

Boy Scouts of America Bankruptcy

Frequently Asked Questions

1. Does my church need to complete the Legal Authorization Form if we don't have a Boy Scout troop?

Yes. We need every church in the Conference to complete the form, indicating they have at least seen the Notice.

2. Why do we have a relatively short time to respond?

It has only recently been made clear that Chartering Organizations have potential standing in the BSA bankruptcy proceedings and should file a proof of claim to protect their interests before the proof of claim Bar Date (deadline).

3. Does my church need to notify any others associated with our chartered Boy Scout troop who may be affected by BSA's bankruptcy?

No. Notification of potential victims and affected others is the responsibility of BSA. If this somehow changes you will be notified via another e-mail blast.

4. What if we don't know the name or number of the troop our church once chartered?

Still complete the Legal Authorization form and give an estimation of the years the troop may have been in operation as your church's chartered troop.

5. What happens if I do nothing with this Notice?

Because of the importance of this case and the potential exposure, your church will be contacted by your district office and asked to complete the Legal Authorization form – even if you don't have a troop.

6. Who will pay for the legal representation we are being asked to authorize?

The Conference will pay the billing from the Bradley firm and recoup your church pro-rata share of the overall bill by billing your church for reimbursement. The total amount your church is responsible for depends on how many churches in our Conference file proofs of claim. The more churches that file, the lower your cost.

The Bradley firm is billing by the hour. Their lawyers and staff bill from a high of \$450 per hour to a low of \$125 per hour.

If your church does not want to incur a cost for participation, it should not participate, but should still fill out the authorization form.

7. Can our church file a proof of claim on our own?

Yes. We can provide information on doing that. However, it is not easy and can be very technical in some regards. We highly recommend against this. If or when there are hearings in the bankruptcy court in Delaware or when there are negotiations between parties and lawyers, you will not have a lawyer to represent your interests.

8. How realistic is that sexual abuse claims may be brought against local churches arising out of Boy Scout programs?

Over the years, a number of lawsuits have been filed against UMC local churches in connection with BSA sex abuse cases. We have been fortunate so far in our Conference that none of those situations have arise. But it is not uncommon.

When BSA filed its bankruptcy case, there were about 750 pending sex abuse claims against BSA and 1200 known but un-filed claims. Since the bankruptcy case was filed and court order advertising of the bar date for claims has taken place, it is estimated that there are now as many as 25,000 known but un-filed claims. Again, not all of these would necessarily involve UMC Chartered Organizations, but the numbers of claims are quickly increasing.

In the BSA bankruptcy, our goal is to protect your church's indemnification and insurance rights under your Annual Charter Agreement with BSA. If a claim is ever brought against your church, which is possible, we would like to make sure your existing contractual protections are maintained.

9. Why can BSA resolve claims against it for sexual abuse in bankruptcy but Chartered Organizations still have unresolved potential liability claims?

The bankruptcy laws and resulting protections only resolve debt and liability claims against the entity filing for bankruptcy protection, and not all of those claims against BSA will be resolved in bankruptcy. But, claims against third party organizations who have supported and worked with BSA would not be resolved under the bankruptcy laws. Those claims would survive the bankruptcy process and could still be pursued.

- In North Carolina, a minor cannot file their own lawsuits and the statute of limitations applicable to their legal claims do not begin to run until they turn 18 years old. So, for example, a 12 year-old victim of BSA abuse today would not have to file a lawsuit against a Chartered Organization until 2029.
- In December of 2019, our legislature passed the SAFE Child Act, which revives time barred sexual abuse claims and allows victims to file lawsuits through and including December 31, 2021. A number of lawsuits in North Carolina have been filed based on the SAFE Child Act and those claims stem from alleged abuse as far back as 50 years ago, making the claims very difficult to defend, as many witnesses are now deceased and documentary evidence long lost.
- While our Conference has not seen BSA related litigation, it is very possible.