



# Western North Carolina Conference

The United Methodist Church

After we sent out an email notice regarding The Boy Scouts of America bankruptcy yesterday, we have received questions regarding the fees a church is responsible for if it [authorizes the Bradley Firm to file Proofs of Claim](#).

The Conference is paying the fees associated with filing the Proofs of Claim on behalf of the local churches using the Bradley Firm. However, a local church that uses the Conference to facilitate filing the Proof of Claim will need to reimburse the Conference. The reimbursement will be calculated by a fee sharing method based on each Conference's pro-rata share of the overall cost to the Bradley firm. The more local churches that authorize the Bradley Firm to file Proofs of Claim, the lower the overall cost will be for each local church that files a claim.

The benefit of working with the Bradley Firm is that the cost of filing the Proofs of Claim is spread across all local churches in all of the Conferences that hire the Bradley Firm. For example, if the total, overall fees are \$100,000 to file all the Proofs of Claim and there are 1,000 local church charters that filed Proofs of Claim, the total for each church would be responsible for would be \$100.00. We anticipate the Western North Carolina Conference alone has approximately 1,000 charters associated with local churches in our conference. We expect that the other United Methodist Conferences have hundreds and hundreds of charters and they will be filing hundreds and hundreds of Proofs of Claim in addition to what our Conference is filing in the next week or so. Therefore, we expect that there will be between 1,500 – 5,000 Proofs of Claim filed on behalf of local churches across the Connection the Bradley Firm is representing.

While we do not anticipate any fees past filing Proofs of Claim, if any hearings or other proceedings in the bankruptcy court pertaining to the Proofs of Claim

arise, we will let you know promptly. Bradley's representation does include representing us in the bankruptcy court as to the Proofs of Claim as the case proceeds. More fees are possible but we hope not necessary.

The hourly rates that Bradley charges were listed in the previous email in the FAQs.

While we cannot make any guarantee, we do not anticipate prohibitive fees, but it does depend on how many churches participate in this cost sharing method. We will know the estimate of fees once the Bradley firm has received all the requested filings at the November 4 cutoff date and will share that with the churches who filed. Billings from Treasury Services will be sent sometime after that date.

***Should you file without knowing the fees associated?*** That is a question only the local church can decide. The Conference simply is trying to alert you about this situation for the benefit of our local churches. Filing is a risk mitigation is somewhat akin to purchasing insurance. You never know if you need it and it does have a cost that you may never recoup, but it protects assets and leverages risk. If your church sponsors or has ever sponsored a Boy Scout troop, you have certain contractual rights to indemnification and insurance coverage from BSA if your church is ever sued in connection with a BSA sexual abuse matter. This does not imply that a claim for misconduct has been filed or will be filed against your church or troop. The filing of this proof of claim is putting the Bankruptcy Court on notice that you have contractual rights that you intend to reserve. If you do not file, the contractual rights of your church will be negatively affected, and if your church is ever sued in connection with past BSA related sexual abuse, you might not be able to look to BSA for any assistance in defending or covering the cost of litigation.

Mark King, Treasurer and Director of Administrative Services

Greg Huffman, Conference Chancellor