

CERTIFIED TRANSCRIPT

**BOY SCOUTS OF AMERICA
OFFICIAL TORT CLAIMANTS COMMITTEE TOWN HALL
DECEMBER 02, 2021**



Court Reporting • Video

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1 **HUMPHREY:** Hey, everybody. As you know, if you've been on these before, we
2 typically wait four to five minutes as people join. So just hang tight, and we'll get started here
3 just around five after. Good evening, everybody. Just a few more minutes while people join, and
4 then we'll get started.

5 **GRASSGREEN:** For those of you looking for the Q&A, we're trying to turn it on. We had a
6 little technical problem. So give us a minute, and we're gonna work on that.

7 **HUMPHREY:** About another minute. It's a little after 8:03 Eastern, and we'll get started
8 here in just a minute.

9 **GRASSGREEN:** Hey John, it's Debra. I apologize. I have to actually restart the webinar to
10 turn the Q&A back on, because it--

11 **HUMPHREY:** No, don't do that. We've got the--

12 **GRASSGREEN:** Just leave it? Okay.

13 **HUMPHREY:** --question email, and we--

14 **GRASSGREEN:** It's--for someone it was--

15 **HUMPHREY:** --can let people--

16 **GRASSGREEN:** --turned off by accident, so--okay.

17 **HUMPHREY:** Okay. We'll let people--

18 **GRASSGREEN:** I can restart it though pretty quickly, but I can't edit it without--right now.

19 **HUMPHREY:** That's fair. We'll get started without that, and then I'll address people to
20 the--

21 **GRASSGREEN:** Okay.

22 **HUMPHREY:** --TCC questions. So--

23 **GRASSGREEN:** Okay.

24 **HUMPHREY:** --guys, as you're joining, go ahead and take note of this
25 tccquestions@pszjlaw.com. That's a different email address that we had to put up, so if you have
26 any questions, please send them to that directly. Okay, Deb, it's about 7:05. Why--or 8:05. Why

1 don't we go ahead and get started?

2 Good evening, everybody. Welcome to the TCC Town Hall. My name is John Humphrey, and
3 I've got my co-chair here, Doug Kennedy, and familiar faces Deb Grassgreen and Jim Stang, and
4 we'll be introducing Richard Pachulski, Jim's partner of 40 years, and one of the lead litigators at
5 the firm. So we'll get to that in just a moment.

6 So we're gonna keep this relatively short today. We're in the, you know, the ramp towards
7 voting, so there's just not a lot of new developments. We're doing this to keep you guys
8 informed. As I said earlier, the new email address for questions is tccquestions@pszjlaw.com.
9 We don't have the Q&A turned on tonight, so you can send those directly, and we've got some
10 folks there answering them in real time.

11 So what are we here to do today? We're here to give you an update, address the status. We
12 always want you to hear from the TCC directly. I mean, we're volunteers. We've been doing this
13 going on 18, 19 months. And so we hope to educate you a little bit on bankruptcy. We are
14 absolutely not here to address any legal advice or legal questions for you personally. We can't
15 answer your personal challenges that you're having in your particular state.

16 And, you know, we are awa--I would like to welcome the BSA and the coalition attorneys.

17 We've noticed that you guys have obviously been attending. I was quoted in the coalition Town
18 Hall earlier this week. I thought that was honorable, and I'd love to be invited to be interviewed
19 with you guys. And we've noticed that some of the anonymous questions have found their way
20 into court documents, so obviously we have to be measured, and know that we're dotting our I's
21 and crossing our T's.

22 And it's a pretty intense time in this case. There's been a lot going on. There's over 40
23 depositions that have to happen in, like, the next 30 to 45 days, millions of pages in discovery
24 going both ways, and all of the law firms have been ramping up, as have we. So what I'd like to
25 do is introduce Rich Pachulski. I know we were gonna do that a little later, Rich, but I just want
26 you to introduce yourself and say hi, and a little bit about the law firm you founded over 40 years

1 ago.

2 **PACHULSKI:** Thanks so much, John, and I really appreciate having the opportunity to
3 work with everybody. I know that there's a lot going on, and this is a very intense time, as John
4 has said. But as I will describe a little later after Jim speaks, I have gotten completely up to
5 speed, and we are providing all of the firm resources to this matter.

6 As John said, Jim and I started the firm approximately just under 40 years ago. Jim and I have
7 worked hand-in-hand for years, mostly on different cases, but frankly, some--on some together.
8 And we've built the firm to being the largest legal restructuring firm in the country, with
9 approximately 80 lawyers in all forms of restructuring. We've worked on every type of case you
10 can imagine. While I consider Jim the foremost authority in any and all respects with respect to
11 abuse issues, I have spent a lot of my time representing victim committees, specifically more so
12 in financial fraud, where I've represented the interest of tens of thousands of victims. And for
13 that, I am sensitive to the issues that come up in this case, and look forward to providing the best
14 possible result for the survivors, which all survivors are absolutely entitled to. But I will be
15 speaking again, but I at least wanted to give everybody an opportunity to meet me at least at the
16 first instance, and then I'll go into a little more detail after Jim has an opportunity to speak.

17 **HUMPHREY:** Yeah.

18 **PACHULSKI:** So thank you, all.

19 **HUMPHREY:** Thanks, Rich. And for those of you who have been sort of hitting us with
20 questions like, "Tell us a little more about the team we've noticed in front of the judge," and so
21 we're just really excited to have Rich as an additional member of our team.

22 So Doug, you know, I think two weeks ago I was on my way to going to a banquet in Arkansas,
23 and I did a little cameo in front of Bass Pro Shop. Today you're pulled over on the side of the
24 highway to go rescue your brother, and I think your first topic is to talk a little bit about voting.
25 So could you lead off with that?

26 **KENNEDY:** Sure, sure. Thanks, John. I appreciate it. And good evening, everyone. As John

1 mentioned, unfortunately, my brother lives up in New Jersey, and had a slight house nightmare.
2 So I hopped in the car and drove up to see him, so I'm using my phone as a hotspot. So my
3 apologies if I'm not entirely clear tonight. Also, if you're tuning in late, we had a technical
4 problem with the questions and answers, unfortunately, so we weren't able to put that on tonight
5 without stopping the webinar and starting it up again. So we'll be getting back to the Q&A. But
6 again, as John mentioned, please send your questions into the email address that we'll repeat at
7 the end of the slide.

8 So I do just want to mention quickly about the voting. That's the very most important thing right
9 now. We have a deadline coming up. The votes have to be received, not postmarked, but
10 received by No--December 14th. So it's getting pretty close now, and with Christmas cards and
11 packages, please, please, please don't put that in the mail on the 13th. Make sure it gets to Omni
12 by the 14th.

13 As it stands now, there will also be a preliminary voting report on December 21st. So a week—
14 again, a preliminary voting report. That's the timetable as it stands right now. And I know there's
15 been some discussion about whether or not it's going to get extended out. That's a lawyer
16 bankruptcy issue, and Rich is gonna talk about that a little bit later. But right now our message is
17 crystal clear, gang. If you haven't voted, you need to make sure Omni gets that by the 14th.
18 Also, if you have voted, and you have any change of mind, now is the time to contact your
19 attorney or, again, get that ballot in. I should mention that the ballot that goes to Omni from you
20 will supersede anything that occurs beforehand, in case you do change your mind. So I just want
21 to let you know that.

22 Also, I want to be very clear about something too on behalf of the TCC. The TCC is nine
23 survivors. We have the advisement of incredible professionals, legal professionals in bankruptcy,
24 also financial and insurance professionals. It's our opinion that this settlement should be rejected.
25 By bankruptcy code and law, we have the right to tell the people we advocate for, in this case the
26 survivors, that we do not agree with this settlement. We think it can be better. We think it should

1 be rejected. Having said that, if you believe that you want to vote for the settlement, against the
2 settlement, that is your right, and we encourage you to go ahead and make sure that you vote.
3 We know as survivors the very most important thing you can do is get some kind of power over
4 a situation where you felt yourself powerless-ness. So it's important that you exercise your right
5 to vote, and we respect anyone who votes either for or against this settlement. But the TCC is
6 recommending that it is rejected, because we think that there can be a lot more related to the
7 financial settlement, the youth protection settlement, and the governance of the trust. That's been
8 our stance. It has not changed. And if anything occurs in this settlement, we'll continue to advise
9 everyone as well.

10 So that's sort of the--let me check my notes here. That's sort of the thumbnail description of
11 what's going on. Oh, one last thing. We have heard from a number of survivors that essentially,
12 "I wish my attorney would just leave me alone. We--I've already voted. My vote's not gonna
13 change," or, "I've gotten a phone call, and am being encouraged to change my vote." This is
14 something that you need to discuss with your attorney. Put it in writing, and just say, "My vote is
15 in, and I feel comfortable about that." So there's nothing really the TCC can do. We're just
16 asking you to advocate for yourself if you feel like you don't want to be bothered, and you just
17 want to wait for this vote to come in at that point. So that's the gist of it, and be well, everyone.

18 **HUMPHREY:** All right. Appreciate you pulling over at a Wawa somewhere to
19 participate. Some of you guys will know what that store is. Most of you probably won't. Keep in
20 mind that we are continuing negotiations. There's gonna be--I think there's a mediation next
21 week. There's some very intensive topics that we're mediating. So, you know, I'm an optimist,
22 but, you know, I'm also very close to Missouri, the Show Me State, so talk's cheap. So with that,
23 I'd like to turn it over to Jim. Jim's got an update on some of the activities of the last few weeks.
24 And with that, I'd like to turn it over to Jim Stang. Jim?

25 **STANG:** Thank you, John. And I wanted to say hello to everyone. I'm sorry that I was unable
26 to attend last week's Town Hall. Some of the message I want to give tonight is gonna be a little

1 repetitive of what Doug said, but I'm gonna do it because it's so important. And then I want to
2 give an explanation as to a couple of things that developed over the last two weeks.

3 Please, everyone, we urge you to vote on the plan. The deadline is December 14th for Omni to
4 receive your ballot. The deadline is the receipt of the ballot. So as Doug said, with the slowdown
5 at the postal service, the overburdening of all of the Christmas and holiday gift-giving traffic,
6 please make sure you get it in on time so that it's timely received.

7 The voting margins that are necessary to block the plan, as was said, the TCC is urging you to
8 vote no on the plan, is based on the number of creditors voting. One of the things that Doug said
9 to me a long time ago when we started dealing with the voting issues was how important it was
10 for survivors to have their voices heard. This is the occasion. This is the time. This is your
11 opportunity to say how you want your claim resolved. If you voted, and you submitted your
12 ballot to Omni, you can change your vote by submitting a new ballot. If you voted no, and
13 you've decided you'd rather vote yes, you can do that. If you have voted yes, you can change
14 your vote to no. But whatever you do, your votes have to be in by December 14th, and the last
15 cast ballot is the one that counts.

16 If you're voting through your attorney, communicate your vote to the attorney in writing, 'cause
17 they can submit on your behalf a master ballot. But make sure that your instructions are in
18 writing. You will have the opportunity to check to make sure your vote was recorded and
19 tabulated properly, but if it's only based on, "But I told someone on the phone how I wanted to
20 vote," you're not in a good position. So, you know, mom used to say, "People put erasers on
21 pencils for a reason." Mistakes get made. Keep your instructions in writing, so that you can go
22 back and validate whatever is being communicated to the court in terms of your vote.

23 The bottom line is, folks, vote. Communicate your vote so that it's timely. Be heard. Because
24 after this you're done, in terms of being able to voice your opinion on how your claim should be
25 resolved. The TCC wants to make sure that your vote is on the basis of adequate information.
26 We urge you to look at the recommendation letters that were in the packages you got with the

1 plan and the disclosure statement. The TCC has a website. The coalition has a website. The BSA
2 has a website. A lot of you have attorneys. Talk to your attorney. Don't talk to the secretary.
3 Don't talk to the clerk who answers the phone. Talk to your attorney, so that you make the
4 informed decision on how you want to vote.

5 So you can accept your lawyer's advice. You can reject your lawyer's advice. Some people even
6 delegate the decision on how to vote to their attorney. But do it on an informed basis. There are--
7 and for those of you that don't have a lawyer, and gosh, you know, we know some of the most
8 common questions on these Town Halls have been, "Do I need a lawyer?" If you decided not to
9 have one, there's a lot of information out there to give you the information necessary to make an
10 informed decision.

11 So what's been happening lately? As some of you may have heard, on November 5th the
12 Pachulski Stang law firm used bsasurvivors@pszjlaw.com to send out an email and a letter from
13 Tim Kosnoff. Tim Kosnoff, the Eisenberg Rothweiler firm, and a firm called AVA Law, go
14 under the name Abused in Scouting. They are, all three firms, Mr. Kosnoff's firm, the Eisenberg
15 Rothweiler firm, and AVA Law, are individual law firms that many of you have signed up as
16 your counsel, all three firms. Mr. Rothweiler and Mr. Kosnoff disagree on whether you should
17 vote yes or no on the plan, and for the past many, many months, well before November 5th, their
18 disagreement was known through different social media platforms and other means of
19 communication.

20 The fact that my firm sent out an email, Mr. Kosnoff's email and the letter, has raised a great deal
21 of controversy about the propriety of our firm, in effect, sending out Mr. Kosnoff's letter and
22 email. Pleadings have been filed with the bankruptcy court about us doing that. There have been
23 hearings in the bankruptcy court about us doing it. The firm has acknowledge to the court, and to
24 people who received that initial November 5th email, that it was a mistake for us to use that
25 platform to send out Mr. Kosnoff's communications. And while the TCC does advocate that
26 survivors vote no on the plan, any confusion caused by us sending out that November 5th email is

1 regretted.

2 So in order to diffuse the controversy about my and John Lucas' personal involvement in the
3 decision to send out Mr. Kosnoff's email and letter, I called Rich up. Rich and I have been
4 practicing law together for--actually since 1980, 'cause we were associates at the same law firm
5 for a while. And then we formed the firm in 1983. And I called Rich and I said, "Can you take the
6 lead on the representation of the Tort Claimants Committee?" I asked Rich to do that, because this
7 controversy about the propriety of us sending out that email on November 5th was taking the
8 attention away from you folks and putting it on us. But it's--this case is about you. It's not about
9 the lawyers. It's about you getting the best deal possible. And I felt that the controversy regarding
10 that November 5th email was a dif--was taking the attention away from where it should be, which
11 was getting you the best deal.

12 So the firm, me, John, Rich, Deb, all the people you've met over the last several months, we are
13 laser focused on getting you the best deal possible under the circumstances. And while Rich is
14 gonna take the lead on the case at this point, I'm not disappearing. John Lucas, although he's not
15 here tonight, 'cause he's working on important stuff regarding the plan, that's why he's not here
16 tonight. We're not going away. The court knows we're not going away. All the parties who've
17 raised the issues regarding the November 5th email know we're not going away. This is a team
18 effort, and the team effort is working very, very hard for all of you.

19 We will continue to give Rich our best advice, to give him the benefit of the 18 months that we all
20 have worked together on this case. And we're gonna get the de--if we can get to a
21 recommendation on a plan, we're gonna give that to you, and it's gonna be on the best advice
22 possible.

23 So I've been doing this, as some of you have heard me say before, "this" meaning the sex abuse
24 representation, since 2004. I don't know. I'm up to about 15 or 16 committees I've represented or
25 currently represent. This is who I have been for a long time. I'm not walking away. But we made
26 this decision out of what we thought were the best interests for you. And with that, John, I'll hand

1 it back to you.

2 **HUMPHREY:** Thanks, Jim. Appreciate your comments, and certainly appreciate the depth of the
3 bench and the strength of the team. It really emphasizes why we picked Pachulski Stang Ziehl &
4 Jones all those many months ago. So that's great. Sad for the circumstances, but, you know, you
5 run into things and you keep on going. So with that, Rich, I'd like to just let you give your
6 perspective coming in and coming up to speed.

7 **PACHULSKI:** Hi. I thank you so much, John, for that. So Jim mentioned that he came to me and
8 asked me to take the lead. And that isn't something Jim would typically do, but because of Jim's
9 character, he came to the conclusion he wanted the case, and the case should be, about the
10 survivors and not about him in any respect. He did not want to be a distraction. But I made it clear
11 to Jim, and Jim understood this, that however he felt about it, that because of his knowledge of
12 this area in general, and particularly the Boy Scouts, that without his involvement and John
13 Lucas' involvement and their history, that it--the case would not be able to be operated
14 effectively. And he understood that. And that's why without Jim and John I don't think we could
15 do the job that we believe we can do. And I believe I can assist in that, and I have committed to
16 the TCC and to the survivors in general that our firm will provide whatever resources are
17 necessary to get the best possible result and a fair result for the survivors.

18 I've worked for the last two-plus weeks to get up to speed. I've worked--I've put aside other
19 cases. Because we do have a very deep bench to assist us in getting the results we need, I've
20 added some people to the team that I think are the most intellectually driven people, particularly
21 on confirmation issues, as anyone--as any firm has in the country. And it's with that backdrop that
22 I decided that I was not just could bring value, but I would bring value to this process.

23 So I want to get through some of the specifics in that respect. We intend to aggressively pursue
24 fair compensation for the survivors. This case has a lot of antagonism, and our goal
25 notwithstanding all of that is to get a fair result for the survivors. That is the least the survivors
26 deserve.

1 But it's not just a compensation issue. There are other issues that we are laser focused on. The
2 youth protection issue. The tru--the independence of the trust. The trust functioning appropriately,
3 so that you'll not just get your distribution, but you get it in a time-sensitive way. That you
4 receive the money that you're entitled to, that there's future youth protection, that there is a
5 mechanism that everyone feels that the process has been transparent and fair. And frankly, I won't
6 rest until that happens, and I know the other people on our team will also not rest until it happens.
7 And you will hear a lot going on in that--in criticism that we're not supporting, that the TCC has
8 decided not to support to vote no. And I believe that they have been very thoughtful in the way—
9 you'll hear that they haven't been, but that's just false. The TCC has been extremely thoughtful.
10 They understand what needs to be done. They have spent an enormous amount of time to get a
11 fair result for the survivors, and they should be applauded for that and not criticized for that.
12 So what's going to happen going forward? Well, what's going forward is we will--we'll supposed
13 to, for instance, be involved in mediations next week. We hope they will be productive. But the
14 TCC, until there's a fair result on all issues, both monetary and not monetary, the TCC is going to
15 oppose the plan, and they are going to continue to recommend a no vote on the plan. And so that
16 is how we propose to go forward.

17 Now, Doug raised an issue, and Jim addressed it for a moment, about the voting. And I want to
18 make clear something so that there is not confusion. The voting deadline is December 14th.
19 That's the bottom line. Your ballot has to get in by December 14th. At a hearing this morning the
20 debtor advised the court that they will be seeking an extension of that deadline. And so we don't
21 want rumors going around that somehow the extension has been granted. It has not at this point.
22 The parties, including the TCC and the Boy Scouts and the coalition and other parties, are
23 supposed to discuss the potential extension of the deadline. The period of time that has been
24 suggested by the Boy Scouts is two weeks. But there will be discussion, and this will come up
25 before the court again on Monday, the 6th. Until there's an extension that's granted, in which
26 there's a court order, the date is the 14th. It's that simple. It could be extended, and it may not be

1 extended, and that's what we have to wait and see. So people should continue moving forward.
2 And it's, as Jim had said, and as John started, the issue is that people should vote. Whatever the
3 decision is, they should vote. But the TCC is going to pursue what is in their fiduciary duty, what
4 they believe is correct, which at this point is to oppose the plan. And so with that, John, I would
5 turn it back over to you. And hopefully--

6 **HUMPHREY:** Thanks.

7 **PACHULSKI:** --I've made (inaudible).

8 **HUMPHREY:** Thanks, Rich. Deb?

9 **STANG:** Deb, you're on mute.

10 **GRASSGREEN:** Hi, everybody. Hey, guys, I was going to answer tonight, and feed
11 questions to folks, but someone used my Zoom and turned the Q&A off. So that's on me. But a
12 lot of the questions we've been getting have been about voting, so I just want to answer a few of
13 those for you folks, because we've been getting them by email. We've been getting voicemails.
14 People have been calling the court, and the court's been forwarding messages to us.
15 So I'm just gonna share my screen quickly, because we can't put it into the chat, the addresses.
16 But a lot of you are asking, "What do I do if I didn't get a ballot? What do I do if I want to check
17 with Omni and make sure that they got my ballot and they properly recorded my vote?" So I'm
18 just gonna share my screen and show this to you. And of course you can email us, and we will
19 send you the same information.

20 But the plan voting agent, Omni, here's a phone number: 866-907-BSA1, or
21 bsaballots@omniagnt. Now remember, it doesn't have an E in agent, A-G-N-T. You can email
22 them. You can go to their website. There's also a subpage where you can submit an electronic
23 ballot on the Omni website. That's an official ballot on the Omni website. So most of the
24 questions that we've been getting in the last couple of days are about this. Obviously voting is
25 front and center on everybody's minds, so I just wanted to take a minute. I'll leave this up, John,
26 for a minute maybe while we talk, so people can write it down. If any of you are having trouble,

1 of course you can go to your lawyers. You should go to your lawyers. But you can also go to
2 Omni. They're the official balloting agent. If you have questions about your ballots, they can also
3 provide you information about your claim that's been on file. So I just wanted to jump in there,
4 and again, I apologize. That was--

5 **HUMPHREY:** No, I appreciate that.

6 **GRASSGREEN:** --my technical problem on the questions.

7 **HUMPHREY:** I appreciate that, Deb. You know, guys, the 14th is 12 days away, and if you're
8 not doing an electronic ballot, you've got to make up your mind and vote. You've heard it from
9 every one of us tonight how important this is. You know, for many years we've been, as
10 survivors, betrayed, lied to, marginalized. And this is your shot. This is your shot to vote. And the
11 TCC is gonna respect how you vote. We really will. And we will stand behind that. We just think
12 there are areas that can be improved. We've talked about youth protection. We've talked about
13 the IV files getting out there, so that if there are predators in those files, that those can be
14 addressed. We think that a rejection of this is going to yield a better leverage point with the
15 insurance companies, and with the local councils, and with the sponsoring organizations, who
16 right now are getting a hall pass for nothing. That's a huge deal. That's not only a huge deal in
17 this case. It's an issue that's being brought before Congress right now.

18 And then finally, you know, this trust, it gets these billions of dollars in it, and it pays lots of
19 professionals a lot of money to administer it. And, you know, we're sort of hell bent for leather. If
20 we work hard to get the money in it, we want to make sure that it is without reproach, that people
21 get it quickly and in a timely manner, as Rich said earlier, and that the process of these Trust
22 Distribution Procedures are much better than they are today in the current plan.

23 So Doug, I don't know if you have any closing comments, but that's really all we had tonight,
24 folks. We'll have the recording up on tccbsa.com.

25 **KENNEDY:** No, John. The only thing I wanted to add to it, just echo something you said earlier.
26 Eighteen or 19 months ago we chose Pachulski Stang to be our law firm, and their bench is deep

1 and it's wide. And the experts we brought on board, our financial experts with BRG and our
2 insurance experts with Pasich, boy, I am so happy we have them alongside of us through this
3 battle. Just to let every survivor know, tonight when this call ends at the top of the hour, we're
4 gonna have a TCC meeting, the nine of us with all our professionals (inaudible) counsel. When
5 Jim says we're laser focused and--or Rich said that, absolutely. We are continuing to monitor this
6 on a daily basis, and be engaged, and do every single thing we can to achieve our goal, so that
7 survivors like John and I, and the other seven members of the TCC and open and closed states,
8 can be proud to think that we did absolutely the best for them. So stay strong, and thanks so much
9 for letting me be on tonight.

10 **HUMPHREY:** Thanks, everybody. You all have a great evening, and get ready for the holidays.
11 So long. Take care. Have a good evening.

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