

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF INDIANA
INDIANAPOLIS DIVISION**

In re:

USA GYMNASTICS,¹

Debtor.

Chapter 11

Case No. 18-09108-RLM-11

**NOTICE OF APPROVAL OF DISCLOSURE STATEMENT,
CONFIRMATION HEARING, AND PLAN CONFIRMATION PROCEDURES**

PLEASE TAKE NOTICE that by order, entered on October 26, 2021 (the “**Disclosure Statement Order**”), the United States Bankruptcy Court for the Southern District of Indiana (the “**Bankruptcy Court**”) has approved the *Disclosure Statement For Third Amended Joint Chapter 11 Plan Of Reorganization Proposed By USA Gymnastics And The Additional Tort Claimants Committee Of Sexual Abuse Survivors* [Dkt. 1656] (the “**Disclosure Statement**”), filed by USA Gymnastics as debtor and debtor in possession (the “**Debtor**”), and authorized the Debtor and the Additional Tort Claimants Committee of Sexual Abuse Survivors to solicit votes with respect to the approval or rejection of the *Third Amended Joint Chapter 11 Plan Of Reorganization Proposed By USA Gymnastics And The Additional Tort Claimants Committee Of Sexual Abuse Survivors* [Dkt. 1655] (the “**Plan**”), attached as Exhibit 1 to the Disclosure Statement.²

PLEASE TAKE FURTHER NOTICE that holders of claims entitled to vote to accept or reject the Plan will receive the following materials: (a) this Notice; (b) a copy of the Disclosure Statement Order (without exhibits); (c) the Disclosure Statement; (d) the Plan; and (e) a ballot (and return envelope) (each, a “**Ballot**”) to be used in voting to accept or reject the Plan (collectively, the “**Solicitation Packages**”).

PLEASE TAKE FURTHER NOTICE that the Disclosure Statement Order establishes **November 29, 2021, as the deadline for the submission of Ballots to accept or reject the Plan** (the “**Voting Deadline**”). All Ballots must actually be received by the Debtor’s balloting agent, Omni Agent Solutions, Inc. (the “**Balloting Agent**”), by the Voting Deadline, as noted on the Ballot. Failure to follow the instructions set forth on the Ballot may disqualify that Ballot and the vote represented thereby.

PLEASE TAKE FURTHER NOTICE that holders of Class 1 Other Priority Claims, the Class 2 PNC Bank Claim, the Class 3 Sharp Claim, and Class 4 General Unsecured Convenience Claims are not entitled to vote to accept or reject the Plan and, therefore, will receive a notice of non-voting status rather than a Ballot. If you hold claims in one or more of these classes, have

¹ The last four digits of the Debtor’s federal tax identification number are 7871. The location of the Debtor’s principal office is 1099 N. Meridian St., Suite 800, Indianapolis, Indiana 46204.

² Capitalized terms used herein but not defined shall have the meanings set forth in the Plan.

timely filed a proof of claim, and disagree with the Debtor's classification of, objection to, or request for estimation of your claim and believe you should be entitled to vote on the Plan, then you must file with the Court a motion (a "**Rule 3018(a) Motion**") for an order pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**") temporarily allowing your claim in a different amount or a different class for purposes of voting to accept or reject the Plan. **All Rule 3018(a) Motions must be filed by December 3, 2021 at 11:59 p.m. (prevailing Eastern time).** In accordance with Bankruptcy Rule 3018, as to any creditor filing a Rule 3018(a) Motion, such creditor's Ballot will not be counted unless temporarily allowed by the Court for voting purposes, after notice and a hearing. Rule 3018(a) Motions that are not timely filed and served in the manner as set forth above may not be considered.

PLEASE TAKE FURTHER NOTICE that a hearing to consider confirmation of the Plan (the "**Confirmation Hearing**") is set for **December 13-14, 2021 at 9:00 a.m. (prevailing Eastern time)**, before the Honorable Robyn Moberly, Bankruptcy Judge for the United States Bankruptcy Court for the Southern District of Indiana, **in person in Courtroom 329, U.S. Courthouse, 46 East Ohio Street, Indianapolis, Indiana 46204.** The Confirmation Hearing may be continued from time to time without further notice other than the announcement of the adjourned date at the Confirmation Hearing or any continued hearing.

PLEASE TAKE FURTHER NOTICE that a dial-in telephone number for interested parties to listen to the Confirmation Hearing, but not actively participate, is 1-888-273-3658, passcode: 9247462#.

PLEASE TAKE FURTHER NOTICE that, to the extent the Court determines to hold the Confirmation Hearing remotely, the Debtor will file (but will not serve) an amended notice of the Confirmation Hearing on the Court's docket, and will also post the amended notice of the Confirmation Hearing on its website and on its restructuring website.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the confirmation of the Plan must: (a) be in writing, (b) conform to the Bankruptcy Rules, the Local Rules of the United States Bankruptcy Court for the Southern District of Indiana, and any orders of the Court, (c) state the name and address of the objecting party and the amount and nature of the Claim of such party, and (d) state with particularity the basis and nature of any objection to the Plan and, if practicable, provide a proposed modification or additional suggested language to amend the Plan in a manner that would resolve such objection. Any objections must be filed with the Bankruptcy Court no later than **December 3, 2021 at 11:59 p.m. (prevailing Eastern time)** (the "**Plan Objection Deadline**"), and served so as to be actually received by the parties below on or before the Plan Objection Deadline, which service may be through the CM/ECF system, with courtesy copies by email:

- (a) Counsel to the Debtors, Jenner & Block LLP, 353 N. Clark St., Chicago, Illinois 60654 (Attn: Catherine Steege (csteege@jenner.com), Dean N. Panos (dpanos@jenner.com), Melissa M. Root (mroot@jenner.com), and Adam T. Swingle (aswingle@jenner.com));
- (b) Counsel to the Survivors' Committee, (i) Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd., 13th Floor, Los Angeles, California 90067 (Attn: James

I. Stang (jstang@pszjlaw.com), Ilan D. Scharf (isharf@pszjlaw.com), and Joshua M. Fried (jfried@pszjlaw.com)), and (ii) Rubin & Levin, P.C., 135 N. Pennsylvania Street, Suite 1400, Indianapolis, Indiana 46204 (Attn: Meredith R. Theisen (mtheisen@rubin-levin.net) and Deborah J. Caruso (dcaruso@rubin-levin.net));

- (c) The Office of the United States Trustee, 101 W. Ohio St., Suite 1000, Indianapolis, Indiana 46204 (Attn: Laura A. DuVall (Laura.DuVall@usdoj.gov)).

UNLESS AN OBJECTION TO THE PLAN IS TIMELY FILED AND SERVED BY DECEMBER 3, 2021 AT 11:59 P.M. (PREVAILING EASTERN TIME), IT MAY NOT BE CONSIDERED AT THE CONFIRMATION HEARING.

PLEASE TAKE FURTHER NOTICE that copies of the Disclosure Statement, the Plan, and related documents may be accessed through the case website at: <https://omniagentsolutions.com/usagymnastics>, or by contacting the Debtor's attorneys, on PACER, or from the Clerk of the Court.

PLEASE TAKE FURTHER NOTICE THAT THE PLAN PROPOSES CERTAIN RELEASES, INJUNCTIONS, AND EXCULPATIONS. In accordance with Bankruptcy Rule 2002(c)(3), set forth below are the releases, injunctions, and exculpations contained in the Plan:

Article XI. Abuse Claimants' And Future Claimants' Release. Under the Plan's Full or Partial Settlement Alternative, to receive a distribution from the Trust, Abuse Claimants and Future Claimants must execute a full and complete general release, as described in Section 11.2.1 of the Plan, of any and all Claims arising from or relating to Abuse Claims or Future Claims against the following parties, all of whom are identified in the Plan and Disclosure Statement: the Debtor, the Estate, the Reorganized Debtor, the Settling Insurers, all Participating Parties, and all known or unknown parties who may claim coverage under any insurance policy issued to the Debtor, including the Non-Debtor CGL Settling Insurer Covered Persons, and, for each of the foregoing, their Related Persons but solely acting in their capacity as such. If the Full or Partial Settlement Alternative is jointly elected by the Debtor and the Survivors' Committee, by voting in favor of Plan, Abuse Claimants and Future Claimants necessarily consent to this release.

Article XII. Mutual Release Between Debtor, Participating Parties, Non-Debtor CGL Settling Insurer Covered Persons, and Settling Insurers. Under the Plan's Full or Partial Settlement Alternative, Section 12.9 of the Plan provides that, on the Effective Date, the Debtor, the Estate, and the Reorganized Debtor, on the one hand, and the Participating Parties, Non-Debtor CGL Settling Insurer Covered Persons, and Settling Insurers, on the other hand, shall be deemed to have waived, released, and discharged any and all claims or causes of action of every kind and nature, known or unknown, that they may have against each other, and their respective related persons, including claims arising under or against their respective insurance policies. No such claim will survive the Effective Date. No such claim will be deemed to be assigned to the Trust.

Article XII. Channeling Injunction. Under the Plan's Full or Partial Settlement Alternative, certain claims will be channeled to the Trust. These Channeled Claims are defined in full in Section 1.1.25 of the Plan, but they include the Abuse Claims, FCR Claim, Indemnification Claims, and/or any Claims against a Participating Party, a Non-Debtor CGL Settling Insurer

Covered Person, or a Settling Insurer that arise from, are in connection with, or are related in any way to an Abuse Claim or any of the Settling Insurer Policies listed on Exhibit A to the Plan, or assert punitive damages, attorneys' fees and other expenses, alter ego liability, corporate veil piercing, or any other basis to disregard an entity's legal separateness.

Individuals holding Channeled Claims will be forever and permanently enjoined, stayed, barred, and restrained from taking any action to recover on Channeled Claims from any asset not held by the Trust. This includes any assets of the Debtor, the Estate, the Reorganized Debtor, any Participating Party, any Settling Insurer, and any Non-Debtor CGL Settling Insurer Covered Person, as well as any of these entities' predecessors, successors, assigns, and present and former shareholders, affiliates, subsidiaries, employees, agents, brokers, adjusters, managing agents, claims agents, underwriting agents, administrators, officers, directors, trustees, partners, attorneys, financial advisors, accountants, and consultants, each in their capacities solely as such. However, the protection of the Channeling Injunction will not extend to any person who personally committed an act or acts of abuse resulting in a claim against the Debtor or a Participating Party.

If any claimant violates the Channeling Injunction, they may be subject to sanctions imposed by the Bankruptcy Court, even after the closure of the Debtor's chapter 11 case. The Channeling Injunction will preclude claimants from pursuing Channeled Claims against the entities and assets protected by the Channeling Injunction regardless of whether or not claimants receive a distribution under the Plan.

Article XII. Settling Insurer Injunction. Under the Plan's Full or Partial Settlement Alternative, the Settling Insurers will receive the benefit of the Settling Insurer Injunction. This injunction prohibits any and all claimants from asserting against any Settling Insurer and any Non-Debtor CGL Settling Insurer Covered Person any claim related to any Abuse Claim or Future Claim, any insurance policies issued by the Settling Insurers, or any claim against any Settling Insurer for contribution, indemnity, defense, subrogation, or similar relief.

Article XII. Contribution Bar Against Non-Settling Insurers and Other Insurers. Under the Plan's Full or Partial Settlement Alternative, any Non-Settling Insurer and any Other Insurer shall have no Claims, causes of action, or any other remedies of any kind, in law or equity, against any Settling Insurer or Non-Debtor CGL Settling Insurer Covered Persons and any and all such Claims, causes of action, and other remedies shall be deemed released and enjoined.

Article XVIII. Discharge Injunction. If the Plan is confirmed—regardless of whether it is confirmed under the Full or Partial Settlement Alternative or the Litigation Only Alternative—the Debtor will receive the benefit of the discharge injunction provided by Section 524 of the Bankruptcy Code. That discharge injunction prohibits any act to collect, recover, or offset any claim against or debt of the Debtor that arose before the date the Plan is confirmed.

Article XVIII. Exculpation and Limitation Of Liability. If the Plan is confirmed—regardless of whether it is confirmed under the Full or Partial Settlement Alternative or the Litigation Only Alternative—certain Exculpated Parties will be protected from claims arising from or relating to any act or omission in connection with this chapter 11 case, the pursuit of confirmation of the Plan, or the administration of the Plan, including the exercise of their business judgment and the performance of their fiduciary obligations.

These Exculpated Parties are defined in Section 1.1.56 of the Plan to include the Debtor, the Reorganized Debtor, the Debtor's Professionals, the FCR, the FCR's Professionals, the Survivors' Committee, the Survivors' Committee's members in their capacities as members of the Survivors' Committee, the Survivors' Committee's Professionals, the Mediators, the Participating Parties, the Settling Insurers, and each of their respective Related Persons. The protection of this exculpation and limitation of liability will not extend to any person who personally committed an act or acts of abuse resulting in a claim against the Debtor. The exculpation and limitation and liability will also not apply to any claims arising from willful misconduct or fraud, although the Debtor, the Estate, and the Reorganized Debtor will be discharged from liability for any of these acts or omissions that occurred prior to confirmation of the Plan.

PLEASE TAKE FURTHER NOTICE that, under the Full or Partial Settlement Alternative, the Plan proposes to sell certain of the Debtor's insurance policies issued by Virginia Surety Company (formerly known as Combined Specialty Insurance Company), National Casualty Company, CIGNA Insurance Company (now known as ACE American Insurance Company), National Union Fire Insurance Company of Pittsburgh, P.A. (now known as AIG), and Great American Assurance Company back to such insurers free and clear of all liens, claims, encumbrances, interests, and other rights of any nature, whether at law or in equity, held by any person and relating to such policies, Abuse Claims, Future Claims, and the Debtor. If you currently hold any rights in these policies, including as a named insured, additional insured, co-promoter, vendor, endorsee, or otherwise, your rights may be negatively affected by the Plan and any of your interests in the policies may be channeled to the Trust created under the Plan's Full or Partial Settlement Alternative. Further information about the sale of insurance policies under the Plan's Full or Partial Settlement Alternative is included in the Disclosure Statement and Plan, available on the case website: <https://omniagentsolutions.com/usagymnastics>.

Dated: October 26, 2021

Respectfully submitted,

JENNER & BLOCK LLP

By: /s/ Catherine Steege

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