yet;  
15 but the insurance rights are assigned because at the present time—and I'll talk about Hartford  
16 Insurance in a moment. But, except for the Hartford Insurance Company, there are no settlements  
17 with any insurance companies. All of the property coming into the trust is coming from cash,  
18 property that is being put in by Boy Scouts and the local councils.

19 There are also no settlements with any chartered organization. Those are the entities that sponsor  
20 the troops. So, there is not a single settlement with the Church of Latter-Day Saints, who while  
21 not currently a chartered organization—well, currently is not a chartered organization, was at one  
22 time. There are no settlements with the Kiwanis Club, with the local fire department, with a  
23 Catholic diocese, with a Jewish synagogue. No chartered organization has made a settlement  
24 with any of the parties in the case. There have been discussions with some; but no agreements.

1 So, this trust will have an assignment of the insurance rights; and people will have their rights  
2 still against chartered organizations. And we'll talk in a few minutes about how one enforces  
3 those rights. So, John, I'm going to take—Lucas, I'm going to take a pause for a moment. Tell  
4 me if there's anything that's coming up that you would like me to address before we go into a  
5 discussion of the trust distribution [inaudible].

6 John, you're on mute. So, if you want me to answer any questions.

7 **LUCAS:** Thank you, Jim. A number of the people—hello and good evening, everybody.  
8 One thing I would like to say is that many, many, many of you are thanking John and Doug and  
9 firm for the work that we've done; and so, we appreciate your comments. And so, if I don't  
10 respond to a thank you; that doesn't mean I'm ignoring it. I'm just sort of saying out here; thank  
11 you very much. It's much appreciated, and we're grateful that you're finding this valuable. So,  
12 thank you for your nice comments.

13 Jim, a lot of people are asking about the insurers. And what they're asking about is; well, why  
14 aren't they part of this? And why is the insurer filing an objection and saying; hey, they weren't  
15 part of the negotiations? And so, does that mean that if the insurance isn't part of this plan, that  
16 somebody is—the survivor's attorney has to sue an insurer? Like, what happens to the  
17 [inaudible]?

18 **STANG:** Okay. So, let's talk about Hartford for a moment, because I said there are no  
19 settlements with any carriers; and then I kind of carved out Hartford. Hartford Insurance  
20 Company is one of the major insurers of the Boy Scouts. And generally, when we say Boy  
21 Scouts, we mean also the local councils and depending on the years, the chartered organizations.  
22 Because when you look at the insurance policies, they have a list of people who are covered by  
23 the insurance—entities that are covered by the insurance. So, BSA is at the top of the list, but  
24 not in any priority; but just at the top of the list. Then you've got local councils, and then you



1 have chartered organizations.

2 The debtor reaching agreement with the Hartford Insurance Company to pay \$650 million for  
3 settlement of approximately 24,000 claims. The Tort Claimants Committee, the coalition, and  
4 the future claims representative vigorously, is an understatement, objected to that settlement. We  
5 thought it was inadequate, it didn't cover enough dollars, and it had an impact on discussions  
6 with other insurance carriers. So, we said in court and in pleadings and we have said before this  
7 group, that we would not support of any plan that includes the Hartford Insurance Company  
8 settlement.

9 And the pleading that was filed today by the Boy Scouts says—while I personally haven't read  
10 it, I've talked about it to the point of being nauseated; what they're saying is, "Judge, tell us if we  
11 have to include the Hartford Insurance Company settlement in our plan." Because we can go  
12 forwards with the plaintiff's groups in a cooperative spirit that we're talking about tonight, if the  
13 Hartford Insurance Policy Settlement is off the table. But, if you tell us, because we inked a deal  
14 with them , that was subject to your approval, judge, that we have to include it in our plan; the  
15 parties to the restructured settlement agreement can bail on it, and we can go our own path.  
16 So, one of the things Judge Silverstein will be deciding on July 20<sup>th</sup> and 21<sup>st</sup> is whether the  
17 Hartford deal has to be in the settlement. I don't know what Hartford is going to say. I suspect  
18 it's going to say that it must be; but we'll see. So, the Boy Scouts basically have said, "We have  
19 a path forward with the plaintiff's groups if the Hartford Insurance settlement is off the table.  
20 But the question went to the bigger question; where are the insurers? You know what, that's our  
21 question; where are the insurers? There's a lot of back and forth about have they been included  
22 in the negotiations or not. And I'm not going to get into the details of that because: A. It's  
23 supposed to be confidential; and B. It doesn't matter. We don't have any settlements with any of  
24 them.

1 So, the carriers are filing all sorts of objections that the process has been unfair, that they have  
2 been excluded from the process, and that everything needs to slow down because their rights,  
3 under the insurance policies, are being impacted. Now, the main right we're focused on is their  
4 right to pay, their obligation to pay. But there are rights that they have regarding how claims are  
5 reviewed and the duty of the people who are covered by the insurance to cooperate with the  
6 insurance companies; and that's a tension that exists between what has been proposed and what  
7 the insurance companies expect, because the insurance companies are not happy with the  
8 processes that we'll talk about in a few minutes, as to how claims are going to be valued.  
9 So, we would like to reach global agreements with all of the carriers. That is the most  
10 expeditious way of getting all of you compensation in a timely way; but it has to be the right  
11 amount. Hartford was not the right amount. It has to be timely; and, you know, we're just not  
12 there yet. So, you know, there's an old expression, and I suspect there are insurance people on  
13 this call, so I'm going to be careful about it; which is, insurance companies like collecting your  
14 premiums and negate paying out.  
15 I'm not going to say the insurance companies are operating in bad faith. It's not my place to say  
16 that. But we would like to enable the Boy Scouts and the local councils to realize something  
17 from the payment of decades and decades of premiums. We're just not there yet. But I will tell  
18 you that we will be in cooperation with the coalition, with the future claims rep; and so long as  
19 those policies are still with the Boy Scouts, they will be assigned when the plan is approved, that  
20 we hope to work together to get reasonable settlements from the insurance companies.  
21 Anything else, John, before I move on to the TDPs?

22 **LUCAS:** No. I think that the TDP is a good place—let me just sort of give you a little bit of,  
23 sort of, comments coming in is that there are a lot of people that are wondering, you know—  
24 people have specific questions about; well, what about my claim, this happened? Or what about

1 my claim, that happened? But I think what people really sort of want to understand is, you  
2 know, what is the TDP, how is my claim going to get valued, and then really the \$64,000  
3 question is when am I going to get paid? What's the timeline really look like.

4 **STANG:** Okay. Well, I hope it's more than \$64,000. I got it. I understand. So, the purpose  
5 of the trust distribution procedures is to set out how the claim will be valued; and once the claim  
6 is valued, how it will get paid. So, I want to make sure everyone understands there's a real  
7 distinction here. What is the value of your claim, and how much you will be paid on account of  
8 that value? It would be our hope that you'll get paid every cent of the value of that claim; but  
9 that will depend a lot upon the outcome of the negotiations or litigation with the insurance  
10 companies and with the chartered organizations.

11 I know that we spent time in arguing against the previous plans that when you divide the dollars  
12 by 84,000, you get single digit thousands. And anyone who has gotten their calculator out and  
13 took \$850 million with some question marks around that because, as I said, there's no guarantee  
14 on certain values, and divided it by 84,000; you did not get an overwhelming number per person.  
15 I get it. The purpose now—if this plan were confirmed tomorrow, the purpose of the plan is to  
16 finalize payments from the insurance companies and the chartered organizations.

17 So, we did the best we could with the legal issues surrounding BSA's assets and the local council  
18 assets in the context of moving this case forward. Is it every dime that they have? No, it is not.  
19 But it is the best that we could do in cooperation with the coalition, who speaks for the vast  
20 majority of the survivors in this case, to get what we got. So, let's focus on the TDPs.

21 Again, purpose is the valuation of your claim. The—and I'm going to use the—reference to the  
22 word trustee, because the trustee is going to run this process with lots of staff and lots of helpers;  
23 but we'll just refer to the trustee. So, we got your proofs of claim; and you're going to be asked  
24 to fill out—probably asked to fill out another form, that gives us more information about your

1 claim. But you're going to have a couple of options along the way as you claim is valued. The  
2 first option is going to be you've signed your proof of claim; not your lawyer, but you, and you  
3 have completed it, no blanks, right. Substantially completed, and you submitted it on time.  
4 Although, if you had your lawyer sign it; it's okay if you signed it now. But in terms of getting  
5 the claim form in initially, it had to have been on time.  
6 You will be offered an opportunity, just based on the fact that you swore under penalty of perjury  
7 that the facts in the statement are true, and that the statement is complete, and that it was filed on  
8 time to get an expedited payment. I'm sure the question—next question is going be; how much  
9 is that expedited payment. So, it's \$3,500. And some of you may say, "Oh my God, I would  
10 never accept \$3,500." And some of you might say, "You know what, to be done with this; I'll  
11 take it." You're not required to take the \$3,500; but the plan contemplates that it will be  
12 available.  
13 Now, if everybody wanted \$3,500, there's not enough money to pay that; but we're not  
14 expecting everyone will take 3,500 bucks. So, there is what we call the expedited payment.  
15 Okay. Everybody else; what are your choices? There is a process for valuing your claim. It is  
16 spelled out in detail in the TDPs. And without getting too much into the details, the abuse is  
17 broken into tiers ranging from penetration to non-touching; and there are what we call base  
18 amounts for each one. So, just as an example, the base amount for a penetration claim is  
19 \$600,000. Now, again, folks, keep in mind; this is the value of your claim, not how much you  
20 would necessarily get.  
21 Now, there are factors that will increase that value; and they are spelled out in detail in the TDPs.  
22 Those factors could include that you were abused several times, as opposed to one occasion. I  
23 don't have all of the—we call these scaling factors, s-c-a-l-i-n-g. There are scaling factors that  
24 will increase the amount of your claim; and there are scaling factors that will decrease the

1 amount of your claim. And I don't intend to go into detail as to each one and how much is—  
2 does it increase it by 20% or 40%. You're welcome to go through the TDPs; and maybe we'll  
3 have a separate session on—specifically on the TDPs and these factors.

4 But I do want to address the statute of limitations. After some very, very difficult negotiations,  
5 we—we the Tort Claimants Committee and the coalition reached an agreement on how the  
6 statute of limitations will affect the value of your claim. Everybody walked out of that room  
7 bloody, folks. I just want you to know it was really, really tough, because it would be our goal  
8 that statute of limitations would not apply. If we could live in that world, we would. But the  
9 people who are getting sued, be it BSA or the local council, but let's not forget our friends in the  
10 insurance companies, look at this and go; if we were in court, what would happen?

11 Now, that was part of the negotiations because no one knows with absolute certainty what would  
12 happen in court. A lot of people had very, very strong ideas about what would happen. So,  
13 anyway, I think I've made my point that this was not an easy part of the deal. But there is a chart  
14 attached to the TDPs that groups the states into, I think—what is it, John, five tiers?

15 **LUCAS:** Yes.

16 **STANG:** Yeah. And it ranges it from states that have no statute of limitations; such as New  
17 York, California, New Jersey, and some others, Guam. And the bottom is states where it is  
18 extremely difficult, and I'm saying this based on the collective experience of trial lawyers who  
19 literally have hundreds of years—collectively hundreds of years of experience litigating sexual  
20 abuse claims. And those states in that category get highly, highly discounted. And then there's  
21 the in between. And the chart is what the chart is.

22 I want to make sure this is—the chart has the support of the plaintiff's groups. I won't say it has  
23 the support of every plaintiff's lawyer, because that would be untrue. But that is where we came  
24 out collectively; and you should find that page in the TDPs, look at your state, and you can see

1 what's proposed. And I just want to reiterate we support the plan; but the plan has not yet been  
2 approved by the [inaudible] court.

3 So, if you've got problem with any aspect of what I'm talking about tonight, and what John and I  
4 and Doug and John are talking about; you've got to talk to your lawyer. But we do support the  
5 plan.

6 **LUCAS:** Hey, Jim. Just one thing though about—you know, as you were going through the  
7 TDPs and you were talking about the statutes; there have been some questions about the  
8 windows that have been created. Can you maybe just sort of describe what a window is? Talk  
9 about maybe Louisiana, Arkansas, Colorado, so on and so forth?

10 **STANG:** Sure. Sure.

11 **LUCAS:** And even New Jersey and stuff too, because people are even asking about New  
12 Jersey, and that's not new.

13 **STANG:** Right. Well, John mentioned Louisiana, Arkansas, and he could have mentioned  
14 many because in the last 90 days those states created these things called windows. So, let's  
15 assume that our state statute said that for child sexual abuse, you had to sue by age 23, and  
16 you're 45 years old. You can't bring—you can bring the lawsuit; but you're going to have it  
17 dismissed. I mean, this is a hypothetical; right, folks. So, there's always exception to the rule.  
18 But your case is going to get dismissed. You're not 22 years old.

19 So, this is a state-by-state issue. There is no federal law on this. So, New York a couple of years  
20 ago said, "You know what, we're not going to tolerate that situation." And for a two year—what  
21 has now become a two-year period, no matter how old you are, 45, 80, 63; you can file a lawsuit  
22 for the child sexual abuse you suffered, and it will not be dismissed because you're too old. That  
23 period of time is called a window.

24 Now, some places like Guam eliminated the statute of limitations entirely. And so, while we do

1 refer to—sometimes people refer to Guam as a window; it’s a window that’s never going to  
2 close. In New York, that window closes on August 13<sup>th</sup>. Some people say it’s the 14<sup>th</sup>. Be safe,  
3 it’s the 13<sup>th</sup>. So, the window open, which means that you can sue no matter how hold you are;  
4 and for most places the window will close by a date certain. So, Louisiana, it’s a three-year  
5 window. Now, we have—Louisiana opened its window last—two weeks ago, long after the Boy  
6 Scouts filed their bankruptcy. But, the TDPs reflect that Louisiana creditors are not discounted  
7 for their claims on the basis of a statute, even though on the day they filed the proof of claim,  
8 probably a lot of them were subject to a statute defense.

9 So, what happens? Someone might say; well, okay—Christ, I, unfortunately, live in Utah.  
10 Sorry. But for statute of limitations periods; it’s unfortunate. It’s, you know, the bottom of the  
11 barrel. What happens if Utah, tomorrow—or not tomorrow, but a year from now, opens its  
12 statute of limitations? Am I stuck with the old law? And the answer is; that will be taken into  
13 consideration in the process of evaluating your claim, because this process—folks, you’re not  
14 getting your money in the first three months after the plan is approved. It’s going to take a  
15 period of time.

16 And over the course of that time—I think we’ve given it, what, 12 months, John? If during 12  
17 months after the plan has been approved your state changes its statute; that change will be  
18 reflected in the valuation of your claim. Was I right about the 12 months, John?

19 **LUCAS:** Jim, I don’t—I’m not positive about it, on the top of my head. So, I don’t—

20 **STANG:** Yeah. But there is a time period.

21 **LUCAS:** I don’t want to give [inaudible] to everybody.

22 **STANG:** So, I—you know, we—there’s a time period. So, that’s what a window is. So, the  
23 TDP says to creditors; you want to take the \$3,500 expedited payment, if you filled out the  
24 claims forms properly, you’ll get that. Then, you are in this process that’s run by the trustee to

1 value your claim. Now, some people might say, “You know what, I want to sue. Nice meeting  
2 the trustee. Love your TDP. But I’d much rather be in court.” And the answer to that is; it’s up  
3 to the trustee to decide because these lawsuits will have an important impact on how people are  
4 negotiating with the insurance companies. And it’s important to have control over what that  
5 litigation looks like, from the perspective of the trust, which is trying to maximize the insurance  
6 company.

7 So, if you want to proceed with your lawsuit, the trustee will sit down with an identified group of  
8 plaintiff’s lawyers. They’ll vet your claim; and they’ll decide whether or not you get to bring  
9 your lawsuit. We call that the litigation out. Now, some of you may have been involved in class  
10 actions; and you’ve heard—where you get that post card, right. And it says, if you would like to  
11 be not within the class; just check the box and mail it back. That’s not the way this is working.  
12 It’s not the way—in the sense of what’s been proposed.

13 You can only continue your litigation—and this is a general rule. There are some exceptions.  
14 But for the most part, you can only continue your litigation if the trustee says okay. That’s in  
15 terms of getting out early to have your claim valued in the court system. There are exceptions.  
16 Frankly, the exceptions are fairly complex. I don’t think it would serve our interest tonight to get  
17 into all of the exceptions.

18 **HUMPHREY:** So, John, maybe we should—we’ve got about 20 minutes left. So, maybe  
19 we should talk a little bit about, like, our non—the non-monetary stuff. Maybe Doug could  
20 cover that; and then we could talk about a time table.

21 **STANG:** Sure. Let me just finish with this thought, John.

22 **HUMPHREY:** Okay.

23 **STANG:** It is the goal of the trust to take—to get settlements done with the insurance  
24 companies. There may be litigation before we get to those settlements; but the goal would be to



1 get fair settlements from the insurance companies, fair settlements from the chartered  
2 organizations, to bring those monies into the trust and use either the trust distribution procedure's  
3 valuation of your claim. The machine will produce a dollar amount for each of you. Or, if you  
4 were allowed to go into the court system; if you got a judgment to use—you got a generalization  
5 to use that value and get distributions. That's the goal. That's what this is about.

6 So, one of the things that we have worked very hard to do has nothing to do with money; and  
7 that's why we call them the non-monetary commitments. And Doug has been working very hard  
8 to get this done. And I just want to add this; and I'll turn it over to Doug. He has repeatedly, in  
9 these meetings, reminded you that bankruptcy is a business. The bankruptcy court has some  
10 ability to compel the Boy Scouts to do certain things for the protection of children going  
11 forward. Now, Doug will talk about what that process has been like and what we've come up  
12 with to date.

13 But there is a tension between the business side of this, how much money you're going to get  
14 and when; and affecting the future operations of the Boy Scouts, as to how they—how it will be  
15 required to protect children above and beyond what its current program is. So, Doug, with that,  
16 please go ahead.

17 **KENNEDY:** Thanks, Jim. And of course, as I'm about to speak, we have a storm coming in.  
18 So, I'm going to probably have to tee this over to John Humphrey if I lock—lock up here at  
19 some point. Jim, I appreciate that. I've been reading the comments here furiously; and thanks to  
20 everyone who has thanked us for our hard work. If this is the first time you're seeing us; John  
21 Humphrey and I, we are victims of child sexual abuse when we were in the Boy Scouts. And we  
22 have been part of a nine-person committee of survivors; and we have been working diligently.  
23 We have been trying our best to do everything we can to get the most amount of money possible.  
24 And I know that on everybody's mind is; how much am I going to get, and when is that going to

1 be.

2 And right now, the one piece of advices—it's kind of like drinking water from a fire hose right  
3 now; there's so much getting thrown at you. This is going to take a while; and the documents are  
4 going to be uploaded to the TCCBSA website so that you can review them. We're going to have  
5 other town halls to be explaining the process.

6 But I also want to mention too that a number of the questions are very, very individual, related to  
7 your specific case; and that's the reason why the TCC has recommended that people seriously  
8 consider having an attorney, because our professionals can't address individual cases because in  
9 some cases, they rely upon state law. So, there is also a statement on the TCCBSA.com website  
10 that talks a little bit about why you should think about having an attorney.

11 Now, having said all that, Jim did mention that there are some non-monetary issues that we also  
12 bargained in, in this agreement; and I think they're important. If you were a victim of sexual  
13 abuse, these should be very important to you because you don't want to see this continue. So,  
14 the Boy Scouts have agreed to allow for the formation of a committee that will do a few different  
15 things. This committee will be made up of members of the Boy Scouts, also local councils, and  
16 most importantly will be made up of people that were also victims of abuse.

17 And this committee is going to look at the Boy Scouts Youth Protection Program. It's also going  
18 to have a hand in hiring an outside entity that has expertise in crafting youth protection protocols  
19 and training programs and rules; and that committee is going to be looking firsthand at those  
20 recommendations and be engaged in a discussion with the Boy Scouts about what those are  
21 going to be.

22 Most importantly, that work is going to be transparent. The results of that work are going to be  
23 posted or going to be communicated. So, what we're really trying to do is make sure that all of  
24 this is transparent and everybody has an idea of what is happening going forward. Also, part of

1 this committee's responsibility will be to address what are called the ineligible volunteer files.  
2 For many years, the Boy Scouts held files of volunteers that had been accused of misdeeds,  
3 including sexual abuse. Those files need to see the light of day; but it needs to be done in a  
4 robust manner that is appropriate.

5 So, this committee is going to be looking at this list and figuring out how to release the most  
6 appropriate names on there. When it can't come to an agreement, the Boy Scouts have agreed to  
7 allow a neutral third party to review the files, to determine which ones are going to be released,  
8 and to make sure that no one who is falsely accused, their name is attached to it as well. And  
9 part of these processes will be ongoing reporting so that we'll have an idea in years to come  
10 whether or not the Youth Protection Program is working, what changes are being made, and  
11 what the impacts of those changes are.

12 So, we know that for everyone, the money is a critically—critically important part of this. We  
13 want what happened to us to stop; and we think that the formation of this committee, as well as a  
14 committee of survivors that are going to be part of the trust operation as well to advise it; we  
15 think that these committees are critically important to set things on a much better path in the  
16 future.

17 **HUMPHREY:** Thanks, Doug. You know, the institutions in this country that are  
18 supposed to protect children are failing at scale, whether it's the Boy Scouts or the archdiocese  
19 or USA Gymnastics or the various universities. And when Doug and I realized that since youth  
20 protection went into practice at the BSA, 11,000 of our 84,000 claims are in that window; and so,  
21 we just felt like it was very important.

22 I read an article today that said every 68 seconds in America, an American is being sexually  
23 abused. And we just think it's time to step up, to make things transparent, and help change  
24 what's happening in American culture today. So, we felt very strongly about that. Jim?

1 **STANG:** Thank you, guys. John, go ahead.

2 **LUCAS:** Can you—you know, you did talk about the statutes. Can you maybe just sort talk  
3 maybe a few more words about the TDP, because I realize they aren't a simple thing to sort of  
4 breakdown and explain how it's going to work out, but there are a lot of questions. I mean, just  
5 because you're in one state versus another state; that isn't the be all, end all of what's going to  
6 determine the amount of your claim.

7 **STANG:** Correct.

8 **LUCAS:** There are a lot of factors.

9 **STANG:** Right.

10 **LUCAS:** And so, the questions that I'm seeing a lot is; where am I in my state? You know,  
11 what percentage is it, or what range is it and stuff? You know, [inaudible] one factor.

12 **STANG:** Okay. Sure. So, let's just—we're going to work off penetration claims, because  
13 that's the number I can remember, which has a base amount of \$600,000. And folks, you need to  
14 go look at the TDPs, because I'm just doing this as examples. It's—I just don't have the exact  
15 numbers in my head; so, please, do not lock in on the math I'm about to do. So, you have a base  
16 amount—this I do know; you have a base amount of \$600,000, and you write up in your  
17 submission to the trust, "I was abused five times a year for three years." The trust has the ability  
18 to evaluate that and say; you know what, I'm going to increase your claim by 10%.

19 So, instead of it being worth \$600,000, because of your repeated instances of abuse; it's not 660  
20 or something in between 0-10 percent increase. And you have suffered severe mental distress—  
21 all of you have suffered mental distress; but yours has been particularly severe, and you have  
22 been hospitalized for suicidal—I forget the word they use, attempts at suicide. And so, we're  
23 going to increase your claim by 20%. And so now, instead of being at 660, we added another  
24 120,000; so, you know, do the math, you know,  $600 \times 1.2 \times 1.3$ . And John has put up as a screen

1 share, you can see this concept of—for those who were abused more than once, how your claim  
2 increases. One time, in addition to the one instance, is 1.25. If you're—if you were—I'm sorry,  
3 this is—I'm looking at someone who—your abuser abused more than one kid.

4 And so, you know, someone might say; well, why is that important? It goes to if you're in state  
5 court and your abuser abused multiple kids; it helps with the “credibility” of your claim. So, you  
6 can see under this paragraph that says abuser profile that there are multipliers that would go to  
7 your claim, and there are limits. It doesn't go on forever. Then there's the impact of the abuse.  
8 It can go up—it can increase your claim by as much as 50%; and you'll see the mental health  
9 issues.

10 Now, these are all what we call including, meaning they're examples. So, self-destructive  
11 behavior; that's the suicide I was talking about. Just read them. Physical health insure—health  
12 issues, interpersonal relationships, vocational capacity, academic capacity. Did you, you know,  
13 fail in school because of the issues you were suffering from abuse? So, that's what gets you up.  
14 And then we have the stuff that reduces; and those are called mitigating scaling factors.

15 And so, we have identified through close consultation with the plaintiff's lawyer who, as I said,  
16 have collectively hundreds of years of knowing what happens in court. You know, what happens  
17 if the person who abused you was your scout master, but also was your step-father or an uncle?

18 And, you know, the Boy Scouts are going to go; well, you know, it wasn't that person in his  
19 capacity as a Boy Scout that abused you, it was a family member. That's how he got access to  
20 you. And so those are, sadly, the kinds of things that happen in trials. There's a lot of finger  
21 pointing going on.

22 And then you have people—this is a very classic example; he was my priest. People in Guam,  
23 most—a lot of them, if not most of them, were abused by a guy who was also a priest who  
24 encountered them in the church setting. This idea of, well, is it the church's responsibility, is it

1 the scouting experience? And so, what John is scrolling; he's now looking at what we call the  
2 base. That's where I got the 600 for the penetration. There are caps. This doesn't—you know, a  
3 \$600,000 claim cannot, with all of the enhancement factors, become \$4 million. It caps out at  
4 2.7. So, your enhancing factors, when you multiply them out, might get you above 2.7; but  
5 that's where it stops.

6 **LUCAS:** Hey, Jim?

7 **STANG:** Yes?

8 **LUCAS:** So, I want to sort of mention to everybody—I mean, we put this up on the screen.  
9 The TPD document is long, it's detailed, and we'll admit here, it's not easy to get through. But I  
10 think everybody has to try to recognize that, you know, there are approximately 84,000 claims  
11 here. And while a lot of the things that happened to people are similar in nature; it happened all  
12 over the country, or in some places in different parts of the world. And because of that—and at  
13 different times; you know, sometimes five years ago, sometimes 50 years ago, sometimes 25  
14 years ago. And because of all the different states, all the different laws, and all the different  
15 times in which these events occurred and the different levels of evidence that people might have;  
16 it requires a process, unfortunately, that is complex, because we're trying to take into  
17 consideration all of those differences, and it's very, very difficult to boil it down to something  
18 simple.

19 So, if you open up this document, you don't quite understand what it's saying; you know, that is  
20 one reason to have council. But we're doing our best here to try to explain it to you in the  
21 simplest terms.

22 **HUMPHREY:** Yeah. And I think the thing that probably complicates it even more, John,  
23 is that, you know, there were multiple parties with different desires in the negotiation. You had  
24 BSA, you had the local councils, you have the TCC, you have the coalition; and everybody was

1 coming at this with a little bit different slant. So, you know, get some help getting through this.

2 You know, take your time reading it; but it's a—it was a—and it's not the end.

3 And I think one of the things we're going to get to is this is just an RSA and a terms sheet. What

4 comes next is some hearings and then plan confirmation. So, Jim, I'd like maybe you to say;

5 well, where—where do we go from here.

6 **STANG:** Sure. John, do you want to take us off the screen share and come back to faces, just

7 so I can—thank you. So, where do we go from here? Currently, the bankruptcy court has a

8 hearing scheduled for July 20<sup>th</sup> and 21<sup>st</sup> to review this restructuring support agreement and the

9 Boy Scouts request for its approval. The important part of the RSA in the context of the path

10 forward is the Hartford deal. Because as I said before, the motion requests not only approval of

11 the RSA, but also determination. The Boy Scouts are not required to include in their plan the

12 Hartford settlement.

13 If the court determine the Hartford settlement, as it is written, has to be included; all of the

14 parties to the RSA get to walk. So, July 20<sup>th</sup> and 21<sup>st</sup> is a really important hearing. That hearing

15 is also the scheduled time for approval of the disclosure statement, the document that will tell

16 you the information to help you answer the question; should I vote for this plan? Which, of

17 course, if you have a lawyer, you should do in close consultation with your attorney.

18 If the court approve the—or, let me do better. When the court approve the disclosure statement,

19 because we're now a party to the RSA; the court will set a plan confirmation hearing. That is the

20 hearing where the court will determine if the plan should be approved. Between the time the

21 disclosure statement is approved and the court convening that hearing, creditors will be afforded

22 an opportunity to vote yes or no on the plan; and will also be given an opportunity to give legal

23 arguments about why the plan should be confirmed, if you want to join. And if you object, why

24 it should not be confirmed.

1 As part of the package of materials you get; there will be the plan, the disclosure statement, a  
2 ballot, which you will be expected to return, which you can work with your attorney on how to  
3 return it. Some of these communications will go to your lawyer and not to you, personally. So,  
4 you need to be in touch with your council about whether you're—you know, how you get access  
5 to these materials, if you've hired a lawyer.

6 It will include letters from the TCC, from the coalition, from the future claims representative as  
7 to the recommendation to vote yes on the plan. And so, when you vote and those votes are  
8 tabulated by the court; those votes are one of more than a dozen factors that the court considers  
9 in whether to approve the plan or not approve the plan. Who is expected to object? At the  
10 present time, we expect the insurance companies to object. Will individual survivors or groups  
11 of survivors object? Possibly. But we hope through the continued negotiations and  
12 documentation of the plan and the disclosure statement, to try to meet as many of those concerns  
13 as we can and to make this even a better and better plan.

14 But as it stands, the terms sheet is what we have signed on to for the restruct—for the  
15 restructuring support agreement. So, when will that confirmation hearing be? It's a little hard to  
16 tell, folks, because the litigation over—should the plan be confirmed, is a little up in the air. If  
17 you were talking to the Boy Scouts; they would tell you that they would like to have the plan  
18 approved by the end of—John, what are we, in October?

19 **LUCAS:** No, no. So, here--

20 **STANG:** September?

21 **LUCAS:** Yeah. It's a little—I could sort of go through a very rough timeline; and  
22 everybody, this is—this is highly conditional. This is best case scenario from BSA's perspective  
23 and none of this is written in stone. And so, we would have a disclosure statement hearing on  
24 June 20<sup>th</sup> and 21<sup>st</sup>. There would be a voting deadline around the first week of September, which



1 has not yet been decided; but I'm just giving you sort of a guide. And then a confirmation  
2 hearing the last week of September, maybe going in a little bit into October. And so, that would  
3 be a best-case scenario.

4 But once the disclosure statement is approved, there will be a notice that is sent out; and that  
5 notice will have the definitive timeline. That is just sort of a ballpark, sort of, estimate of some  
6 of the big milestones that happen between now and then.

7 **STANG:** John, one more thing, and then I'll—maybe you'll—I see you looking at your  
8 watch. How much will I get? The answer is, we don't know. We have laid out for you the  
9 valuation of your claim. That's what the TDP is about. But how much will the trust actually  
10 have to pay out is very uncertain. The—it's really up to chartered organizations and insurance  
11 companies, as to how much is going to come into this trust. When I say up to them; obviously,  
12 we're going to make our demands and we'll litigate those if need be. But those are the sources  
13 that are left; and we don't know the answer to that yet.

14 **KENNEDY:** If I can just jump in. I've been looking at the questions, and I think the number  
15 one question tonight must be; where can I find these documents. And I know everyone is  
16 anxious to get their eyes on them as quickly as possible; but they will be uploaded. You can—  
17 will be able to find them at the TCCBSA.com website as soon as we can get them up there. And  
18 just as a reminder, we also record these sessions as well; so, we'll have a link to this session so  
19 you can watch it again.

20 **STANG:** Yeah. We're hoping to have them up on the website by mid-morning tomorrow.

21 **HUMPHREY:** And I think we're trying to draft a bankruptcy for dummy draft so guys  
22 like me can read it and understand it. So, that should be up in the next day or so as well, on that  
23 same site.

24 **STANG:** Yeah. By the way, John and Doug are practically going to get graduate degrees in

1 bankruptcy. But there will be a FAQ. I can't tell you it will be up by mid-morning tomorrow;  
2 but we had started working on a FAQ for the plan. The plan has changed a lot since we first  
3 picked up the pen on that; but we do intend to have something that will help you through this  
4 process in terms of what these documents say.

5 **HUMPHREY:** And look, we—this was a fire hose tonight, folks; and we're trying to keep  
6 it to an hour. If some of your questions did not get answered; we're looking for a way to put  
7 those in the FAQ and maybe get some of those questions turned around on the website. But, stay  
8 tuned. As you know, this thing can be very fluid and court dates can get changed and moved, as  
9 we've seen over the last three or four weeks. John, did you have something else?

10 **LUCAS:** Yeah. I wanted to say about questions; remember the website is [www.tccbsa.com](http://www.tccbsa.com),  
11 and there you could also find our email address, which is [bsasurvivors@pscjlw.com](mailto:bsasurvivors@pscjlw.com). It's there.  
12 Don't have to—it's there, go find it. And if you have questions, please send questions to the  
13 email address, and we will get back to you. But one thing I also want to say and highlight for  
14 everybody here; remember that if you have council, you should work with your council to ensure  
15 that your council or your attorney understands what you want to do about the plan. Do you want  
16 to support it and accept it? Do you not want to support it, and do you want to reject it?  
17 Remember, the decision is yours and that you need to discuss that with your attorney and  
18 communicate your decision to your attorney so that you can make your voice be heard in the way  
19 that you want it to be heard.

20 **HUMPHREY:** Yep. Thanks, John. All right, everybody. Stay tuned. We'll keep  
21 communicating in this manner as long as we can. So, thanks for your attention. Have a great  
22 evening, and have a really happy Fourth of July. Thanks a lot.

23 **KENNEDY:** Hang in there, everyone.

24 **STANG:** Take care, folks.

1 **LUCAS:** Thank you.

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