

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

BOY SCOUTS OF AMERICA AND
DELAWARE BSA, LLC,¹

Debtors.

Chapter 11

Case No. 20-10343 (LSS)

Jointly Administered

**DECLARATION OF JOEL MILLAR IN SUPPORT OF HARTFORD'S OBJECTION TO
DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING
THE DEBTORS TO ENTER INTO AND PERFORM UNDER
THE RESTRUCTURING SUPPORT AGREEMENT, AND
(II) GRANTING RELATED RELIEF (D.I. 5466)**

I, Joel Millar, hereby declare under penalty of perjury that the foregoing is true and correct:

1. I am a Special Counsel at the law firm of Wilmer Cutler Pickering Hale and Dorr LLP, counsel for Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company, and Navigators Specialty Insurance Company. I respectfully submit this declaration in support of *Hartford's Objection to Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to Enter into and Perform Under the Restructuring Support Agreement, and (II) Granting Related Relief (D.I. 5466)*, being filed today in the above-captioned cases, based on my personal knowledge of the proceedings in the above-captioned cases, and review of the documents described below.

2. Attached hereto as **Exhibit A** is a true and correct copy of the Settlement Agreement and Release by and between Hartford (as defined therein) and BSA (as defined therein), entered into on April 15, 2021 [D.I. 2624-1].

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are as follows: Boy Scouts of America (6300) and Delaware BSA, LLC (4311). The Debtors' mailing address is 1325 West Walnut Hill Lane, Irving, Texas 75038.

3. Attached hereto as **Exhibit B** is a true and correct copy of excerpts from the Transcript of the Deposition of Roger C. Mosby taken on July 15, 2021.

4. Attached hereto as **Exhibit C** is a true and correct copy of excerpts from the Transcript of the Telephonic Disclosure Statement Hearing that was held in the above-captioned cases on May 19, 2021 [D.I. 4716].

5. Attached hereto as **Exhibit D** is a true and correct copy of excerpts from the Transcript of the Telephonic Status Conference that was held in the above-captioned cases on July 7, 2021 [D.I. 5529].

6. Attached hereto as **Exhibit E** is a true and correct copy of excerpts from Debtors' Responses and Objections to Coalition of Abused Scouts for Justice, the Official Committee of Tort Claimants to Boy Scouts of America and Delaware BSA, LLC, and the Future Claims Representative's First Set of Requests for Admission to Boy Scouts of America and Delaware BSA, LLC, Regarding the Debtors' Plan Solicitation Procedures Motion and Related Matters, dated May 12, 2021.

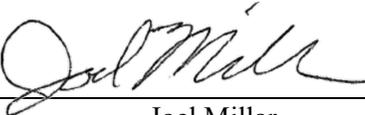
7. Attached hereto as **Exhibit F** is a true and correct copy of excerpts from the Transcript of the Deposition of Brian Whittman taken on July 14, 2021.

8. Attached hereto as **Exhibit G** is a true and correct copy of excerpts from the Transcript of the Deposition of Daniel Ownby taken on July 19 2021.

9. Attached hereto as **Exhibit H** is a true and correct copy of excerpts from Debtors' Responses and Objections to Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company, and Navigators Specialty Insurance Company's First Set of Requests for Admission to Boy Scouts of America and Delaware BSA, LLC, dated July 8, 2021.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 22, 2021.



Joel Millar

EXHIBIT A

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (hereinafter “Agreement”) is entered into by and between Hartford (defined below) and the BSA (defined below) (each, a “Party” and collectively, the “Parties”). Capitalized terms appearing in this Agreement that are not defined in this prefatory paragraph or in the recitals have the meanings set forth in the Section entitled “Definitions” herein, or in the Second Amended Plan, as applicable.

RECITALS

WHEREAS, more than 80,000 Persons have asserted Abuse Claims in and outside of the Bankruptcy Case;

WHEREAS, Hartford issued or allegedly issued certain liability insurance policies to the BSA and Local Councils or under which the BSA or Local Councils allege it or they are entitled to insurance coverage; and

WHEREAS, the BSA and Local Councils have sought coverage from Hartford in connection with the Abuse Claims; and

WHEREAS, disputes have arisen as to the scope of Hartford’s obligation to provide coverage for Abuse Claims under the Hartford Policies and Local Council Policies; and

WHEREAS, on February 18, 2020, Boy Scouts of America and its affiliate, Delaware BSA, LLC, each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, commencing the Bankruptcy Case before the Bankruptcy Court; and

WHEREAS, the Parties wish to fully and finally resolve their disputes and to provide for the other consideration, promises, releases and covenants set forth in this Agreement;

WHEREAS, as part of the compromise and resolution, the BSA has agreed to sell and

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Hartford has agreed to purchase the Hartford Policies (the “Sale”) free and clear of all Interests of any Person, subject and pursuant to the terms and conditions of this Agreement, and the BSA has agreed to release Hartford of any further obligations for the Hartford Released Claims;

NOW THEREFORE, in consideration of the foregoing, and in consideration of the other mutual considerations, promises, releases, and covenants as set forth below, the sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

DEFINITIONS

The following definitions (as well as those provided elsewhere in this Agreement) apply to this Agreement only and are not intended to be used for any other purpose. In addition, the singular form of a word includes the plural and vice versa; “or” is not exclusive; all pronouns apply to the male, female and neutral genders; the word “any” includes the word “all” and vice versa; the word “including” means including without limitation; and the past tense of a word includes the present tense and vice versa.

A. **“Agreement Effective Date”** shall have the meaning set forth in Section I of this Agreement.

B. **“Bankruptcy Case”** means the Chapter 11 cases filed February 18, 2020, by Boy Scouts of America and Delaware BSA, LLC in the United States Bankruptcy Court for the District of Delaware, *In re Boy Scouts of America and Delaware BSA, LLC*, Case No. 20-10343 (LSS), and shall include any appeals therefrom (and any adversary proceedings therein).

C. **“Bankruptcy Code”** means Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as amended from time to time.

D. **“Bankruptcy Court”** means the United States Bankruptcy Court for the District

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of Delaware and, as applicable, the United States District Court for the District of Delaware.

E. **“Bankruptcy Rules”** means the Federal Rules of Bankruptcy Procedure.

F. **“BSA”** means Boy Scouts of America, Delaware BSA, LLC, and each of their respective past, present and future direct or indirect parents, subsidiaries, affiliates and controlled entities (which, for the avoidance of doubt, do not include Local Councils), and each of their respective officers, directors, stockholders, members, partners, managers, employees, predecessors, successors and assigns in their capacity as such.

G. **“Claims”** means any and all past, present or future claims (including any presently unknown claims), liabilities, demands, obligations, duties, complaints, cross-complaints, cross-claims, third party complaints, counterclaims, requests, administrative proceedings, directives and notices, counts, judgments, executions, attachments, debts, lawsuits, actions, direct actions, writs, liens, inquiries, rights, damages, costs, or any other causes of action, including Abuse Claims, Direct Action Claims, Extra-Contractual Claims, and any “claim” as that term is defined in the Bankruptcy Code, 11 U.S.C. §101(5).

H. **“Confirmation Order”** means an order of the Bankruptcy Court confirming the Plan, approving this Agreement, and granting the relief specified in Section III.A of this Agreement.

I. **“Debtors”** means Boy Scouts of America and Delaware BSA, LLC.

J. **“Direct Action Claim”** means any Claim by a Person against Hartford, on account of, based upon, arising from, or in any way attributable to the rights afforded the BSA or any Local Council under any Hartford Policies or Local Council Policies, whether arising by contract, in tort or under the laws of any jurisdiction, including any statute that gives a third party

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a direct cause of action against Hartford.

K. **“Estate”** means the bankruptcy estate of the BSA under Section 541 of the Bankruptcy Code.

L. **“Extra-Contractual Claim”** means any Claim against Hartford, seeking any type of relief based upon conduct prior to the Agreement Effective Date, including compensatory, exemplary or punitive damages, on account of alleged bad faith; misconduct; failure to act in good faith; violation of any duty of good faith and fair dealing; violation of any unfair claims practices act or similar statute, regulation or code; any type of alleged misconduct; or any other act or omission of Hartford of any type seeking relief other than coverage or benefits under any Hartford Policies or Local Council Policies, including any Claims for economic loss, general damages, attorneys’ fees or costs in connection with Hartford’s handling of, or its refusal to handle, any Claims.

M. **“Execution Date”** means the date the last signature of the Parties is placed on this Agreement.

N. **“Final Order”** means an order or judgment of the Bankruptcy Court (or any other court of competent jurisdiction), including any modification or amendment thereof, that remains in effect and has not been reversed, vacated or stayed, and as to which the time to appeal or seek review, rehearing or writ of certiorari has expired and as to which no appeal or petition for review, reconsideration, rehearing or certiorari has been taken or, if taken, remains pending.

O. **“Hartford”** means Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company and Navigators Specialty Insurance Company and each of their past, present and future direct or indirect parents, subsidiaries,

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affiliates and controlled entities, and each of their respective officers, directors, stockholders, members, partners, managers, employees, predecessors, successors and assigns, each in their capacity as such.

P. **“Hartford Policies”** means (i) any and all liability insurance policies, known and unknown, issued or allegedly issued by Hartford to the BSA as the first named insured, including each of the insurance policies identified on Exhibit 1, and (ii) the BSA’s Interests in any and all liability insurance policies, known and unknown, issued or allegedly issued by Hartford to any other Person that afford the BSA coverage with respect to Abuse Claims; *provided, however*, that “Hartford Policies” shall not include (i) any portion of workers’ compensation policies with respect to Claims not discharged by the Plan and unrelated to Abuse Claims or (ii) any portion of automobile liability policies with respect to Claims not discharged by the Plan and unrelated to Abuse Claims.

Q. **“Hartford Released Claims”** means (i) any and all past, present and future Claims arising from, relating to, or in connection with the Hartford Policies, including Direct Action Claims, and (ii) any and all Claims arising from, relating to or in connection with (a) Abuse Claims, (b) the negotiation of this Agreement, and/or (c) any Extra-Contractual Claims arising from or relating to acts or omissions before the Agreement Effective Date.

R. **“Insurance Companies”** means any Persons that have issued any insurance policies to, or otherwise have provided any liability insurance for the benefit of, the BSA or any Local Councils.

S. **“Interests”** means all liens, Claims, encumbrances, interests and other rights of any nature, whether at law or in equity, and any other “interest” as such term is used in Section

363 of the Bankruptcy Code, 11 U.S.C. § 363.

T. **“Local Councils”** means all organizations independently incorporated and organized under the laws of their respective states and chartered by the BSA to deliver the Scouting Program and related services.

U. **“Local Council Policy”** means any policy issued or allegedly issued by Hartford identified on Schedule 3 of the Second Amended Plan and any other insurance policy, known or unknown, issued by Hartford to a Local Council to the extent it provides coverage, or allegedly provides coverage, for Abuse Claims or other Claims that are channeled to the Settlement Trust or otherwise enjoined by the Plan or Confirmation Order.

V. **“Local Council Release”** means a mutual release, in form and substance acceptable to Hartford: (a) (i) with respect to the Local Council Policies, executed by a Person with authority to act on behalf of each Local Council, releasing Hartford from all Claims by any Local Council under the Local Council Policies, issued for policy periods prior to the Execution Date, and (ii) with respect to the Hartford Policies, releasing Hartford from all Claims by any Local Council under the Hartford Policies, issued for policy periods prior to the Execution Date; and (b) releasing the Local Councils from all Claims by Hartford in connection with the Hartford Policies and the Local Council Policies, issued for policy periods prior to the Execution Date. The Local Council Release shall be comparable, in form and substance, to the release provided by the BSA to Hartford, and by Hartford to the BSA, in Section IV.

W. **“Person”** means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, and any federal, state or local governmental or quasi-governmental body or political subdivision or any agency, department, board or instrumentality

thereof.

X. **“Plan”** means the Second Amended Plan, as the same may be amended or modified from time to time pursuant to section 1127 of the Bankruptcy Code, consistent with the terms of the Second Amended Plan.

Y. **“Plan Effective Date”** shall have the same meaning as the term “Effective Date” in the Plan.

Z. **“Scouting Program”** means any and all programs of any kind administered by the BSA or any Local Councils relating to scouting.

AA. **“Second Amended Plan”** means the *Second Amended Chapter 11 Plan of Reorganization for Boy Scouts of America and Delaware BSA, LLC*, dated April 13, 2021 (D.I. 2592).

I. AGREEMENT EFFECTIVE DATE

A. This Agreement shall become effective on the earliest date on which all of the following conditions precedent have occurred (the “Agreement Effective Date”); *provided, however*, that any of the conditions precedent set out in this Section I may be waived pursuant to a writing signed by each Party:

1. Each Party has executed the Agreement;
2. Hartford has received a fully executed Local Council Release on behalf of each Local Council;
3. The Bankruptcy Court has entered (a) the Confirmation Order in form and substance acceptable to Hartford as it pertains to this Agreement or (b) the Approval Order in accordance with Section I.B, below;

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4. The Confirmation Order provides for a release and channeling injunction for the benefit of the Local Councils with respect to Abuse Claims; and
5. The BSA has provided notice to Hartford that the Plan Effective Date has occurred.

B. As an alternative to obtaining approval of the Sale and the Agreement through the Confirmation Order, Hartford may request, at any time after the Execution Date, upon twenty (20) calendar days' notice to the BSA, that the BSA file with the Bankruptcy Court a motion for entry of an order approving the Sale and this Agreement under section 363 of the Bankruptcy Code and Bankruptcy Rule 9019 (the "Approval Order"), and the BSA shall file such motion before the expiration of such twenty-day notice period. The Approval Order shall be substantially in the form attached hereto as Exhibit 2, with such modifications as may be mutually agreed upon by the Parties. If Hartford requests that the BSA file a motion for entry of the Approval Order, then Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company and Navigators Specialty Insurance Company shall not be Settling Insurance Companies under the Plan until the Bankruptcy Court has entered the Approval Order and (unless Hartford waives this condition, precedent in accordance with Section II.B. of this Agreement) the Approval Order has become a Final Order.

II. SETTLEMENT AMOUNT

A. Subject to all of the terms and conditions of this Agreement, Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company and Navigators Specialty Insurance Company shall be jointly and severally liable for, and shall pay the BSA or, at the BSA's written direction, the Settlement Trust (or other designee, assignee,

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or successor of the BSA, as specified in writing by the BSA), the total amount of six hundred fifty million dollars (\$650,000,000.00) (the "Settlement Amount"). The Settlement Amount shall be paid in United States currency, via wire transfer or other acceptable means, within thirty (30) days of the date on which Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company and Navigators Specialty Insurance Company receive written notice of the Agreement Effective Date from the BSA. Such notice shall also contain details identifying the payee and account(s) into which payment of the Settlement Amount shall be made. In the event payment is due on a date that is not a business day, the payment shall be due on the first business day thereafter.

B. Notwithstanding anything to the contrary contained in this Agreement, the obligation of Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company and Navigators Specialty Insurance Company to pay the Settlement Amount is subject to the condition that the Agreement Effective Date shall have occurred, and the further condition that the Confirmation Order (or the Approval Order, if applicable) shall have become a Final Order; *provided, however*, that, notwithstanding anything to the contrary contained in this Agreement, Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company and Navigators Specialty Insurance Company in their sole discretion, may elect in writing to waive the condition precedent that the Confirmation Order (or the Approval Order, if applicable) has become a Final Order and pay the Settlement Amount notwithstanding the pendency of an appeal of the Confirmation Order (or the Approval Order, if applicable).

C. Subject to the terms of this Agreement, the Parties expressly agree that, by this

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Agreement, Hartford is agreeing to buy from the BSA, and the BSA is agreeing to sell to Hartford, the Hartford Policies pursuant to sections 363, 1123 and 1141 of the Bankruptcy Code free and clear of all Interests. The Parties further agree that (i) the Settlement Amount is the total amount Hartford is obligated to pay on account of any and all Hartford Released Claims and the Local Council Release; (ii) the Local Council Release is required to release the Local Councils' interests in the Local Council Policies, and (iii) the Confirmation Order or Approval Order, as applicable, shall provide that on and after the Agreement Effective Date and Hartford's payment of the Settlement Amount, under no circumstance will Hartford ever be obligated to make any additional payments to any Person for liabilities relating to or arising out of the Hartford Released Claims, the Local Council Releases, the Hartford Policies or the Local Council Policies.

D. The Settlement Amount shall be used by the BSA, the Estate, or their assignees, successors or any other Person formed to assume the BSA's liability for Abuse Claims, including the Settlement Trust, solely to pay and/or defend Abuse Claims.

E. If, after the Execution Date, (1) the BSA, the Estate, or their assignees, successors or any other Person formed to assume the BSA's liability for Abuse Claims, including the Settlement Trust, enters into an agreement with Century Indemnity Company ("Century") that provides for the settlement, release, sale, or other resolution of the BSA's or the Local Councils' Claims for coverage for Abuse Claims under (or sale and buy back of) insurance policies for which Century or any affiliate thereof is or allegedly is responsible (a "Century Settlement") and (2) the Century Settlement provides for a payment by Century (or by some other Person on Century's behalf) of an amount less than two times the Settlement Amount, then (3) the

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Settlement Amount shall be reduced by fifty percent (50%) of the difference between an amount equal to two times the Settlement Amount and the amount payable by Century pursuant to the Century Settlement (the amount of such reduction, the “Discount Amount”). If, at the time of the Century Settlement, Hartford has not yet paid the Settlement Amount, then Hartford’s obligation shall be reduced by the Discount Amount. In the event that Hartford has already paid the Settlement Amount, then Hartford shall be entitled to a refund in the amount of the Discount Amount from the Settlement Trust (or, if no Settlement Trust is established under the Plan, from the BSA or its successor, assignee or designee created to pay Abuse Claims under the Plan).

III. BANKRUPTCY-RELATED OBLIGATIONS

A. Unless Hartford makes the election contemplated by Section I.B, the Plan shall incorporate this Agreement and shall constitute a request by the BSA for the Bankruptcy Court to approve the Sale and this Agreement, including the release of the Hartford Released Claims as provided in Section IV.A., pursuant to sections 363, 1123 and 1141 of the Bankruptcy Code and Bankruptcy Rule 9019, and to find that Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company and Navigators Specialty Insurance Company are good-faith purchasers of the Hartford Policies, free and clear of all Interests, pursuant to section 363(f) and (m) of the Bankruptcy Code.

B. The Parties shall cooperate in good faith to ensure that the Confirmation Order (or the Approval Order, if applicable) is in form and substance acceptable to the Parties as it pertains to this Agreement, is entered by the Bankruptcy Court, and becomes a Final Order.

C. In addition to any other service that may be required, the Debtors shall serve by mail notice of the Confirmation Hearing on all parties in interest (for whom the Debtors have a

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mailing address), including (i) all known holders of Abuse Claims, (ii) all Insurance Companies or other Persons known to have provided liability insurance to the BSA; (iii) all other Persons, known to the BSA, who or which actually or allegedly are insured or claim to be entitled to any rights or benefits under any of the Hartford Policies; (iv) all Persons that have filed proofs of claim in the Bankruptcy Case; (v) all official committees appointed in the Bankruptcy Case; and (vi) all other Persons that, as of the date of service of notice of the Confirmation Hearing, have filed a notice of appearance and demand for service of papers in the Bankruptcy Case or are otherwise listed on the master service list maintained by the BSA in the Bankruptcy Case (the “Notice Parties”). In addition, to ensure the broadest notice possible, the BSA shall publish notice of the Confirmation Hearing on such occasions and in such newspapers that are reasonably acceptable to Hartford, with Hartford to bear the expense thereof in a proportion equal to the Settlement Amount divided by the total settlement contributions of all Settling Insurance Companies as of the last publication date. The mail and publication notice shall be in form and substance acceptable to Hartford. If Hartford makes the election contemplated by Section I.B, then, in addition to any other service that may be required, the BSA shall serve by mail notice of the motion for entry of the Approval Order and the hearing thereon on each of the Notice Parties and, to ensure the broadest notice possible, the BSA shall publish notice of such motion and the hearing on two separate occasions in the national editions of The New York Times and USA Today at Hartford’s expense. The mail and publication notice shall be in form and substance acceptable to Hartford.

D. Except (i) to contend that the BSA has breached this Agreement; (ii) to the extent the Plan does not incorporate and provide for the approval of this Agreement; or (iii) this

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Agreement is not approved or does not go into effect, Hartford shall not object to the Plan or seek formal discovery from the BSA (and the BSA shall not seek formal discovery from Hartford) with respect to the Plan; *provided, however*, notwithstanding anything to the contrary contained in this Agreement, nothing herein shall be construed to preclude or limit Hartford's right to object to the Plan (or any disclosure statement), or to take any other actions in the Bankruptcy Case that it may deem necessary to protect Hartford's rights and interests, in the event that this Agreement is not approved by the Court or to the extent that the Plan includes any alternatives or conditions under which this Agreement would not be part of the Plan as confirmed and the Agreement Effective Date would not occur.

E. Consummation of the transactions contemplated by this Agreement is expressly conditioned upon the occurrence of the Agreement Effective Date, except as expressly otherwise provided in this Agreement.

F. Notwithstanding anything to the contrary in this Agreement, in the event of any judicial disapproval of this Agreement, including the Bankruptcy Court's refusal to approve the Sale and enter the Confirmation Order or, as applicable, the Approval Order, or if on appeal the Confirmation Order or the Approval Order is vacated or reversed (notwithstanding Section 363(m) of the Bankruptcy Code, all rights under which Hartford and the BSA fully reserve), Hartford and the BSA shall have the right to declare this Agreement null and void.

G. In the event this Agreement shall become null and void, all payments made by Hartford prior to the time it is declared null and void, along with income earned thereon, if any, shall be returned to Hartford.

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H. If this Agreement becomes null and void pursuant to Paragraph III.F above, then:

(1) the Agreement, except for Sections III.E, III.F, III.G, III.H, III.I and X–XII (which shall remain in full force and effect), shall be vitiated and shall be a nullity; (2) Hartford shall have no obligation to pay the Settlement Amount pursuant to this Agreement; (3) Hartford shall not be entitled under this Agreement to assert as a defense to any Claim any benefit of any injunction contained within the Plan, the Confirmation Order, or the Approval Order (if applicable); and (4) the Parties shall have all of the rights, defenses, and obligations under or with respect to any and all insurance policies that they would have had absent this Agreement, including any right to object or otherwise participate in the Bankruptcy Case.

I. Hartford shall be treated as a Settling Insurance Company under the Plan and shall be provided all benefits and protections afforded to Settling Insurance Companies, including the benefit and protection of any releases and channeling (or other) injunctions. The BSA shall not file, and shall not support, any plan of reorganization that is inconsistent with the terms of this Agreement; *provided, however*, that the BSA may file a Plan that includes alternatives or conditions under which this Agreement would not be part of the Plan as confirmed and the Agreement Effective Date would not occur (in which event Hartford shall have the right to oppose confirmation of the Plan), so long as such Plan only provides BSA with a discharge and, other than for the protection of the “Protected Parties” identified in clauses (i), (ii), (iii) and, as to those Protected Parties their “Representatives” as set forth in clause (v), of Article I.A.180.b of the Second Amended Plan (that is, other than for the protection of all Protected Parties except “Settling Insurance Companies”), does not provide an injunction

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(including any channeling injunction) affording protection with respect to Abuse Claims for other Persons, including any Local Councils.

J. On the Plan Effective Date, the rights and obligations of the BSA under this Agreement shall be deemed to have been assigned and transferred to the Settlement Trust without need of further action by any Person, and the Settlement Trust shall be bound by all of the provisions of this Agreement. Reorganized BSA shall continue to be bound by this Agreement and shall retain the obligations and benefits hereunder to the extent consistent with the Plan.

IV. RELEASES

A. **Release of Hartford Released Claims.** Upon the later of the Agreement Effective Date and the payment of the Settlement Amount as set forth in Section II above, for good and valuable consideration, the adequacy of which is hereby confirmed, the BSA (on behalf of itself, Reorganized BSA and the Estate), and the Settlement Trust hereby (a) fully and forever release and discharge Hartford from any and all Claims, whether known or unknown, suspected or unsuspected, in law or in equity, relating to, arising out of, or in connection with the Hartford Released Claims, whether arising under the Hartford Policies or otherwise, to the fullest extent permitted by law, (b) withdraw any and all requests, demands, or tenders for defense or indemnity related to Hartford Released Claims and previously submitted by or on behalf of the BSA or the Estate to Hartford under the Hartford Policies, and (c) surrender, relinquish, and release any further right to tender or present any Claims related to Hartford Released Claims by or on behalf of the BSA under the Hartford Policies or otherwise. By virtue of the foregoing releases, Hartford shall have no duty to defend or indemnify the BSA with respect to any Claims

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relating to, arising out of, or in connection with any Hartford Released Claims, past, present or future. Notwithstanding the provisions of this Agreement and for the avoidance of doubt, the BSA (on behalf of itself, Reorganized BSA and the Estate) and the Settlement Trust hereby reserve all rights against Persons other than Hartford (other than any rights under the Hartford Policies, which are released hereunder, subject to the occurrence of the Agreement Effective Date and payment of the Settlement Amount), and the Agreement is not intended to prejudice, affect, or restrict (and entry into this Agreement is not intended to be, and shall not be construed as, an election of remedy or a waiver or limitation of) any rights, powers, and remedies that the BSA (on behalf of itself, Reorganized BSA and the Estate) and the Settlement Trust may have against Persons other than Hartford. The release provided in this section shall not release Hartford from any obligations arising under this Agreement.

B. Release of BSA Released Claims. Upon the Agreement Effective Date and payment of the Settlement Amount, Hartford fully and forever releases and discharges the BSA, the Estate, Reorganized BSA, and the Settlement Trust from all Claims, whether known or unknown, suspected or unsuspected, in law or in equity, which Hartford has, had, may have, or may claim to have against the BSA, the Estate, Reorganized BSA, or the Settlement Trust directly or indirectly arising out of, with respect to, or in any way relating to any Abuse Claim, including for premiums, retrospective premiums, adjustments, chargebacks, deductibles and/or other self-insurance features arising out of the Settlement Amount and any Claims for indemnification directly or indirectly arising out of, with respect to, or in any way relating to any prior settlement agreement between Hartford and the BSA (collectively, the “BSA Released Claims”), to the extent such BSA Released Claims arise on or prior to the Agreement Effective

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Date. Also effective upon the occurrence of the Agreement Effective Date and payment of the Settlement Amount, Hartford shall withdraw any and all requests or demands for payment by the BSA or the Estate of any BSA Released Claim arising on or prior to the Agreement Effective Date, including any and all proofs of claim that Hartford may have asserted in the Bankruptcy Case, and none of the BSA, the Estate, Reorganized BSA, or the Settlement Trust shall have any duty to indemnify, pay, or reimburse Hartford with respect to any BSA Released Claim arising on or prior to the Agreement Effective Date. The release provided in this section shall not release the BSA, Reorganized BSA, the Estate or the Settlement Trust from any obligations arising under this Agreement.

C. **Unknown or Future Claims.** The Parties expressly acknowledge that there may be changes in the law and/or the Parties may hereafter discover facts different from, or in addition to, those that they now believe to be true with respect to any and all of the Claims released in this Section IV. Nevertheless, the Parties hereby agree that (subject to Sections III.E through III.I above) the releases set forth in Section IV shall be and remain effective in all respects, notwithstanding any changes in the law and/or the discovery of such additional or different facts. In addition, the Parties acknowledge they have been advised by their respective legal counsel and are familiar with the provisions of Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

D. **Agreement Rights and Obligations Not Affected.** The releases set forth in this Agreement are not intended to, and shall not, extend to or otherwise release or discharge any rights, privileges, benefits, duties, or obligations of the Parties by reason of, or otherwise arising under, this Agreement.

V. JUDGMENT REDUCTION

Neither the BSA nor the Estate (or any of their assignees, successors or any other Person formed to assume the BSA's liability for Abuse Claims, including the Settlement Trust) will seek to obtain payment from any other Person any amount that is allocable to Hartford under the Hartford Policies on account of Hartford Released Claims. In the event that any other such Person obtains a final and non-appealable judicial determination or binding arbitration award that it is entitled to obtain a sum certain from Hartford as a result of a Claim for contribution, subrogation, indemnification or other similar Claim against Hartford for Hartford's alleged share or equitable share, or to enforce subrogation rights, if any, of the defense and/or indemnity obligation of Hartford for any Claims released pursuant to this Agreement, the BSA, the Estate, or their assignees, successors or any other Person formed to assume the BSA's liability for Abuse Claims, including the Settlement Trust, as applicable, shall voluntarily reduce its judgment or Claim against, or settlement with, such other Person to the extent necessary to eliminate such contribution, subrogation or indemnification Claims against Hartford. To ensure that such a reduction is accomplished, Hartford shall be entitled to assert this paragraph as a defense to any action against it for any such portion of the judgment or Claim and shall be entitled to have the court or appropriate tribunal issue such orders as are necessary to effectuate the reduction to protect Hartford from any liability for the judgment or Claim. Hartford agrees

that it will not seek from the BSA or the Local Councils reimbursement of its legal fees related to any action referenced herein.

VI. CONTRIBUTION CLAIMS

A. Except as otherwise provided in this Agreement, Hartford agrees that it will not assert or file a Claim seeking contribution, indemnity and/or defense against another Person in order to recover any portion of the Settlement Amount to be paid under this Agreement or with respect to the BSA Released Claims.

B. Nothing contained in this Agreement shall be construed to prohibit Hartford from making a Claim against any reinsurer (with respect to the Settlement Amount or otherwise) or from pursuing its recoveries from any reinsurer in its capacity as such, regardless of the identity or affiliation of the reinsurer.

C. To the extent that the BSA, the Estate, or any assignee, successor or any other Person formed to assume the BSA's liability for Abuse Claims, including the Settlement Trust, settles Claims arising out of Hartford Released Claims with any other Insurance Company or other Person, the BSA, the Estate, or any such assignee, successor and/or other Person will use best efforts to obtain a waiver of that other Insurance Company's or other Person's Claims seeking contribution, indemnity and defense against Hartford based upon, arising out of or in any way attributable to such Claims. Such waiver may be accomplished by an assignment of such Claims to the Settlement Trust, whereupon such Claims will be subject to the release set forth in Section IV herein.

VII. COOPERATION

A. Each Party shall use its reasonable efforts to achieve the occurrence of the

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Agreement Effective Date, and to take such steps and execute such documents as may be reasonably necessary and proper to effectuate the purpose and intent of this Agreement and to preserve its validity and enforceability. In the event that any action or proceeding is commenced or prosecuted by any Person to invalidate or prevent the validation, enforcement, or carrying out of all or any provisions of this Agreement, the Parties mutually agree to cooperate fully in opposing such action or proceeding.

B. Each of the Parties shall reasonably cooperate with each of the other Parties in responding to or opposing any motion, objection, Claim, assertion, or argument by any third party that this Agreement is not binding, or should be avoided, or that valuable and fair consideration or reasonably equivalent value has not been exchanged pursuant to this Agreement.

VIII. NO BENEFIT TO THIRD PARTIES

This Agreement is intended to confer rights and benefits only on the Parties and, to the extent set forth in the Local Council Release, the Local Councils. No other person shall have any legally enforceable rights or benefits under this Agreement, except for the Parties' respective successors and assigns as permitted hereunder, including the Settlement Trust. Except as provided herein, no Party may assign this Agreement or any of its rights, benefits, or obligations hereunder without prior written consent of all other Parties hereto, which consent shall not be unreasonably withheld.

IX. NO ADMISSIONS AND NON-ADMISSIBILITY OF THE AGREEMENT

Nothing contained in this Agreement, or in any negotiations, discussions, correspondence or other materials of any kind relating to this Agreement or relating to the

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negotiation of this Agreement, shall be deemed to be an admission on the part of the Parties with respect to any matter or any factual or legal issue of any kind. Except as may be necessary to enforce the terms of this Agreement, or except as may be necessary or useful in the pursuit by Hartford of a reinsurance recovery for sums to be paid under this Agreement, neither this Agreement itself, nor any negotiations, discussions, correspondence, or other materials of any kind relating to this Agreement or relating to the negotiation of this Agreement, shall be discoverable or admissible in any legal or equitable proceeding of any kind, including any lawsuit, mediation, arbitration, administrative proceeding or action, or any other proceeding or action of any kind.

X. BINDING EFFECT OF AGREEMENT

All terms and provisions of this Agreement shall be binding on, and shall inure to the benefit of, the Parties and their respective successors and assigns, including the Settlement Trust.

XI. DISPUTE RESOLUTION

If any dispute should arise concerning the terms, meaning, or implementation of this Agreement, the Parties agree to use their best efforts to reach a prompt resolution of such dispute. If the Parties are unable to reach an agreement and such dispute arises prior to the entry of the Confirmation Order or the Approval Order (if applicable), they shall proceed to mediation before the Mediators. Either Party may initiate litigation in the Bankruptcy Court to the extent the Bankruptcy Court has subject-matter jurisdiction, or to the extent it does not, in any other appropriate forum, but no Party may initiate litigation until forty-five (45) days after a mediation has commenced and the Mediators have jointly determined that the Parties' mediation has reached an impasse. All of the Parties consent to personal jurisdiction in any federal court

(including the Bankruptcy Court) or state court in the State of Delaware for purposes of resolving any dispute concerning the terms, meaning, or implementation of this Agreement.

XII. CONSTRUCTION OF AGREEMENT

A. The Parties represent and acknowledge that they have participated in the preparation and drafting of this Agreement or have each given their approval to all of the language contained in this Agreement, and it is expressly agreed and acknowledged that if any of the Parties later asserts that there is an ambiguity in the language of this Agreement, such asserted ambiguity shall not be presumptively construed for or against any other Party on the basis that one Party drafted the language of this Agreement or played a greater role in the drafting of the language.

B. The headings of this Agreement are asserted for convenience and are not part of the provisions hereof and shall have no force or effect.

C. If any provision of this Agreement or application thereof is held to be invalid or unenforceable, the remainder of this Agreement shall remain in effect and be interpreted so as best to reasonably give effect to the intent of the Parties. Notwithstanding the foregoing, Sections II, III, IV, V, the corresponding Definitions and the injunctions to be set forth in the Confirmation Order or the Approval Order (if applicable) shall not be severable from this Agreement.

XIII. REPRESENTATIONS, WARRANTIES AND OTHER MISCELLANEOUS PROVISIONS

A. Each Party represents and warrants that it has taken all necessary corporate and legal action required to duly approve the making and performance of this Agreement and,

subject to the occurrence of the Agreement Effective Date, that no further action is necessary to make this Agreement binding and legally enforceable.

B. Each Party represents and warrants that, to the best of its knowledge and belief, the making and performance of this Agreement will not violate any provision of law or any of its respective articles of incorporation or by-laws or any contract or agreement by which it is bound.

C. Each Party represents and warrants that it is the owner of the rights and Claims to be compromised and released by it under this Agreement and it has not assigned or transferred to any Person any Claim or other matter to be compromised and released herein. Furthermore, the BSA represents and warrants that it has not assigned or transferred any right, title or Interest under the Hartford Policies.

D. Each Party represents and warrants that this Agreement has been entered into in good faith, as a result of arm's-length negotiations, with advice of counsel, and that this Agreement represents a fair, reasonable, proportionate and good-faith compromise of disputed Claims, disputed liabilities and disputed issues.

E. This Agreement is not intended to be nor shall it be construed as an admission of the existence of a policy or a policy interpretation or as an admission by any Party of any duties, rights or obligations arising under the Hartford Policies, the Local Council Policies or any other insurance policies. This Agreement shall not be used in any court or dispute resolution proceeding to create, prove or interpret the rights or obligations of the Parties, or the Local Councils, under the Hartford Policies, the Local Council Policies or any other insurance policies.

F. Hartford represents that it has made a good-faith search and has located no

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evidence of any Hartford Policies, other than those listed on Exhibit 1, and that it is not aware of any such policy, secondary evidence of any such policy, or any reason to believe such policy exists. The BSA represents that it has made a good-faith search and has located no evidence of any Hartford Policies, other than those listed on Exhibit 1, and that it is not aware of any such policy, secondary evidence of any such policy, or any reason to believe such policy exists.

G. Each Party represents and warrants that it has read this Agreement in its entirety, fully understand all of its terms and the consequences thereof, and that the person signing this Agreement on its behalf has full and complete authority and competency to legally bind it to all terms and consequences of this Agreement.

H. Each Party represents and warrants that this Agreement is supported by valid and lawful consideration sufficient to make all aspects of this Agreement legally binding and enforceable.

I. This Agreement sets forth the entire agreement between the Parties as to its subject matter, and supersedes any and all prior or contemporaneous statements, agreements, negotiations, or understandings, whether written or oral, except that the Agreement should be read *in pari materia* with the Plan.

J. All notices, demands, or other communications to be provided pursuant to this Agreement shall be in writing and sent by electronic mail and overnight mail (or United States first-class mail, postage prepaid), to the Parties at the addresses set forth below, or to such other persons or addresses as the Parties may designate in writing from time to time:

For Hartford:

Monica M. Curtis
Deputy General Counsel, Head of Litigation

EXECUTION COPY

The Hartford
One Hartford Plaza
Hartford, CT 06155
(860) 547-3846
monica.melchionni@thehartford.com

With a copy to:

James P. Ruggeri
Shipman & Goodwin LLP
1875 K Street, Suite 600
Washington, DC 20006
(202) 469-7750
jruggeri@goodwin.com

and

Philip D. Anker
Wilmer Cutler Pickering Hale and Dorr LLP
7 World Trade Center
250 Greenwich St.
New York, New York 10007
(212) 230-8890
Philip.Anker@Wilmerhale.com

For the BSA:

Steven P. McGowan
General Counsel
Boy Scouts of America
1325 West Walnut Hill Lane
Irving, TX 75038
(972) 580-7847
steve.mcgowan@scouting.org

With a copy to:

Jessica C. Lauria
White & Case LLP
1221 Avenue of the Americas
New York, NY 10020
(212) 819-8200
jessica.lauria@whitecase.com

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Michael C. Andolina
Matthew E. Linder
White & Case LLP
111 South Wacker Drive
Chicago, IL 60606
(312) 881-5400
mandolina@whitecase.com
mlinder@whitecase.com

K. This Agreement may be amended only by a writing signed by or on behalf of each Party.

L. Each Party may sign an e-mail copy of this Agreement, in counterparts, with the same effect as if each Party had signed an original of the same document.

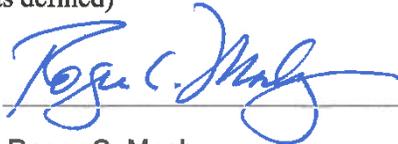
[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

BSA (as defined)

Hartford (as defined)

By:



By: _____

Name: Roger C. Mosby

Name: _____

Title: President and CEO

Title: _____

Date:

4-14-21

Date: _____

Signature Page to Settlement Agreement and Release

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the last date indicated below.

BSA (as defined)

Hartford (as defined)

By: _____

By:  _____

Name: _____

Name: John Kinney _____

Title: _____

Title: EVP, Chief Claims Officer _____

Date: _____

Date: April 15, 2021 _____

Exhibit 1

Writing Company	Policy No.	Policy Period
Hartford Accident and Indemnity Company	10 HU A43300	May 1, 1971 - May 1, 1972
Hartford Accident and Indemnity Company	10 C A43315	September 21, 1971 - January 1, 1972
Hartford Accident and Indemnity Company	10 C A43304	January 1, 1972 - January 1, 1974
Hartford Accident and Indemnity Company	10 C A43303	January 1, 1972 - January 1, 1974
Hartford Accident and Indemnity Company	10 HU A43302	January 1, 1972 - January 1, 1974
Hartford Accident and Indemnity Company	10 HU A43303	May 1, 1972 - May 1, 1974
Hartford Accident and Indemnity Company	10 C A43329	January 1, 1974 - January 1, 1975
Hartford Accident and Indemnity Company	10 C A43324	January 1, 1974 - January 1, 1975
Hartford Accident and Indemnity Company	10 HU A43331	January 1, 1974 - January 1, 1975
Hartford Accident and Indemnity Company	10 HU A43335	May 1, 1974 - January 1, 1975
Hartford Accident and Indemnity Company	10 C A43342E	January 1, 1975 - January 1, 1976
Hartford Accident and Indemnity Company	10 C A43349E	January 1, 1976 - January 1, 1977
Hartford Accident and Indemnity Company	10 C A43359E	January 1, 1977 - January 1, 1978
Hartford Accident and Indemnity Company	10 JP A43360E	January 1, 1977 - January 1, 1978
First State Insurance Company	908954	January 1, 1978 - January 1, 1979
First State Insurance Company	927616	January 1, 1979 - January 1, 1980

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Writing Company	Policy No.	Policy Period
First State Insurance Company	931255	January 1, 1981 - January 1, 1983
First State Insurance Company	931257	January 1, 1981 - January 1, 1983
First State Insurance Company	EU 006921	March 1, 1988 - March 1, 1989
Twin City Fire Insurance Company	TXU 100325	January 1, 1982 - January 1, 1983
Navigators Specialty Insurance Company	CH12EXC747034IC	March 1, 2012 - March 1, 2013
Navigators Specialty Insurance Company	CH13EXC747034IC	March 1, 2013 - March 1, 2014

Exhibit 2

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>BOY SCOUTS OF AMERICA AND DELAWARE BSA, LLC,¹</p> <p style="text-align: center;">Debtors.</p>	<p>Chapter 11</p> <p>Case No. 20-10343 (LSS)</p> <p>Jointly Administered</p>
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**ORDER APPROVING SETTLEMENT AGREEMENT WITH HARTFORD ACCIDENT
AND INDEMNITY COMPANY, FIRST STATE INSURANCE COMPANY, TWIN CITY
FIRE INSURANCE COMPANY AND NAVIGATORS SPECIALTY INSURANCE
COMPANY AND AUTHORIZING THE SALE OF THE POLICIES FREE AND CLEAR
OF LIENS, CLAIMS, INTERESTS AND OTHER ENCUMBRANCES**

This matter comes before the Court upon the motion, dated _____, 2021 (the “Motion”),² of BSA for an order pursuant to Sections 105(a) and 363 of title 11 of the United States Code (the “Bankruptcy Code”) and rules 2002, 6004 and 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) (i) authorizing BSA to enter into a compromise and settlement with Hartford pursuant to which (among other things) BSA, on behalf of itself and the Estate, will provide Hartford releases, as set forth in the Settlement Agreement (the “Agreement,” a copy of which is attached as Exhibit 1); (ii) authorizing the Sale of the Hartford Policies to Hartford pursuant to the terms and conditions of the Agreement, free and clear of all

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are as follows: Boy Scouts of America (6300) and Delaware BSA, LLC (4311). The Debtors’ mailing address is 1325 West Walnut Lane, Irving, Texas 75038.

² Except as otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to them in the Agreement (as defined herein).

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Interests; (iii) approving the Agreement in all respects; and (iv) enjoining various Claims against Hartford as described in Paragraph 8 below (the “Injunction”). The appearances of all interested parties and all responses and objections to the motion, if any, have been duly noted in the record of the hearing held on _____, 2021 (the “Hearing”). Upon the record of the Hearing, the Motion, all responses and objections, if any, thereto, all other proceedings in the Bankruptcy Case, and after due deliberation and sufficient cause appearing therefore, the Court hereby makes the following:

FINDINGS OF FACT AND CONCLUSIONS OF LAW:³

Jurisdiction, Final Order and Statutory Predicates

A. The Court has jurisdiction over the Motion and relief requested therein, including responses and objections thereto, if any, pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N), and (O). Venue of the Bankruptcy Case and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

B. This Order constitutes a final and immediately appealable order within the meaning of 28 U.S.C. § 158(a).

C. The statutory predicates for the relief sought in the Motion are Sections 105(a) and 363 of the Bankruptcy Code and Bankruptcy Rules 6004 and 9019.

Retention of Jurisdiction

D. It is necessary and appropriate for the Court to retain jurisdiction to, among other

³ The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

things, interpret and enforce the terms and provisions of this Order and the Agreement, and to adjudicate, if necessary, any and all disputes arising under or relating in any way to, or affecting, any of the transactions contemplated under the Agreement.

Notice of the Motion

E. BSA has provided due and adequate notice of the Motion, the Hearing, the Agreement and the subject matter thereof to all parties in interest pursuant to Bankruptcy Rules 2002 and 6004. Such notice was good and sufficient under the particular circumstances, and no further notice is necessary. Without limiting the generality of the foregoing, adequate notice of the Motion, the Hearing and the Agreement has been provided, and a reasonable opportunity to object or be heard with respect to the Motion and the relief requested therein has been afforded, to all parties in interest, including (i) all known holders of Abuse Claims; (ii) all other Persons known to have provided general liability insurance to BSA; (iii) all other Persons, known to BSA, which actually or allegedly are insured or claim to be entitled to any rights or benefits under any of the Hartford Policies; (iv) all Persons or Entities that have filed proofs of claim in the Bankruptcy Case; (v) all official committees appointed in the Bankruptcy Case; and (vi) all other Persons or Entities that, as of the date the Motion was filed, had filed a notice of appearance and demand for service of papers in the Bankruptcy Case or were otherwise listed on the master service list maintained by BSA in the Bankruptcy Case. In addition, to ensure the broadest notice possible, BSA published notice of the Motion and the hearing on two separate occasions in The New York Times and USA Today.

Sound Business Judgment and Reasonableness

F. The relief requested in the Motion is in the best interests of BSA, the Estate, its creditors, claimants and other parties-in-interest. BSA has demonstrated good, sufficient and

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sound business purposes and justifications for the relief requested in the Motion and the approval of the transactions contemplated thereby.

G. The Agreement, including the Sale of the Hartford Policies free and clear of any and all Interests, is fair and reasonable and in the best interests of the Estate. The Settlement Amount paid represents fair and reasonable consideration for the Sale of the Hartford Policies, the release of Claims and the other provisions as set forth in the Agreement. The Agreement is also in the best interests of other parties in interest, including claimants, because it is contemplated that the proceeds of the Sale will be used to pay Abuse Claims.

Good Faith of Purchaser of the Hartford Policies

H. The Agreement was negotiated and proposed, and has been entered into by the Parties, in good faith, from arm's-length bargaining positions, and without fraud or collusion. Each Party to the Agreement was represented by counsel. The sale consideration to be realized by the Estate pursuant to the Agreement is fair and reasonable. Hartford is a good faith purchaser for value of the Hartford Policies within the meaning of Section 363(m) of the Bankruptcy Code and is entitled to the protection thereof. Neither BSA nor Hartford, nor any of their representatives, have engaged in any conduct that would (i) cause or permit the Agreement, or the Sale of the Hartford Policies contemplated therein, to be avoided under Section 363(n) of the Bankruptcy Code, (ii) cause or permit any amounts, costs, attorneys' fees, expenses or punitive damages to be recovered under Section 363(n) of the Bankruptcy Code, or (iii) prevent the application of Section 363(m) of the Bankruptcy Code.

Satisfaction of Section 363(f) Requirements

I. BSA may sell the Hartford Policies free and clear of all Interests of any Person under Section 363(f) of the Bankruptcy Code because one or more of the criteria set forth in

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Sections 363(f)(1)-(5) of the Bankruptcy Code has been satisfied. Without limiting the generality of the foregoing, those holders of Interests against any of the Hartford Policies who did not object, or who withdrew their objections, to the Motion or the relief requested therein are deemed to have consented pursuant to Section 363(f)(2) of the Bankruptcy Code, and each holder of an Interest in the Hartford Policies can be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such Interest as contemplated by Section 363(f)(5) of the Bankruptcy Code.

J. To the extent any Person has an Interest in the Hartford Policies, such Interest is adequately protected as required by Section 363(e) of the Bankruptcy Code by the attachment of such Interest to the proceeds of sale pursuant to Paragraph 7 of this Order, and in no circumstance will Hartford be required to satisfy such Interest.

No Successor Liability

K. The transfer of the Hartford Policies pursuant to the Agreement does not and will not subject or expose Hartford to any liability, Claim (including any Abuse Claim), cause of action or remedy by reason of such transfer under (a) the laws of the United States, any state, territory, or possession thereof, or the District of Columbia, based on, in whole or in part, directly or indirectly, including any theory of tort, creditors' rights, equity, antitrust, environmental, successor or transferee liability, labor law, de facto merger, or substantial continuity; or (b) any employment contract, understanding or agreement, including collective bargaining agreements, employee pension plans, or employee welfare or benefit plans.

L. Hartford is not assuming any of BSA's obligations to its employees (including any obligations under BSA's collective bargaining agreements, if any), by reason of the purchase of

the Hartford Policies.

M. No common identity of officers or directors exists between Hartford and the Estate or BSA.

N. Hartford is purchasing the Hartford Policies pursuant to the Agreement and this Order. Hartford is not purchasing any other assets of BSA or the Estate. Hartford shall not have any responsibility or liability with respect to any of BSA or the Estate's other assets or for any liability of, or Claims against, BSA.

O. A sale of the Hartford Policies other than one free and clear of Interests, if possible at all, would impact adversely on BSA and the Estate and would be of substantially less benefit to BSA, the creditors and the Estate. Hartford would not purchase the Hartford Policies, and pay the Settlement Amount, if the Sale were not free and clear of all Interests.

Injunction

P. Issuing an injunction under Section 105(a) of the Bankruptcy Code is essential to give effect to the Sale of the Hartford Policies to Hartford free and clear of Interests pursuant to Section 363(f) of the Bankruptcy Code. The Injunction as set forth in Paragraph 8 below is a necessary prerequisite for Hartford's agreement to the terms and conditions of the Agreement, and Hartford will not consummate the Sale of the Hartford Policies in the absence of such a supplemental injunction from this Court.

Q. To the extent that the holders of present and future Claims have any Interest in the Hartford Policies, such Persons are adequately protected in that they will have the right to pursue their Claims against the proceeds of the Sale of the Hartford Policies with the same validity and priority as against the Hartford Policies, and in no circumstance will such Interest be satisfied by

Hartford.

R. The Interests, if any, of any other insurer are adequately protected because the Agreement provides that BSA, the Estate, the Settlement Trust, any assignee, successor or any other Person formed to assume BSA's liability for Abuse Claims, shall reduce any final judgment or final binding arbitration award, Claim against, or settlement with, any such insurer to the extent necessary to eliminate any such insurer's Claim for contribution, subrogation, indemnification or similar Claim against Hartford (as provided in the Agreement).

Based on the foregoing and after due deliberation, **IT IS ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is **GRANTED** and **APPROVED** in all respects.
2. For the reasons set forth herein and on the record at the Hearing, all objections to the Motion and the relief requested therein and/or granted in this Order that have not been withdrawn, waived, or settled, and all reservations of rights included in such objections, are overruled on the merits.
3. Pursuant to Section 363(b) of the Bankruptcy Code, BSA is authorized and directed to enter into and consummate the Agreement, including to (i) sell, transfer and convey the Hartford Policies to Hartford, free and clear of all Interests, in accordance with the terms and subject only to the conditions specified herein and in the Agreement, and (ii) release all Hartford Released Claims as set forth in the Agreement. BSA and Hartford are each hereby authorized to take all actions and execute all documents and instruments that BSA and Hartford deem necessary or appropriate to implement and effectuate the transactions contemplated by the Agreement.

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4. The terms of the Agreement (including the releases set forth in Section IV) are approved in their entirety, and this Order and the Agreement shall be binding upon the BSA, the Estate, the Settlement Trust and any other assignee, successor or any other Person formed to assume BSA's liability for Abuse Claims, Hartford, and all Persons holding Interests in the Hartford Policies or Claims against the BSA or the Estate, or any Local Councils (including all holders of Abuse Claims), the BSA's insurers other than Hartford, any actual or potential insureds under the Hartford Policies, all other parties in interest, and each of the foregoing entities' successors and assigns. The Sale of the Hartford Policies by the BSA to Hartford, effective upon the Agreement Effective Date and the payment by Hartford of the Settlement Amount, shall constitute a legal, valid, and effective transfer of the Hartford Policies to Hartford, and shall vest Hartford with all right, title, and interest in and to their respective Hartford Policies, free and clear of all Interests pursuant to Section 363(f) of the Bankruptcy Code.

5. Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company and Navigators Specialty Insurance Company shall pay to BSA the Settlement Amount subject to the terms and conditions provided in the Agreement.

6. The Sale of the Hartford Policies to Hartford under the Agreement constitutes a transfer for reasonably equivalent value and fair consideration for purposes of Section 548 of the Bankruptcy Code and comparable provisions of non-bankruptcy law.

7. Pursuant to Sections 105(a) and 363(f) of the Bankruptcy Code and subject to the consummation, as of the Agreement Effective Date and the payment by Hartford of the Settlement Amount, the Hartford Policies shall be transferred to Hartford, free and clear of any and all Interests of all Persons in, to and with respect to the Hartford Policies, including any and all Claims of any additional insureds or other Persons claiming any right to coverage under any

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of the Hartford Policies and any and all Claims against Hartford for contribution, indemnity or other liability under, in connection with or relating to the Hartford Policies (including any Direct Action Claims), whether arising prior to, during, or subsequent to the Bankruptcy Case or imposed by agreement, understanding, law, equity or otherwise. Any and all such Interests shall attach to the proceeds of Sale with the same validity, priority, force, and effect as such Interests had in the Hartford Policies prior to entry of this Order. Nothing contained herein is intended to nor shall be deemed to constitute a determination of the extent, validity or priority of any such Interests that may be asserted (including by any other insurance company) against the proceeds of the Sale.

8. Effective as of the Agreement Effective Date and the payment by Hartford of the Settlement Amount, pursuant to Sections 105(a) and 363 of the Bankruptcy Code, all Persons who have held or asserted, who hold or assert, or who may in the future hold or assert any Claim or Interest of any kind or nature against or in any of the Estate, BSA, the Hartford Policies, or Hartford based upon, relating to, arising under or out of, derived from or attributable to the Hartford Policies or otherwise relating to the Hartford Released Claims, whenever or wherever arising or asserted (including all thereof in the nature of or sounding in tort, contract, warranty or any other theory of law, equity or admiralty), shall be and are permanently stayed, restrained and enjoined from asserting any such Claims or Interests against Hartford and from continuing, commencing, or otherwise proceeding or taking any action against Hartford to enforce such Interests or Claims or for the purpose of directly or indirectly collecting, recovering or receiving payments from Hartford to recover with respect to any such Claim or Interest. The injunction set forth in this Paragraph 8 is a permanent injunction and shall not be modified or amended.

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9. Hartford is not, and shall not be deemed to be, a successor to BSA or the Estate by reason of any theory of law or equity or as a result of the consummation of the transactions contemplated in the Agreement or otherwise. Hartford shall not assume any liabilities of BSA or the Estate, including any liabilities for Abuse Claims.

10. The transactions contemplated by the Agreement, including the Sale of the Hartford Policies to Hartford free and clear of all Interests, are undertaken by Hartford in good faith, as that term is used in Section 363(m) of the Bankruptcy Code. Accordingly, the reversal or modification on appeal of the authorization to consummate the Sale of the Hartford Policies and the transactions contemplated by the Agreement shall not affect the validity of the Sale of the Hartford Policies to Hartford, unless such authorization is duly stayed pending such appeal. Hartford is a purchaser in good faith of the Hartford Policies and shall be entitled to all of the protections afforded by Section 363(m) of the Bankruptcy Code.

11. Pursuant to Bankruptcy Rule 9019, the settlement and mutual release of Claims as set forth in the Agreement are hereby approved as of the Agreement Effective Date. This Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing and shall not be stayed under Bankruptcy Rule 6004(g).

12. The failure specifically to include any particular provision of the Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Agreement be authorized and approved in its entirety.

13. This Court shall retain jurisdiction to interpret and enforce the provisions of this Order and the Agreement in all respects, and to adjudicate, if necessary, any and all disputes arising under or relating in any way to, or affecting, any of the transactions contemplated under the Agreement.

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14. Each and every federal, state, and local governmental agency or department is hereby directed to accept this Order in lieu of any document necessary to consummate the transactions contemplated by the Agreement and this Order.

15. The provisions of this Order are mutually dependent and are not severable.

It is so **ORDERED**.

DATED: _____

United States Bankruptcy Judge

EXHIBIT B

HIGHLY CONFIDENTIAL

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
) Case No. 20-10343 (LSS)
BOY SCOUTS OF AMERICA AND)
DELAWARE BSA, LLC,)
Debtors.) (Jointly Administered)

ORAL AND VIDEOTAPED DEPOSITION OF
ROGER C. MOSBY
JULY 15, 2021
(Reported Remotely)

ORAL AND VIDEOTAPED DEPOSITION OF ROGER
C. MOSBY, produced as a witness at the instance of
Hartford Accident and Indemnity Company, First State
Insurance Company, Twin City Fire Insurance Company,
and Navigators Specialty Insurance Company, and duly
sworn, was taken via videoconference in the
above-styled and numbered cause on the 15th day of
July, 2021, from 8:07 a.m. to 4:44 p.m., before Marsha
Yarberry, Certified Shorthand Reporter in and for the
State of Texas, reported by machine shorthand, at the
law offices of Haynes and Boone, Dallas, Texas,
pursuant to the Federal Rules of Civil Procedure and
the provisions stated on the record.

HIGHLY CONFIDENTIAL

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1 don't sign that agreement, right?"

2 Q. (By Mr. Ruggeri) Yes. That was the position
3 you knew of the coalition, the TCC before you signed
4 the Hartford settlement agreement, correct, Mr. Mosby?

5 A. I'm trying -- I'm trying to remember back.
6 I -- to my knowledge, I don't know that the Hartford --
7 I'm sorry -- that the coalition, TCC, or the FCR were
8 aware that an agreement was going to be signed between
9 Hartford and the BSA.

10 Q. And why did BSA tell Hartford before BSA
11 signed that BSA would get blasted for the Hartford
12 settlement including the Century provision in the
13 settlement?

14 MR. ANDOLINA: Objection to form.

15 And I will instruct him not to answer to
16 the extent that, Mr. Ruggeri, you're referring to some
17 comment that was made as part of the mediation.

18 THE WITNESS: I mean, I think the only
19 way I can answer that is that the creditors were
20 generally objecting to everything that was put on the
21 table around that time.

22 Q. (By Mr. Ruggeri) And that's how and why BSA
23 knew it would get blasted for entering the agreement?
24 Is that your testimony?

25 MR. ANDOLINA: Same objection, and I'm

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1 THE WITNESS: You and I may read it
2 differently.

3 Q. (By Mr. Ruggeri) Well, tell me, what do you
4 disagree with?

5 A. Well, I don't know that I disagree. What I'm
6 saying, I think, is that there's a whole lot more to
7 that paragraph than what is written in that paragraph.

8 Q. And you want the court to let you out of that
9 paragraph, being Section III.I of the Hartford
10 agreement, correct?

11 A. We expected to be able to perform under that
12 section.

13 Q. Please answer my question. You're asking the
14 court to let you out of Section III.I of the Hartford
15 agreement, correct?

16 A. Yes, but it is in the contract -- is in the
17 context of performance. We expected to be able to
18 perform under that section. We feel now we can no
19 longer perform under that section, and that's the basis
20 for asking the court to review it.

21 Q. And what makes it -- what makes it so that BSA
22 is no longer able to perform under the toggle plan?

23 A. Well, that gets in, I think, to the general
24 question as to why we would want a global settlement to
25 start with.

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1 Q. I'm sorry. I was referring to the toggle
2 plan, the Plan B as you said earlier. Why is BSA no
3 longer able to perform Plan B if that's its position?

4 A. Again, Plan B was only to be used as a last
5 resort if there were no other solutions to a global
6 plan.

7 Q. Right. And when you entered the Hartford
8 settlement agreement, there were two solutions provided
9 for. One was a global plan that included the Hartford
10 settlement, and the other was a toggle plan that didn't
11 include the Hartford settlement and only provided
12 discharge for BSA; isn't that correct?

13 A. That's what the paragraph says.

14 Q. Thank you. Mr. Mosby, how many times before
15 Hartford entered the settlement agreement did BSA tell
16 Hartford BSA would not re-trade the Hartford agreement?

17 MR. ANDOLINA: Objection to the form of
18 the question. I'm going to instruct Mr. Mosby not to
19 answer that question. Any conversations along those
20 lines without an admission that they actually occurred
21 are in the context of the mediation.

22 MR. RUGGERI: Yeah, I think it's hard to
23 do that, Mr. Andolina, because you're tendering to the
24 court and representing that there's been a change in
25 circumstances and you've made certain representations.

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1 Mr. Mosby. BSA knew it was important to Hartford for
2 Hartford to be able to trust BSA that it wouldn't
3 re-trade the Hartford agreement, correct?

4 MR. ANDOLINA: Objection to form.

5 THE WITNESS: That would be a conclusion
6 I would be making about what is in your head.

7 Q. (By Mr. Ruggeri) Well, that was expressed to
8 BSA; isn't that right?

9 MR. ANDOLINA: Objection; calls for
10 mediation communication.

11 THE WITNESS: I don't recall any
12 conversations that I had with you or anyone else from
13 Hartford outside of mediation privilege.

14 Q. (By Mr. Ruggeri) There's no fiduciary out in
15 the Hartford settlement agreement, is there?

16 MR. ANDOLINA: Objection to form,
17 foundation.

18 Q. (By Mr. Ruggeri) You know what a fiduciary
19 out is, don't you?

20 A. I think I know what it is in laymen's terms.
21 I'm sure there's some legal terms around that. I'm not
22 aware of a fiduciary out in the settlement.

23 Q. And that's not an accident, is it?

24 A. I don't know. I didn't craft the settlement.

25 Q. That was a term, a possible provision that was

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1 Q. Let me ask you a question about a provision in
2 the Hartford settlement agreement that's received a lot
3 of attention, and that's the one relating to Century.
4 We're not going to get into it in detail, but BSA knew
5 when it entered the Hartford settlement agreement that
6 the coalition didn't like that provision. Isn't that
7 true?

8 MR. ANDOLINA: Objection to form.

9 THE WITNESS: Yeah, I don't know that I
10 would characterize it as like or dislike.

11 Q. (By Mr. Ruggeri) They objected to it, didn't
12 they, before we entered the agreement? Isn't that
13 correct?

14 A. A lot of this was under the context of
15 mediation. I don't think I had any conversations with
16 Century outside of mediation.

17 Q. No, I mean the claimants, the coalition --
18 let's start with the coalition. You knew that the
19 coalition objected to the Century provision, didn't
20 you?

21 MR. ANDOLINA: Objection.

22 Q. (By Mr. Ruggeri) Before you entered the
23 agreement.

24 MR. ANDOLINA: Objection to form. I
25 would request that Mr. Mosby answer only in a way that

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1 doesn't reflect mediation communications if he does not
2 have knowledge of the issues. I think he can answer in
3 that regard.

4 MR. SCHIAVONI: Objection; coaching.

5 THE WITNESS: So, again, maybe repeat
6 your question, please.

7 Q. (By Mr. Ruggeri) Yeah, you knew the coalition
8 didn't like that provision and objected to it, didn't
9 you?

10 MR. ANDOLINA: Same objection.

11 THE WITNESS: I would say in general that
12 the coalition around that time wasn't liking anything.
13 So I don't know that I have any direct knowledge of
14 their opinion on that particular -- I didn't know if
15 they were even aware of that particular provision.

16 Q. (By Mr. Ruggeri) Is it fair to say that BSA
17 thought the coalition at that time was unstable and
18 uncoordinated?

19 MR. ANDOLINA: Objection to form.

20 THE WITNESS: Yeah, I don't know how to
21 answer that. I'm not a psychiatrist either.

22 Q. (By Mr. Ruggeri) Yeah, I'm not either, but
23 I'm just asking the question.

24 A. Again, I can make no judgment on that -- on
25 that particular question.

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1 Q. What about the TCC's position on the Century
2 provision before you signed the agreement? Were you
3 aware of the TCC's position?

4 A. Not specifically.

5 Q. And how about the FCR? Were you aware of the
6 FCR's position on the Century provision before you
7 signed the Hartford settlement agreement?

8 A. Not -- not specifically. As I said, just in
9 general. At that time they weren't really agreeing
10 with anything they were put forward.

11 Q. When BSA entered the Hartford settlement
12 agreement, you believed that the settlement amount was
13 fair and reasonable, correct?

14 MR. ANDOLINA: Objection to form, vague.

15 THE WITNESS: Simple answer to that
16 question is yes.

17 Q. (By Mr. Ruggeri) And you believed that it was
18 a reasonable compromise and settlement, right?

19 A. As it relates to the amount? What are you
20 referring to?

21 Q. As it relates to the amount. Sure.

22 A. Yes.

23 Q. And today you still believe the amount is
24 still a reasonable compromise, don't you?

25 MR. ANDOLINA: Objection; form.

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1 THE WITNESS: Well, let's say at the time
2 I thought it was reasonable.

3 Q. (By Mr. Ruggeri) Do you not -- do you dispute
4 that now?

5 A. Well, I think substantially the amount as it
6 relates to the claims analysis is still within a range
7 of reasonableness.

8 Q. Still within the range today, correct?

9 A. A range of reasonableness, yes.

10 Q. And the analysis included analysis done by
11 your consultant Bates White, correct?

12 A. That's correct.

13 Q. And not only did you have a consultant to
14 advise you on the liability analysis, you also had a
15 consultant to advise you on the insurance analysis for
16 those liabilities, correct?

17 A. That's correct.

18 Q. And who was the insurance consultant that you
19 used for that part of the analysis?

20 A. Well, I think frankly it was probably more of
21 a collaborative effort, but Haynes and Boone was our
22 insurance counsel.

23 Q. How about your insurance consultant? Who
24 maybe put together the program and allocated to the
25 program? Who did that work?

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1 A. I'm not sure I understand the question. Are
2 you talking about the BSA's insurance program?

3 Q. I'm talking about who advised you on the
4 reasonableness of the settlement amount in view of both
5 Bates White's liability analysis and whatever insurance
6 analysis that was done for BSA. Who did the insurance
7 analysis?

8 A. Well, I don't know that I can point to a
9 particular person. I think it was a collaborative
10 effort of our advisors.

11 Q. What did KCIC do?

12 A. Pardon?

13 Q. What did KCIC do? They were insurance
14 advisors, right?

15 A. Yes. So they were -- they were part of that
16 advisor group that was advising.

17 Q. So in arriving at the reasonableness of the
18 \$650 million, you drew on the analysis of both Bates
19 White litigation analysis and KCIC and others on the
20 insurance analysis, right?

21 A. That's correct.

22 Q. And that amount was reasonable then and it's
23 reasonable now, correct?

24 MR. ANDOLINA: Objection to form of the
25 question.

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1 THE WITNESS: I think we still feel that
2 it was a reasonable amount for Hartford, yes.

3 Q. (By Mr. Ruggeri) The claim analysis hasn't
4 changed, has it?

5 A. Not to my knowledge.

6 Q. The insurance analysis hasn't changed, has it?

7 A. Again, not to my knowledge.

8 MR. RUGGERI: May we take five minutes
9 for me?

10 MR. ANDOLINA: Sure, Jim. Are you about
11 wrapping up on your end?

12 MR. RUGGERI: We're just getting started.
13 After me you got Tanc to deal with. We're just getting
14 started.

15 MR. ANDOLINA: No, I understand. I mean
16 for your questioning.

17 MR. RUGGERI: I've got some time left, so
18 I don't know if -- I mean, I would keep going if it's
19 me. Why don't we -- why don't we take five minutes now
20 if it's okay with Mr. Mosby, see where we are in a
21 little bit, and go from there.

22 THE VIDEOGRAPHER: We're off the record
23 at 11:13.

24 (Recess from 11:13 to 11:21)

25 THE VIDEOGRAPHER: We're on the record at

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1 Q. Did you think it was great news?

2 A. Did what I think was great news?

3 Q. The Hartford settlement.

4 A. Yes.

5 Q. Let me ask you this, Mr. Mosby. Mr. Whittman
6 testified yesterday that BSA's executive board approved
7 the restructuring support agreement on June 22nd. Is
8 that correct?

9 A. I don't have the date in front of me.

10 Q. Well, let me ask you this. Let's put on --
11 let's put up Exhibit 17. Exhibit 17 is a June 25th,
12 2021, e-mail from Mr. Martin to the insurers. It's a
13 letter. Sorry.

14 A. Okay. I have it up.

15 Q. If Mr. Whittman is correct that the executive
16 board approved the RSA on June 22nd, why did Mr. Martin
17 send the insurers this June 25th letter pretending that
18 it still wasn't final?

19 MR. ANDOLINA: Objection to form,
20 characterization of the question.

21 THE WITNESS: You mind if I read the
22 letter?

23 MR. RUGGERI: Please.

24 MR. SCHIAVONI: Well, hold it. Can we
25 just -- can we establish whether he's ever seen the

EXHIBIT C

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

	.	Chapter 11
IN RE:	.	
	.	Case No. 20-10343 (LSS)
BOY SCOUTS OF AMERICA and	.	
DELAWARE BSA, LLC,	.	
	.	
Debtors.	.	
OFFICIAL TORT CLAIMANTS'	.	
COMMITTEE OF BOY SCOUTS OF	.	
AMERICA AND DELAWARE BSA, LLC,	.	Adv. Pro. No. 21-50032
	.	
Plaintiff,	.	
	.	
v.	.	
	.	Courtroom No. 2
BOY SCOUTS OF AMERICA AND	.	824 North Market Street
DELAWARE BSA, LLC,	.	Wilmington, Delaware 19801
	.	
Defendants.	.	Wednesday, May 19, 2021
.	11:00 A.M.

TRANSCRIPT OF TELEPHONIC DISCLOSURE STATEMENT HEARING
BEFORE THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

TELEPHONIC APPEARANCES:

For the Debtor:	Derek C. Abbott, Esquire
	Andrew R. Remming, Esquire
	Eric W. Moats, Esquire
	Paige N. Topper, Esquire
	MORRIS, NICHOLS, ARSHT & TUNNELL LLP
	1201 North Market Street, 16th Floor
	Wilmington, Delaware 19899
	- and -
	Jessica C. Lauria, Esquire
	Andrew Hammond, Esquire
	WHITE & CASE LLP
	1221 Avenue of the Americas
	New York, New York 10020
Audio Operator:	Brandon J. McCarthy, ECRO

1 square peg into the round hole of the Chapter 11 case in the
2 bankruptcy code itself. After countless hours mediating,
3 negotiating, meeting with parties, appearing before Your
4 Honor, there are a few things that have become crystal clear
5 to the debtors.

6 (Audio indiscernible)

7 MS. LAURIA: It sounds like someone does not have
8 their phone on mute.

9 THE COURT: Yes. Everyone, please check your phones.
10 Thank you.

11 Ms. Lauria?

12 MS. LAURIA: Thank you, Your Honor.

13 So as I was saying, Your Honor, having
14 (indiscernible) sixteen months becoming intimately familiar
15 with them. There are two issues that have become crystal
16 clear to the debtors. I think this first one no party can
17 dispute.
18

19 A reorganization as opposed to a liquidation is the
20 only mechanism to achieve the (indiscernible) 11 cases. The
21 goal of preserving the mission of the Boy Scouts as well as
22 providing equitable compensation for victims. So there is
23 only way we can do that, Your Honor, and that's through a
24 reorganization, not a liquidation, of the enterprise.
25

1 The second issue, Your Honor, that has become very
2 clear to the debtors over the course of the past fifteen
3 months, and we studied this extensively, is there really are
4 only two reorganization alternatives that work for the debtor.

5 The first reorganization alternative, and I'm talking
6 at a structural level, is a global resolution plan. That is a
7 plan that provides the releases of the non-debtor local
8 councils from their abuse liabilities. That leads to enhance
9 insurance rights because we share our insurance rights with
10 the local councils. That is all in exchange for a pot of
11 consideration and to the extent the insurers don't settle
12 insurance rights that would be transferred to a victim's
13 trust. That is the global resolution concept.

14 We know to get that global resolution concept across
15 the finish line we need plaintiff support. In fact, our plan
16 has said it, we have said it a dozen or more times, we will
17 stipulate to it; to get global resolution achieved we need
18 plaintiff support for the global resolution claims.

19 As we have studied this over the last sixteen months
20 there is one other structural option that works for the debtor
21 and that other structural option is what we have termed the
22 BSA toggle plan, but in truth, Your Honor, it's a BSA only
23 plan. It basically permits BSA to emerge from bankruptcy
24 while preserving the tort victims' rights against non-debtors.
25

1 It would permit this debtor to emerge and stop the
2 exorbitant cost of these Chapter 11 cases. And I think, Your
3 Honor, as you look to the two objections no party can --

4 (Audio indiscernible)

5 MS. LAURIA: -- those are the two general structures
6 that are absolutely required, one or the other, to get us out
7 of this bankruptcy case at the reorganization. We looked at
8 other structural options for a plan of reorganization. They
9 are all fraught with greater litigation, if you can believe
10 that after looking at your docket today and seeing the
11 objections to our disclosure statement. More importantly, any
12 other reorganization type structure has intense execution risk
13 associated with it.

14 So --

15 (Audio indiscernible)

16 MS. LAURIA: -- reorganization structure on the
17 table. It's the two that the debtors have put forward. And,
18 you know, as we look at the exceptions we haven't seen any
19 other silver bullet from a big picture structuring
20 perspective. So what does that mean, that means it's just
21 these two options that we're looking at. We recognize this.
22 The TCC pointed it out in their original exclusivity
23 objection. That is why we amended the plan to add-on that BSA
24
25

1 the claim from the insurer the court said no, not so fast,
2 your recovery is going to be limited to the --

3 (Audio indiscernible)

4 MS. LAURIA: -- that is paid out of the trust, not
5 the full value of the claim. The California Court this time
6 in the Federal District Court double downed on that concept in
7 2016 in the Flintkote decision.

8 So what we have from the coalition, and you will see
9 this concept come up again and again in the disclosure
10 statement objection from both the coalition and the FCR is
11 this notion that by making the plan insurance neutral they are
12 running the risk of a Fuller-Austin or a more recent Flintkote
13 adverse determination when it comes to collecting against the
14 insurers in post-bankruptcy insurance coverage litigation.

15 Their solution to this, as they say in their papers,
16 is maybe one of two things. You undoubtedly read this in the
17 estimation pleadings. Solution one is to come forward with an
18 aggregate insurance binding estimation. In other words if
19 Your Honor or the Federal District Court were to estimate the
20 debtors aggregate liabilities with respect to the abuse claims
21 and conveniently, I think as the insurers have pointed out,
22 (indiscernible) which then would correspond to coverage
23 liability. If you adjudicate that as the debtors' aggregate
24
25

1 liability with respect to abuse claims that will have the
2 effect of binding the insurers in subsequent litigation.

3 Even if you don't view the binding -- insurance
4 binding estimation, if instead we remove the insurance
5 neutrality provisions from our plan and go with the coalitions
6 proposal in Paragraphs 21 and 22 where Your Honor decides in
7 connection with confirmation that the trust distribution
8 procedures or a claims type allowance process is fair, and is
9 reasonably calculated to come what should be the allowed
10 amount of the claim, the liquidated value of the claim against
11 the debtor that the trustee can then take that liquidated
12 value of the claim and submit that to the insurers and the
13 insurers are bound by the answer.

14 Now, Your Honor, I'm not saying what's right or
15 wrong. What I do know is this; the insurance neutrality
16 jurisprudence has been developed over twenty years in this
17 circuit in particular, in Delaware in particular, and in the
18 Third Circuit. That language is present in the debtors' plan
19 of reorganization. It mirrors the language that has been
20 proposed in numerous other mass tort cases including the
21 Imerys case.

22 If we were to remove that language I suppose that may
23 be the alternative plan that the objecting parties would like
24 the debtors to pursue. I think, as Your Honor can guess,
25

1 after looking at the twelve objections to our disclosure
2 statement that we received from our insurers that the
3 insurance neutrality language is not calculated to fall within
4 the Third Circuit, so they're not even happy with that.

5 Removing that insurance neutrality language and
6 setting this court or the Delaware District Court up for
7 either a binding estimation battle or a binding trust
8 distribution procedure battle is setting us up for the most
9 epic battle these courts have ever seen between plaintiff
10 lawyers on the one hand and insurers on the other hand.

11 Rest assured that if the plaintiff lawyers are
12 successful in connection with that litigation the insurers,
13 and we've got, as you know, every player in the insurance book
14 in our case, will appeal those rulings all the way to the
15 Supreme Court. We will not get to those rulings during 2021.
16 Certainly not at the appellate level, but we have our doubts
17 as to whether or not we will get to those rulings at the
18 Bankruptcy Court level if we pursue that path.

19 So where does that leave us, Your Honor. We have two
20 baskets of consideration that can certainly be built upon the
21 Hartford and local councils, then we have this insurance
22 neutrality issue, for lack of a better way to describe it.
23 We're at the tipping point, Your Honor, in these Chapter 11
24 cases. I can't say it any differently. We are there. The
25

1 outstanding to grab the bull by the horns and I think Mr.
2 Gallagher and Mr. Finn, who, you know, we didn't support
3 necessarily either one of them, but they might be helpful to
4 Your Honor in sort of undoing this Gordian knot and moving the
5 thing forward.

6 Thank you very much, Your Honor.

7 THE COURT: Okay. Thank you.

8 Mr. Stang?

9 MR. STANG: Your Honor, the tort claimants'
10 committee opposed the extension to exclusivity because there's
11 not a single survivor representative group that supports the
12 debtors' plan. The debtor refers to its plan as a toggle
13 plan. It is a death trap plan. It has as Plan A, a bad
14 solution, as Plan B, a worse solution.

15 And we'll get into, later, how the debtors' Plan B
16 isn't what the tort claimants committee supports and what the
17 major difference is between what we would propose doing and
18 what the debtors' death trap Plan B does.

19 As the fiduciary for survivors in this case, we
20 have reviewed the letters that have come to you from
21 individual survivors and they are painful. They are horrific.
22 We read the unredacted ones. And the nine men who sit on the
23 tort claimants committee echo the plea to the Court to find a
24 reasonable solution to this catastrophe, which is that 84,000
25 people have come forward to say that they were abused, and I

EXHIBIT D

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

IN RE: . Chapter 11
. Case No. 20-10343 (LSS)
BOY SCOUTS OF AMERICA AND .
DELAWARE BSA, LLC, .
. Courtroom No. 2
. 824 North Market Street
. Wilmington, Delaware 19801
. Debtors. . July 7, 2021
. 2:00 P.M.

TRANSCRIPT OF TELEPHONIC STATUS CONFERENCE
BEFORE THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

TELEPHONIC APPEARANCES:

For the Debtor: Derek C. Abbott, Esquire
Andrew R. Remming, Esquire
Paige N. Topper, Esquire
MORRIS, NICHOLS, ARSHT & TUNNELL LLP
1201 North Market Street, 16th Floor
Wilmington, Delaware 19899

- and -

Jessica C. Lauria, Esquire
WHITE & CASE LLP
1221 Avenue of the Americas
New York, New York 10020

Audio Operator: Brandon J. McCarthy, ECRO

Transcription Company: Reliable
1007 N. Orange Street
Wilmington, Delaware 19801
(302)654-8080
Email: gmatthews@reliable-co.com

Proceedings recorded by electronic sound recording; transcript produced by transcription service.

1 THE COURT: Thank you.

2 Mr. Zalkin?

3 MR. ZALKIN: Thank you, Your Honor. Good
4 afternoon.

5 I -- this is my first appearance. Just a little
6 bit of what my background is. Our firm we have offices in San
7 Diego and New York. We have been representing survivors of
8 childhood sexual abuse around the country for the past twenty
9 years or more. I was appointed liaison counsel on behalf of
10 all the claimants in the San Diego Diocese bankruptcy by Judge
11 Louise DeCarl Adler and was the principal negotiator of the
12 \$200 million settlement in that case which ended up with a
13 discharge of the bankruptcy as opposed to a plan.

14 I know Mr. Molton. He was involved with me in
15 that. We worked closely together. I know Mr. Stang. He and
16 I worked together not only on the San Diego bankruptcy, but
17 other bankruptcies.

18 We have looked at our firm and I will represent to
19 you that there are probably, among the group of us, about 50
20 law firms who have been taking a very close look at the
21 disclosure statement, the RSA, the most recent proposed plan,
22 the previously proposed plan and I was going to come to you
23 today and say we are -- we have some serious concerns and
24 objections that we intend to raise at the disclosure hearing.
25 I didn't expect people to be previewing the plan, and

1 highlighting points of the plan in advance of that.

2 I would -- I'd feel remiss if I don't address some
3 of that. I don't want to get into an argument on the merits
4 of the plan. That would be appropriate for a confirmation
5 hearing. There are serious issues with questions of the
6 channeling injunction and the effectiveness of the channeling
7 injunction here where the court has subject matter
8 jurisdiction over the local councils, whether the local
9 councils are making a substantial contribution to the plan.

10 There are issues with respect to whether the court
11 can enforce claims that are not, otherwise, enforceable within
12 State Courts. There are issues as to whether there should be
13 parity in voting between claimants who would not have valid
14 claims in the State Court, with claimants that do have valid
15 claims in the State Courts. I know, for example, our firm
16 represents substantial numbers of California claimants where
17 we have a valid and open statute of limitations. And issues
18 whether those claims should be treated, from a voting
19 standpoint, at parity with claims of victims from states where
20 they are foreclosed from bringing claims by their statutes of
21 limitations.

22 There are issues as to whether and why the
23 contributions of the local councils represent less than a
24 third of what they are acknowledging are unrestricted assets
25 and whether the insurance claims or insurance liability of

1 those non-debtor third parties would, in exchange for those
2 injunctions which would release them from all claims now and
3 forever, cap the liability of those carriers to the amounts of
4 the contributions that are being made by the local councils
5 assuming the court approves the channeling injunction to those
6 councils.

7 There are questions as to what is happening with
8 the future claims. We've got to address future claims. There
9 is a future claims representative with respect to the BSA
10 whose mandate is limited to the claims of those who are under
11 18 or have recovered memories -- or may have recovered
12 memories of the future only in states that recognize recovered
13 memory, but there are other future claims that people brought
14 on behalf of victims like in California where they have a
15 delayed discovery, for example, where they don't make a causal
16 connection between their sexual abuse and their adult injuries
17 or psychological injuries or illnesses for years. That would
18 give rise to a future claim. That is not being represented,
19 those folks aren't being represented. We don't know what
20 future claims will be as to the local councils should the
21 court agree to channel the claims against the local councils
22 to the trust.

23 It's been represented in meetings held by sponsors
24 of the RSA and the TDP to the plan that this is -- that
25 confirmation of the plan would be the equivalent of a

1 litigated plan and that the plan confirmation would operate as
2 a judgement enforceable against the insurers. We have
3 researched this issue and we haven't seen -- we have concerns
4 as to whether that is a viable position.

5 There are more issues. I don't want to go through
6 the litany of objections that we plan to make. Those are just
7 some of the questions that we have that we don't feel
8 adequately were addressed. When a client asks me what am I
9 likely to get in recovery here I have no way to answer that.
10 I don't know if the \$850 million that is putting in
11 collectively between the BSA and local councils is, in fact,
12 \$850 million. That is a combination of cash and personal and
13 real properties. I don't (indiscernible) plan or disclosure
14 statements that indicates that is adequately appraised. We
15 have issues with is that real or what.

16 So I don't want to take up much more time. This
17 wasn't my intention. I just simply -- you know, I feel like I
18 needed to address, at least alert the court to what is coming.
19 We will be filing these objections. I think we need time.
20 You know, we are looking at very serious issues. I commend
21 the work of the people who have been involved in negotiations.
22 I have been there. I know what it takes when you have
23 multiple moving parts.

24 I was involved in the LA Catholic abuse settlement.
25 We had hundreds of insurance companies for the insurers,

1 I mean, each of the last two conferences, I came to
2 Your Honor and said, we are being excluded from the
3 mediations. We are not being included as part of these
4 discussions, you know, basically foretold where we were here.
5 And, look, I want to be clear, like, yes, periodically, people
6 came to us and said, you know, talked to just us about money,
7 but it's like, we were not included in the meetings between
8 the Boy Scouts and the claimants. It was as if we were
9 completely excluded from that, as well as the drafts of all of
10 these TDPs; the things that affected us the most. And, you
11 know, we did want to weigh in on those things and we did try
12 to play a productive role, and God knows, we want to play a
13 productive role.

14 And I think if the record on mediation was lifted,
15 you'd find that we played a very productive role here and
16 helped bring about, you know, this thing as far as it's gotten
17 so far. But, Your Honor, where'd ask that you please give us
18 some additional time here so we can put before you a full
19 record so you can make good decisions on what's going to come
20 out.

21 Thank you, Your Honor.

22 THE COURT: Thank you. Mr. Goldberg?

23 MR. GOLDBERG: Thank you, Your Honor. Adam
24 Goldberg of Latham & Watkins, on behalf of the Church of Jesus
25 Christ of Latter Day Saints.

1 I'd like to speak, Your Honor, to join in the
2 request to adjourn the disclosure statement hearing, the
3 objection deadline, and the RSA motion. Your Honor, the
4 debtors tout the RSA as representing a breakthrough with every
5 significant creditor constituency in these cases. They have
6 left out one major creditor constituency, that is the
7 chartered organizations.

8 The church is one of the chartered organizations.
9 According to the debtors' disclosure statement there, are over
10 41,000 of them. Those chartered organizations are individual
11 church congregations, temples, schools, civic, and charitable
12 organizations, businesses, and groups of citizens.

13 The latest disclosure statement includes a list of
14 the top-20 chartered organizations that appear in proof of
15 claim forms. Those organizations include the Methodist
16 Church, the Baptist Church, the Catholic Church, the Church of
17 Jesus Christ of Latter Day Saints, the Presbyterian Church,
18 the Lutheran Church, the Episcopal Church, the United States
19 Armed Forces, the YMCA, and the Salvation Army.

20 The plan does not have the support of any chartered
21 organization and none, to our knowledge, have had any advanced
22 drafts of the plan or disclosure statement before they hit the
23 docket. Only a handful of chartered organizations have become
24 mediation parties in these cases to date.

25 The plan, as is developed under the RSA, is highly

1 prejudicial to the rights of chartered organizations and the
2 proposed -- in particular, Your Honor, there are two issues
3 that I'd focus on. One is that the proposed TDPs expressly
4 subordinate the indemnity claims of chartered organizations
5 which are termed "indirect abuse claims" under the plan.

6 Article 11 of the TDP is clear that indirect abuse
7 claims are subordinate to payment in full of all direct abuse
8 claims and those terms first appear in the June 18 filing
9 that, is the third amended plan. In the context of this case,
10 it would seem highly unlikely that chartered organizations
11 would ever recover anything at all on account of their valid
12 indemnity claims under the current plan, and if they did
13 recover anything, it would be years and years down the road.

14 In terms of disclosure to those 41,000 chartered
15 organizations who are to receive this highly discriminatory
16 treatment, the subordination is buried in a footnote in the
17 treatment summary table in the proposed disclosure statement
18 and then does not appear until page 194 of the disclosure
19 statement.

20 The second issue, Your Honor, in addition to
21 outright subordination, the plan strips valuable property
22 recognition away from chartered organizations without any
23 compensation or consent. The plan provides an injunction
24 against chartered organizations pursuing their own insurance
25 rights as the policies issued for the debtors and expressly

1 covering chartered organizations, as well as for policies
2 issued for nondebtor local councils and that expressly cover
3 chartered organizations.

4 This injunction does not affect just settling
5 insurance companies, if any, but all insurance companies.
6 These are extraordinary terms for treatment of insurance in
7 mass-tort cases that appear to us to be without precedent.

8 The disclosure statement states in the treatment
9 and summary table on page 22 that the indirect abuse claims
10 will have recourse to insurance rights. That statement is
11 completely false or at least grossly misleading if the intent
12 is actually to say that chartered organizations may have
13 rights under their own insurance to which the BSA and local
14 councils were not party.

15 There are numerous other ways in which the
16 chartered organizations are prejudiced in the current plan and
17 TDPs; for example, Your Honor, before an indirect abuse
18 claimant may receive from the trust, it must release the
19 settlement trust and protected parties for all liabilities for
20 direct abuse claims. That's effectively a nonconsensual
21 release as a condition to any distribution and that first
22 appeared in the June 18th filings, as well.

23 The RSA announced on July 1st is, itself, a very
24 material development in these cases for chartered
25 organizations and the fourth amended plan, we've had for just

1 one business day at this point, Your Honor, has material
2 changes that particularly include removal of the toggle plan
3 option. And that change is very important to us and to other
4 chartered organizations because under the terms that were
5 proposed, the toggle plan would have been a better outcome for
6 chartered organizations. Under the toggle plan, chartered
7 organizations would have kept their own insurance rights,
8 which are stripped under the current plan.

9 Your Honor, Delaware Local Rule 3017-1 requires 35
10 days' notice of a hearing on a disclosure statement and 28
11 days' notice of an objection deadline. The current proposed
12 timing is shortened notice under the Local Rules, even using
13 the third amended filed on June 18th as a start date.

14 From our point of view, it's especially appropriate
15 to enforce compliance with the rules at a minimum in the
16 circumstances of these highly complex cases in which the RSA
17 parties of seek to push the boundaries of the plan terms in
18 new ways. The RSA parties, no doubt, engaged in extensive
19 effort to develop a proposed plan and I would diminish their
20 achievement at all.

21 What it shows to me, Your Honor, is that adjourning
22 the disclosure statement at the last hearing was the right
23 decision and that time has been used productively. This
24 achievement, among a subset of the parties in this case,
25 however, is not a justification to cut short the process when

EXHIBIT E

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

BOY SCOUTS OF AMERICA AND
DELAWARE BSA, LLC,¹

Debtors.

Chapter 11

Case No. 20-10343 (LSS)

(Jointly Administered)

**DEBTORS' RESPONSES AND OBJECTIONS TO
COALITION OF ABUSED SCOUTS FOR JUSTICE, THE OFFICIAL COMMITTEE OF
TORT CLAIMANTS TO BOY SCOUTS OF AMERICA AND DELAWARE BSA, LLC,
AND THE FUTURE CLAIMS REPRESENTATIVE'S FIRST SET OF REQUESTS FOR
ADMISSION TO BOY SCOUTS OF AMERICA AND DELAWARE BSA, LLC,
REGARDING THE DEBTORS' PLAN SOLICITATION PROCEDURES MOTION AND
RELATED MATTERS**

Pursuant to Rule 36 of the Federal Rules of Civil Procedure ("Federal Rules"), as made applicable by Rules 7036 and 9014 of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"), and the Local Rules of the United States District Court for the District of Delaware ("Local Rules"), made applicable hereto pursuant to the Local Rules for the United States Bankruptcy Court for the District of Delaware (the "Local Bankruptcy Rules" and together with the Federal Rules, the Bankruptcy Rules and the Local Rules, the "Rules"), Boy Scouts of America (the "BSA") and its affiliate Delaware BSA, LLC, the non-profit corporations that are debtors and debtors in possession in the above-captioned chapter 11 cases (together, the "Debtors"), by and through their undersigned counsel, hereby respond and object, without prejudice and while reserving all rights, to *Coalition of Abused Scouts For Justice, The Official Committee of Tort Claimants to Boy Scouts of America and Delaware BSA, LLC, and the Future Claims*

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are as follows: Boy Scouts of America (6300) and Delaware BSA, LLC (4311). The Debtors' mailing address is 1325 West Walnut Hill Lane, Irving, Texas 75038.

RESPONSE: The Debtors incorporate their general objections to the Interrogatories as if fully set forth herein. Subject to and without waiving its general objections, and to the extent a response is required, the Debtors **admit** Request 1.

2. Admit the Debtors have not violated any cooperation clauses under Insurance Policies that have provided Hartford with the right to deny coverage for Abuse Claims.

RESPONSE: The Debtors incorporate their general objections to the Interrogatories as if fully set forth herein. Subject to and without waiving its general objections, and to the extent a response is required, the Debtors **admit** Request 2.

3. Admit the Hartford Settlement Agreement was negotiated without the participation and input of the TCC, the Coalition or the FCR.

RESPONSE: The Debtors incorporate their general objections to the Interrogatories as if fully set forth herein. Subject to and without waiving its general objections, and to the extent a response is required, the Debtors **deny** Request 3.

4. Admit the Debtors agreed to the Hartford Settlement Agreement with knowledge that Century's financial condition may limit its ability to contribute \$1.3 billion.

RESPONSE: The Debtors incorporate their general objections to the Interrogatories as if fully set forth herein. Subject to and without waiving its general objections, and to the extent a response is required, the Debtors **deny** Request 4.

5. Admit the Debtors agreed to the Hartford Settlement Agreement with knowledge that Century's financial condition may reduce the payment made by Hartford under the Hartford Settlement Agreement.

EXHIBIT F

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
) Case No. 20-10343 (LSS)
)
BOY SCOUTS OF AMERICA AND)
DELAWARE BSA, LLC,)
Debtors.) (Jointly Administered)

ORAL VIDEOTAPED DEPOSITION OF
BRIAN WHITTMAN
July 14, 2021

ORAL VIDEOTAPED DEPOSITION OF BRIAN WHITTMAN,
produced as a witness at the instance of First State
Insurance Company, Hartford Accident and Indemnity
Company, Twin City Fire Insurance Company and
Navigators Specialty Insurance Company and duly
sworn, was taken in the above-styled and numbered
cause on the 14th day of July, 2021, from 10:04 a.m.
to 4:41 p.m., before Vickie G. Hildebrandt, Certified
Shorthand Reporter in and for the State of Texas,
reported by computerized stenotype machine with the
witness present in Dallas, Texas, pursuant to the
Federal Rules of Civil Procedure, the current
emergency order regarding the COVID-19 State of
Disaster, agreement of counsel and the provisions
stated on the record or attached hereto.

1 A. I'm not sure how you categorize deeply. I
2 was in a number of mediation sessions with Hartford
3 representatives and BSA representatives. I reviewed
4 various documents and was a participating party to a
5 number of discussions.

6 Q. And is it fair to say that the -- that there
7 were extensive negotiations leading up to the
8 finalization of the Hartford/BSA settlement?

9 A. Yes.

10 Q. And that, in fact, those negotiations occurred
11 over some period of time, correct?

12 A. I would agree with that.

13 Q. I want to show you -- in connection with that,
14 I want to show you another -- let's go ahead and mark as
15 Exhibit 2, Whittman Exhibit 2, the -- the Alvarez &
16 Marsal application for April of 2021, and give it a
17 second to load in. Then I'll ask you to take a look at
18 it and make sure that that's what the document is.

19 (Exhibit No. 2 marked.)

20 Q. (BY MR. WEINBERG) Now, Mr. Whittman, do you
21 have the document?

22 A. I can see it on the big screen. It has not
23 showed up on my computer yet.

24 Oh, here it is. Okay. Hold on, let
25 me open it. All right. I have it.

1 abuse claims?

2 A. A&M did not prepare any analysis of
3 Hartford's liability. We -- we did ultimately look
4 at estimates of Hartford's liability as compared to
5 the Hartford settlement for reasonableness but we did
6 not prepare a specific estimate of Hartford's
7 liability.

8 Q. So you looked -- you looked at Hartford's
9 liability to determine reasonableness because BSA needed
10 to make a determination about whether or not a proposed
11 settlement amount was reasonable, correct?

12 A. Correct.

13 Q. And the -- the amount that's set forth in the
14 BSA/Hartford settlement is \$650 million, correct?

15 A. \$650 million subject to adjustment pursuant
16 to a -- what's called the MFN provision.

17 Q. Okay. And that -- that amount that was arrived
18 at, that was -- it's fair to say that was the product of
19 arm's length negotiations, correct?

20 A. I agree with that.

21 Q. Back and forth in terms of the demand and offer
22 on both sides?

23 A. Correct.

24 Q. And if -- fair to say that if BSA believed that
25 the 650 million-dollar payment in accordance with the

1 a far superior outcome for BSA.

2 Q. Now, do you have an understanding as to why BSA
3 proposed the toggle plan?

4 A. I do.

5 Q. And what was that -- what's your understanding
6 of that?

7 A. I'm not sure that any understanding I have,
8 it would not come from conversations with counsel,
9 but as a -- as a general matter, it was essential for
10 BSA to have some path to emerge from bankruptcy and
11 at the time that the toggle plan was included for the
12 first -- the first time in the plan, we had no
13 support from the plaintiffs at that time and there
14 was no alternative path to get out of bankruptcy
15 without plaintiff support other than the toggle plan.

16 Q. So at the time that BSA proposed it, BSA viewed
17 the toggle plan as a plan that could be confirmed,
18 correct?

19 A. We viewed the toggle plan as a plan that
20 could be confirmed.

21 Q. And BSA viewed the -- the toggle plan as a plan
22 that could be confirmed even over the objection of the
23 claimants groups, correct?

24 MR. HAMMOND: Objection, form.

25 I just want to make sure we're clear

1 on time frame here.

2 A. At the time we filed the plan, we did have
3 that view. That view shifted over time, in
4 particular, as a result of certain statements that
5 were made by the judge at one of the court hearings
6 after the plan was filed.

7 Q. Well, with respect to your view at the time
8 that the settlement was entered into -- let's turn back
9 to your declaration and I want to look at Paragraph 13
10 of your declaration, Mr. Whittman, and there you say
11 that at the time that -- that BSA entered into the
12 BSA/Hartford settlement, the debtors and you believed it
13 was reasonable and in the best interests of the debtors'
14 estates.

15 Do you see that?

16 A. I do.

17 Q. Now, I want to break that apart.

18 What -- what do you mean when you say
19 that the settlement was reasonable?

20 A. That the amount of the Hartford settlement
21 fell within the range of reasonableness given
22 Hartford's share of the abuse liability and as -- as
23 such, it was reasonable.

24 Q. And so the amount that Hartford was offering to
25 pay was a reasonable sum taking into account potential

1 disclosure statement?

2 A. That is correct. I -- I don't recall if
3 that was the first time that that range was -- was
4 put in the disclosure statement, but it -- it was in
5 that disclosure statement.

6 Q. Does that same range appear in BSA's fourth
7 amended disclosure statement?

8 A. It does.

9 Q. And so BSA still believes that reasonably
10 reflects the range of the abuse liabilities?

11 A. We do.

12 Q. And it's -- it's fair to say that BSA evaluated
13 its view of Hartford's coverage obligations carefully
14 before it entered into the BSA/Hartford settlement,
15 correct?

16 A. Correct.

17 Q. And you also thought at the time -- or I should
18 say BSA believed at the time that it entered into the
19 BSA/Hartford settlement that the BSA/Hartford settlement
20 would provide significant compensation for abuse
21 claimants, correct?

22 A. Yes, we believed that the Hartford
23 settlement would provide significant compensation for
24 abuse claimants.

25 Q. And you also thought at the time that you

1 entered into the BSA/Hartford settlement in April of
2 2021 that the settlement provided a pathway towards a
3 confirmable plan, right?

4 MR. HAMMOND: Objection to form.

5 I just want to note that you -- I just
6 want to make sure who we're talking about when you
7 say "you," that we're talking about either Brian
8 or -- the witness or Alvarez & Marsal or the BSA.

9 MR. WEINBERG: That's fair point.

10 Q. Let me -- let me -- let me restate the
11 question.

12 BSA believed at the time that it
13 entered into the BSA/Hartford settlement that it
14 provided a pathway towards a confirmable plan,
15 correct?

16 A. BSA and -- and myself at the time believed
17 that and understood that in order to have a
18 confirmable, what we've termed a global resolution
19 plan, a plan that provides for a channeling
20 injunction for the benefit of the local councils,
21 that you need to have a affirmative vote by an
22 overwhelming number of the abuse survivors to confirm
23 that plan. We believed at the time that the Hartford
24 settlement was a building block towards getting to a
25 point where the survivors would vote in favor of the

1 plan.

2 Q. But you also believed at the time that the
3 parties executed the BSA/Hartford settlement that the
4 toggle plan was a viable alternative, correct?

5 A. We believed at the time that the toggle plan
6 was a viable but suboptimal alternative for a -- a
7 whole host of reasons.

8 Q. Did you believe that the toggle plan was an
9 important strategic component towards working towards
10 the global resolution?

11 A. At -- at that time, in the absence of -- of
12 having a resolution, yes.

13 Q. Now, who made the decision with respect to BSA
14 to ultimately enter into the BSA/Hartford settlement?

15 A. The settlement was reviewed with the
16 Bankruptcy Task Force which is a subset of BSA's
17 board of directors and it was ultimately approved and
18 executed by the management -- by the CEO at -- at the
19 authorization of the board.

20 Q. Was it approved by the full board of directors?

21 A. I don't recall.

22 Q. Was the settlement presented to the entire
23 board of directors?

24 A. I -- I don't recall specifically.

25 Q. Now, did -- did a group of professionals meet

1 make oral presentations regarding the BSA/Hartford
2 settlement to either the board of directors or the
3 Bankruptcy Task Force?

4 A. I was involved in the discussions but the
5 primary presentations would have been made by
6 debtors, restructuring counsel or debtors' insurance
7 counsel.

8 Q. And were you asked to make any recommendations
9 to the Bankruptcy Task Force or the board of directors
10 regarding the Hartford settlement?

11 A. I don't recall if they specifically asked
12 for my recommendation.

13 Q. Now, your -- your declaration in Paragraph 13,
14 it states that the Hartford/BSA settlement was met with
15 opposition from the plaintiffs' representatives.

16 Do you see that in your declaration?

17 A. I do.

18 Q. And did that surprise you?

19 A. I was surprised by the intensity, the scope
20 and the duration of the opposition. I was not
21 surprised that there was a level of initial
22 opposition.

23 Q. In fact, you knew at the time that the parties
24 executed the BSA/Hartford settlement that the claimants
25 groups would be opposed to it; isn't that right?

1 A. I expected that the plaintiffs would
2 initially be opposed to it, yes.

3 Q. Right, but I just want to be clear about this,
4 it wasn't just an expectation, you were -- you were
5 confident of that, weren't you?

6 MR. HAMMOND: Objection to form, and
7 to the extent it would require the witness to reveal
8 any communications that occurred during the course of
9 mediation, I would instruct him not to answer.

10 A. Well, I can't answer.

11 Q. Well, at the time that you entered into -- at
12 the time that BSA into the BSA/Hartford settlement, BSA
13 would have preferred to have a settlement that the
14 claimants signed onto, right?

15 A. Correct.

16 Q. And so if -- if BSA thought that the claimants
17 would have signed onto the BSA/Hartford settlement, they
18 would have gotten that sign on, correct?

19 A. Generally, yes, although the Hartford deal
20 is one component of a whole host of issues that BSA
21 was negotiating with the various plaintiff groups so
22 I'm -- I'm not sure that it's fair to say that we
23 would have -- yes, we would have preferred --
24 preferred to have an agreement with everybody but
25 whether it would have been possible to have an

1 This is your declaration from, I believe it's May 21st.

2 (Exhibit No. 4 marked.)

3 MR. HAMMOND: Counsel, I just -- I'm
4 going to put in front of him a copy of that
5 declaration so he has a copy in paper.

6 MR. WEINBERG: Sure.

7 A. Okay.

8 MR. HAMMOND: And -- and for the
9 record, this is NCF No. 4101.

10 Q. (BY MR. WEINBERG) And, Mr. Whittman, this is
11 a declaration that you submitted, I believe it's
12 May 16th?

13 A. Yes.

14 Q. And it was submitted in connection with BSA's
15 request to extend exclusivity, correct?

16 A. That is correct.

17 Q. And if we go down to Paragraph 8 of the
18 declaration --

19 A. Yes.

20 Q. -- you state that you disagree with the
21 allegation that the BSA/Hartford settlement was
22 negotiated in secret.

23 Do you see that?

24 A. I do.

25 Q. And so when you submitted this -- this

1 declaration, wasn't it the case that in your mind, the
2 claimants were aware of the negotiation of the
3 BSA/Hartford settlement?

4 A. I do believe they were aware.

5 Q. And they certainly were aware of it on
6 April 16th when it was submitted in connection with
7 the mediators' second report, right?

8 A. Correct.

9 Q. Now, at the time that you submitted this
10 declaration which was on May 16th, did BSA have a view
11 at that point in time as to whether or not the -- the
12 BSA/Hartford agreement was reasonable?

13 A. I -- I'm sorry, I just want to clarify one
14 thing. You -- you said plaintiff groups and -- and I
15 did specifically say here the Coalition and the FCR
16 so I just want to be clear that my response is the
17 Coalition and the FCR, not -- not all of the
18 plaintiff groups, and then I apologize because I was
19 thinking about that while you were saying your
20 question. Could you repeat the question?

21 Q. Sure.

22 At the time that you submitted this
23 declaration which was May 16th, did BSA have a view
24 about whether the BSA/Hartford settlement was
25 reasonable?

1 settlement in its current form cannot be confirmed.

2 Q. Okay. And BSA knew that at the time that it
3 entered into the BSA/Hartford settlement, right?

4 A. BSA and Hartford were both aware of that,
5 correct.

6 Q. And is that -- is the fact that BSA knew that
7 it could not confirm the global resolution plan without
8 the consent of the claimants, is that a reason why BSA
9 included the toggle plan as part of the BSA/Hartford
10 settlement?

11 A. Can you -- can you restate that question?
12 I'm sorry.

13 Q. Is the -- Mr. Whittman, is the fact that BSA
14 was aware it could not confirm a global resolution plan
15 without the consent of the claimants one of the reasons
16 why BSA included the toggle plan or the potential for a
17 toggle plan in the BSA/Hartford settlement?

18 A. It was certainly a reason why we had the
19 toggle plan. I think the toggle plan predates the
20 Hartford settlement. Perhaps I don't recall exactly
21 the timing there, but certainly it was important that
22 the Hartford settlement allowed the toggle plan to
23 continue to exist.

24 MR. WEINBERG: We've been going for a
25 little over an hour. Why don't we just take a short

1 break for a couple of minutes, if that's all right.

2 MR. HAMMOND: Sure. Absolutely.

3 THE VIDEOGRAPHER: We're off the
4 record at 11:20 a.m. This is the end of File No. 1.

5 (Recess taken.)

6 THE VIDEOGRAPHER: We're back on the
7 record at 11:31 a.m. This is the beginning of File
8 No. 2.

9 Q. (BY MR. WEINBERG) Mr. Whittman, I think
10 that right before the break, we were looking at
11 Paragraph 14 of your July 1st declaration and --
12 which says that the global resolution plan
13 incorporating the Hartford settlement in its current
14 form cannot be confirmed.

15 Do you see that sentence?

16 A. I do.

17 Q. Now, would you agree with me that if the
18 plaintiffs group -- plaintiffs' constituencies were to
19 agree to a plan that incorporated the Hartford
20 settlement, that in that situation, the BSA/Hartford
21 settlement would be reasonable?

22 A. Well, I -- I -- the -- the Hartford
23 settlement, as I have said, falls within the range of
24 reasonableness.

25 Q. So you -- so as we're sitting here today, you

1 have no reason to believe that the \$650 million that's
2 set forth in the BSA/Hartford settlement is not within
3 that range of reasonableness, correct?

4 A. Correct.

5 Q. And so just to -- just to be clear, what's --
6 in BSA's view, what is preventing BSA from moving
7 forward with the Hartford/BSA settlement agreement is
8 the position of the plaintiffs' constituencies, correct?

9 MR. HAMMOND: Objection to form.

10 A. Absent the affirmative vote of a majority --
11 overwhelming majority of the claimants, the plan
12 can't be confirmed and that's why we've asked the
13 Court to determine if we should move forward or -- or
14 be able to, instead, proceed down the path as
15 outlined in the RSA.

16 Q. And absent the position of the -- the
17 plaintiffs group, you would not be doing that, correct?

18 A. Correct.

19 Q. Now, you say that, in -- in Paragraph 14, that
20 to continue to prosecute and solicit a plan
21 incorporating the Hartford settlement without the
22 support of the plaintiff representatives appears futile
23 and would cause unnecessary expense and delay, and I
24 want to ask you, what -- what do you mean when you say
25 it would be futile to prosecute and solicit a plan

1 Q. My question to you, Mr. Whittman, was has --
2 has BSA done any analysis regarding whether -- or
3 regarding what the effect would be on local councils of
4 sending the -- the direct abuse claims back to the tort
5 system?

6 A. Well, as we discussed or described in the
7 disclosure statement around the BSA toggle plan, we
8 expect that in a toggle plan scenario, there would be
9 a number of local councils that would ultimately file
10 for bankruptcy.

11 Q. Did -- did you -- did BSA do any analysis of
12 what number that would be?

13 A. We did -- yes, we did some analysis as to,
14 yeah, the -- the portion of councils that we expected
15 would be at risk and, therefore, the impact that the
16 toggle plan would have on the membership of BSA
17 and -- and that was incorporated into the business
18 plan.

19 Q. Now, Paragraph 15, Mr. Whittman, also
20 references -- you also use the phrase changed
21 circumstances that the debtors face as a result of the
22 abuse survivors' rejection of the Hartford settlement.

23 You see that phrase in Paragraph 15?

24 A. I do.

25 Q. Now, which circumstances are you referring to

1 when you use that phrase?

2 A. When we entered into the Hartford settlement
3 agreement, we expected that that would be a building
4 block that would allow us to build support towards a
5 global resolution plan including the Hartford
6 settlement agreement and understanding that that plan
7 would ultimately have to have the overwhelming
8 support of the plaintiffs, that this would be a step
9 that would then be followed by other steps to -- to
10 get us to that point of having a confirmable global
11 resolution plan and instead, what we found was
12 intense opposition from the plaintiffs that did not
13 subside as we continued to negotiate with the
14 plaintiffs for over two months. As we encouraged
15 Hartford to negotiate with the plaintiffs for over
16 two months, we found intense continuing opposition by
17 the plaintiffs. Those are the changed circumstances.

18 Q. So you expected that there would be building
19 blocks towards the settlement and that didn't
20 precipitate the way you expected?

21 A. That -- that's a short end to what I said,
22 but I agree with -- I agree with that point.

23 Q. But there's been no change surrounding the
24 circumstances of Hartford's proposed contribution,
25 correct?

1 A. There has been --

2 MR. HAMMOND: Objection to form, and
3 just, to the extent that there's any communications
4 involving mediation, I just instruct the witness to
5 leave that out of any response. Otherwise, you can
6 respond.

7 A. I'm not aware of any changes to Hartford's
8 commitment or ability to pay the \$650 million in the
9 settlement agreement which is again subject to the
10 MFN provision.

11 Q. And you -- you may have -- have answered this
12 before but there hasn't been any change of facts or
13 circumstances that causes BSA to conclude that
14 \$650 million falls outside the range of reasonableness
15 for the Hartford settlement, correct?

16 A. \$650 million still falls within the range of
17 reasonableness.

18 Q. Now, you're also -- you're seeking --
19 Paragraph 15 states that BSA is seeking a determination
20 that the debtors are not obligated to seek approval of
21 the Hartford settlement.

22 Do you see that?

23 A. Correct. Yes, I see that.

24 Q. Now, the BSA/Hartford settlement agreement does
25 not contain what's known as a fiduciary out clause,

1 correct?

2 MR. HAMMOND: Objection to form.

3 You may answer to the extent you know.

4 A. I believe that there is not a -- a specific
5 enumerated fiduciary out clause in the Hartford
6 settlement agreement.

7 Q. The RSA agreement, though, does contain an
8 enumerated fiduciary out provision, correct?

9 A. I believe that is correct.

10 Q. What happens if the Court says that it will not
11 release BSA from the Hartford settlement at this time,
12 will BSA abandon the RSA?

13 MR. HAMMOND: Objection to form, calls
14 for a hypothetical.

15 A. I think that's a -- I -- I don't think the
16 Court would, first, say that but then approve the RSA
17 so I -- I don't -- I think the logical conclusion of
18 that is, is that would only be paired with the Court
19 not approving the RSA. There --

20 Q. Let's go ahead and mark the -- the proposed RSA
21 order with the attachments as Exhibit 6.

22 (Exhibit No. 6 marked.)

23 Q. (BY MR. WEINBERG) Mr. Whittman, while that
24 document is loading, let me ask, did you attend
25 the -- the July 6th status conference with the

EXHIBIT G

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:) Chapter 11
)
) Case No. 20-10343 (LSS)
)
BOY SCOUTS OF AMERICA AND)
DELAWARE BSA, LLC,)
Debtors.) (Jointly Administered)

TRANSCRIPT DESIGNATED HIGHLY CONFIDENTIAL
ORAL VIDEOTAPED DEPOSITION OF
DANIEL OWNBY

July 19, 2021

ORAL VIDEOTAPED DEPOSITION OF DANIEL OWNBY,
produced as a witness at the instance of Century and
duly sworn, was taken in the above-styled and
numbered cause on the 19th day of July, 2021, from
9:05 a.m. to 4:33 p.m., before Vickie G. Hildebrandt,
Certified Shorthand Reporter in and for the State of
Texas, reported by computerized stenotype machine
with the witness present in Dallas, Texas, pursuant
to the Federal Rules of Civil Procedure, the current
emergency order regarding the COVID-19 State of
Disaster, agreement of counsel and the provisions
stated on the record or attached hereto.

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1 MR. ANDOLINA: Objection to form.

2 A. I'm sure there was. I mean, it's in all our
3 discussions, it's around the chartered organizations
4 and when to keep them and they're an important part
5 of our program.

6 Q. But you can't remember anything specific about
7 the chartered organizations in these discussions, right?

8 A. I -- at this time, no.

9 Q. Okay. The second group that you talked to me
10 about was your spring tour with the Key 3, right?

11 A. Correct.

12 Q. And the -- the Key 3 are you, Mr. Sorrels and
13 Mr. Mosby, right?

14 A. Correct.

15 Q. And tell me about the tour.

16 MR. ANDOLINA: Objection to form.

17 A. So the tour was a weeklong meeting with
18 other Key 3s at the local level in certain cities
19 over a week period where we discussed several
20 updates, not only the bankruptcy but also discussed
21 the current office, the structure of the BSA, the
22 GS USA litigation, direction after bankruptcy, growth
23 and other things.

24 Q. When you refer to GS USA, you mean GS USA which
25 is the Girl Scouts, correct?

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1 A. Yes, capital G, capital S.

2 Q. When did this tour take place? When did this
3 tour take place?

4 A. In the spring, the spring, I'd say April.

5 Q. Was it an in-person tour?

6 A. Yes.

7 Q. What cities did you go to?

8 A. Dallas, Charlotte, Allentown, near Hartford,
9 Indianapolis, Omaha, Denver, Oakland or a camp near
10 those cities.

11 Q. Did you discuss the Hartford settlement on this
12 tour?

13 A. Yes.

14 Q. What did you say about it?

15 A. That it was a great move and it was a start
16 of -- of the -- it was -- it was good for us. I
17 mean, it was -- it was -- I -- I -- I don't know if
18 Mr. Mosby or Mr. Sorrels had that piece of the
19 discussion but it was -- we felt like it was a great
20 movement forward and I think it had just been signed
21 so it was right after that was the tour.

22 Q. Okay. So one of the three of you made the
23 point at that time that the Hartford settlement was a
24 great move, correct?

25 A. Yes.

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1 MR. ANDOLINA: Objection to form.

2 Q. You don't remember which of the three of you
3 did that?

4 A. No, I -- no.

5 Q. Was that something that you said at each of
6 the meetings or only at a few of them?

7 MR. ANDOLINA: Objection to form.

8 A. I think we said it at every meeting.

9 Q. Okay. What else about the bankruptcy did you
10 say?

11 A. So I did not talk about the bankruptcy.
12 Scott, Mr. Sorrels, talked about the bankruptcy
13 piece. I was talking more about GS USA, structuring
14 governance and other items.

15 Q. Okay. What did Mr. Sorrels say about the
16 bankruptcy?

17 MR. ANDOLINA: Objection to form,
18 foundation.

19 A. Mr. Sorrels talked about the process, the
20 timeline, where we were. I would -- I -- now
21 thinking about it, he would have said about the
22 Hartford. I think those were probably the main
23 topics. Ad Hoc Committee, working with the Ad Hoc
24 Committee.

25 Q. What did Mr. Sorrels say about working with the

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1 THE VIDEOGRAPHER: Going off the
2 record. The time is 4:09.

3 (Recess taken.)

4 THE VIDEOGRAPHER: We are now on the
5 record. The time is 4:18.

6 MR. HALLOWELL: Mr. Ownby, I have no
7 further questions at this time. Thank you.

8 THE WITNESS: Thank you.

9 EXAMINATION

10 Q. (BY MR. WEINBERG) I have just a few
11 questions.

12 Good afternoon, Mr. Ownby. This is
13 Josh Weinberg. I represent the Hartford. I have
14 just a few questions for you this afternoon.

15 Can you hear me okay?

16 A. Yes.

17 Q. Great.

18 Now, I -- I think that earlier this
19 afternoon, you mentioned that on your tour of the
20 local councils in the spring, it was Mr. Sorrels who
21 would talk up the Hartford/BSA settlement agreement;
22 is that accurate?

23 MR. ANDOLINA: Objection to the form,
24 characterization.

25 A. Mr. Sorrels discussed the bankruptcy and I

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1 think in his talk, it -- it -- it talked about the
2 Hartford deal.

3 Q. And he said that the -- that the BSA/Hartford
4 settlement was important and a great move, didn't he?

5 MR. ANDOLINA: Objection to form.

6 A. I -- I don't know if he used those exact
7 words but I think that was the intent.

8 Q. And did you agree at the time of that
9 assessment of the BSA/Hartford settlement?

10 A. Yes.

11 Q. And what was your assessment of the settlement
12 based upon at that time?

13 MR. ANDOLINA: Objection to form.

14 A. So -- and did you -- are you saying why did
15 I feel it was great?

16 Q. I'm -- I'm -- I guess I'm asking a slightly
17 different question --

18 A. Okay.

19 Q. -- Mr. Ownby.

20 A. Okay.

21 Q. Did you -- did you do any independent analysis
22 of the BSA/Hartford settlement agreement?

23 MR. ANDOLINA: Objection to form,
24 foundation.

25 A. I, you know, was in lots of meetings with

EXHIBIT H

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

BOY SCOUTS OF AMERICA AND
DELAWARE BSA, LLC,¹

Debtors.

Chapter 11

Case No. 20-10343 (LSS)

(Jointly Administered)

**DEBTORS' RESPONSES AND OBJECTIONS TO HARTFORD ACCIDENT
AND INDEMNITY COMPANY, FIRST STATE INSURANCE COMPANY,
TWIN CITY FIRE INSURANCE COMPANY, AND NAVIGATORS SPECIALTY
INSURANCE COMPANY'S FIRST SET OF REQUESTS FOR ADMISSION TO
BOY SCOUTS OF AMERICA AND DELAWARE BSA, LLC**

Pursuant to Rules 26 and 36 of the Federal Rules of Civil Procedure ("Federal Rules"), as made applicable by Rules 7026, 7036 and 9014 of the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"), the Local Rules of the United States District Court for the District of Delaware ("Local Rules"), and the Local Rules for the United States Bankruptcy Court for the District of Delaware (the "Local Bankruptcy Rules" and together with the Federal Rules, the Bankruptcy Rules and the Local Rules, the "Rules"), Boy Scouts of America ("BSA") and Delaware BSA, LLC, the non-profit corporations that are debtors and debtors in possession in the above-captioned chapter 11 cases (together, the "Debtors"), by and through their undersigned counsel, hereby respond and object, without prejudice and while reserving all rights, to the *First Set of Requests for Admission* served on the Debtors on July 2, 2021 by Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company and Navigators Specialty Insurance Company (collectively, "Hartford") in

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor's federal tax identification number, are as follows: Boy Scouts of America (6300) and Delaware BSA, LLC (4311). The Debtors' mailing address is 1325 West Walnut Hill Lane, Irving, Texas 75038.

REQUEST NO. 10:

Admit that BSA believes that Hartford's agreement to pay \$650 million under the BSA/Hartford Settlement Agreement is a reasonable compromise and settlement of Hartford's coverage obligations for BSA's liabilities.

RESPONSE TO REQUEST NO. 10:

The Debtors incorporate their general objections to the Requests for Admission as if fully set forth herein. The Debtors object to Request No. 10 as overly broad and vague and ambiguous, including because "BSA's liabilities" are not defined or identified. The Debtors object to Request No. 10 in not stating a time for the statement and also to the extent that it speaks to the amount of the settlement, rather than whether the settlement is reasonable in light of present circumstances. The Debtors object to Request No. 10 as seeking Privileged Material, including information protected by the attorney-client privilege and mediation privilege, in violation of Delaware Local Rule 9019-5(d)(i) and the Mediation Order. Subject to and without waiving their general and specific objections, and under the present circumstances, the Debtors **deny** that the Settlement Agreement is a reasonable compromise and settlement under present circumstances.

REQUEST NO. 11:

Admit that BSA expected opposition to the BSA/Hartford Settlement Agreement both before and after BSA executed the BSA/Hartford Settlement Agreement.

RESPONSE TO REQUEST NO. 11:

The Debtors incorporate their general objections to the Requests for Admission as if fully set forth herein. The Debtors object to Request No. 11 as overly broad and vague and ambiguous, particularly with regard to the use of the terms "expected" and "opposition." The Debtors object to Request No. 11 as seeking Privileged Material, including information protected by the attorney-client privilege and mediation privilege, in violation of Delaware Local Rule 9019-5(d)(i) and the Mediation Order. The Debtors also object to Request No. 11 to the extent it seeks information

outside the Debtors' knowledge, custody, or control and to the extent it seeks to have the Debtors characterize the mindset of another entity. Subject to and without waiving their general and specific objections, and to the extent a response is required, the Debtors **admit** that the Debtors expected at least an initial opposition to the BSA/Hartford Settlement Agreement from some constituencies.

REQUEST NO. 12:

Admit that Hartford negotiated the BSA/Hartford Settlement Agreement in good faith.

RESPONSE TO REQUEST NO. 12:

The Debtors incorporate their general objections to the Requests for Admission as if fully set forth herein. The Debtors object to Request No. 12 as vague and ambiguous, particularly with regard to the use of the term "good faith." The Debtors further object to Request No. 12 to the extent it seeks information outside the Debtors' knowledge, custody, or control and to the extent it seeks to have the Debtors characterize the mindset or actions of another entity. Subject to and without waiving their general and specific objections, and to the extent a response is required, the Debtors **admit** Request for Admission No. 12.

REQUEST NO. 13:

Admit that the Coalition told BSA, before it entered the BSA/Hartford Settlement Agreement, not to enter the BSA/Hartford Settlement Agreement, but BSA did so anyway.

RESPONSE TO REQUEST NO. 13:

The Debtors incorporate their general objections to the Requests for Admission as if fully set forth herein. The Debtors object to Request No. 13 as vague and ambiguous, particularly with regard to the use of the term "told." The Debtors object to Request No. 13 as seeking Privileged Material, including information protected by the mediation privilege, in violation of Delaware