

**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)

Ref. D.I. 5466

**DECLARATION OF ROGER C. MOSBY IN SUPPORT OF
DEBTORS' MOTION FOR ENTRY OF AN ORDER, PURSUANT TO
SECTIONS 363(b) AND 105(a) OF THE BANKRUPTCY CODE, (I) AUTHORIZING
THE DEBTORS TO ENTER INTO AND PERFORM UNDER THE RESTRUCTURING
SUPPORT AGREEMENT, AND (II) GRANTING RELATED RELIEF**

I, Roger C. Mosby, pursuant to 28 U.S.C. § 1746 and under penalty of perjury, hereby declare as follows:

1. I am the President and Chief Executive Officer of the Boy Scouts of America (the "BSA") and together with Delaware BSA, LLC, the "Debtors") and have served in this capacity since December 29, 2019. I submit this declaration ("Declaration") in support of the *Debtors' Motion for Entry of an Order, Pursuant to Sections 363(b) and 105(a) of the Bankruptcy Code, (I) Authorizing the Debtors to Enter into and Perform Under the Restructuring Support Agreement, and (II) Granting Related Relief* (the "Motion"), filed concurrently herewith.²

2. Unless stated otherwise in this Declaration, all facts set forth herein are based on my personal knowledge, materials provided by, or my discussions with, members of the Debtors' executive and management teams, information provided by the Debtors' advisors or by employees

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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion, the RSA, or the Amended Plan, as applicable.

working under my supervision, information obtained from my personal review of relevant documents, or my opinion based upon my experience and knowledge concerning the nonprofit operations of the Debtors.

3. As President and Chief Executive Officer of the BSA, I have been deeply involved in the Debtors' restructuring initiatives and have been actively involved with the Debtors' reorganization efforts. I am authorized to submit this Declaration on behalf of the Debtors. If called upon to testify, I could and would testify to the facts set forth in this Declaration based on my personal knowledge, discussions, and review of documents.

THE DEBTORS' BUSINESS JUDGMENT

4. I believe that entry into the RSA is a reasonable exercise of the Debtors' business judgment, and is in the best interests of the Debtors, their estates, and their creditors.

5. The RSA is the result of arm's-length negotiations between the Debtors, the AHCLC and the Plaintiff Representatives, all of which were represented by experienced, sophisticated, and capable legal counsel and financial advisors. I, in conjunction with the National Executive Committee and Executive Board of the BSA, have exercised due care in entering into the RSA and have determined that it outlines the terms of a plan of reorganization that best achieves the Debtors' objectives for these chapter 11 cases: (a) timely and equitable compensation to survivors of abuse in Scouting and (b) the BSA's emergence from bankruptcy with the ability to continue its vital charitable mission.

6. In my opinion, as well as the Board's, the path set forth in the RSA is the most realistic approach to achieve the Debtors' objectives. Any other option would likely involve significant litigation and would not yield the support of holders of Direct Abuse Claims, whose acceptance is necessary to confirm a plan that includes third party releases. I understand that these

releases are essential for a global resolution of abuse claims for the Local Councils that are essential to the Debtors' ability to carry out the charitable mission of Scouting after the conclusion of these chapter 11 cases.

THE HARTFORD SETTLEMENT

7. On April 16, 2021, the BSA and Hartford entered into the Hartford Settlement. At the time, the BSA believed that it was in the best interests of their estates. Unfortunately, since announcing the Hartford Settlement, all of the Plaintiff Representatives have repeatedly indicated their staunch opposition to the Hartford Settlement.

8. I have attended many of the formal mediation sessions both prior to and following the May 19 Hearing, either in-person or by video conference, including those held from (i) March 30–April 1, 2021 in Miami; (ii) May 4–6 and May 26–27, 2021 in New York; and (iii) June 2–3, 2021 in Chicago.³ Despite the BSA's attempts to garner support for the Hartford Settlement and belief that such a resolution could be accomplished, on June 9, 2021, the BSA and the AHCLC received a letter from the Plaintiff Representatives informing us that the holders of abuse claims whom they represent would not support—and would affirmatively vote to reject—any plan of reorganization that includes the terms of the Hartford Settlement, under any circumstances (the "Letter"). A true and correct copy of the Letter is attached hereto as **Exhibit 1**. On account of the Plaintiff Representatives' position, the terms of the RSA require removal of the Hartford Settlement from the Amended Plan.

9. Without the support of the Plaintiff Representatives, who represent the vast majority of the holders of abuse claims, pursuing a plan that incorporates the Hartford Settlement appears futile. As a result, we are requesting the Court's determination that the Debtors may enter

³ I understand that formal in-person mediation sessions were also held on June 7–10, 2021, in New York. I was not in attendance at these sessions, but other representatives of the BSA attended in person.

into the RSA, which includes that the Debtors are not obligated to seek approval of the Hartford Settlement.

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

Dated: July 1, 2021
Irving, Texas

BOY SCOUTS OF AMERICA

/s/ Roger C. Mosby

Roger C. Mosby

President and Chief Executive Officer

Exhibit 1

Letter

brownrudnick

ERIC R. GOODMAN
direct dial: 202.536.1740
EGoodman@brownrudnick.com

June 9, 2021

Boy Scouts of America
1325 West Walnut Hill Lane
Irving, Texas 75038

Ms. Jessica C. Lauria and Mr. Michael Andolina
White & Case LLP
1221 Avenue of the Americas
New York, New York 10020-1095

Ad Hoc Committee of Local Councils
Richard G. Mason
Wachtell, Lipton, Rosen & Katz
51 West 52nd St. #29
New York, New York 10019

RE: In re Boy Scouts of America and Delaware BSA, LLC, Case No. 20-10343

The Coalition of Abused Scouts for Justice (the “Coalition”), the Official Committee of Tort Claimants (the “TCC”), and James L. Patton, the Future Claimants’ Representative (the “FCR”) do not consent to the Hartford Settlement [D.I. 2624]. The Coalition, the TCC, and the FCR will not support any plan of reorganization or separate motion/settlement to the Bankruptcy Court that seeks approval of the Hartford Settlement. Our unequivocal view, as a group comprising the two estate fiduciaries for survivors and an ad hoc group of thousands of those survivors, is that any plan of reorganization that includes the Hartford Settlement will be overwhelmingly voted down by the survivor community or rejected by the Bankruptcy Court as a stand-alone motion/settlement. The Debtors should not go forward with any plan of reorganization or stand-alone motion/settlement that includes the Hartford Settlement.

Sincerely,

Brown Rudnick LLP

Pachulski Stang Ziehl & Jones
LLP

Young Conaway Stargatt &
Taylor, LLP

/s/ David J. Molton
Counsel to the Coalition of
Abused Scouts for Justice

/s/ James Stang
Counsel to the Official
Committee of Tort Claimants

/s/ Edwin Harron
Counsel to the Future
Claimants’ Representative