

**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

Re: Dkt. Nos. 1972, 1974, 2292, 2293

**CENTURY AND HARTFORD’S STATEMENT REGARDING
THE RECENTLY-FILED PLAN OF REORGANIZATION AND
PENDING RULE 2004 MOTIONS [DKT. NOS. 1972, 1974]**

The plan of reorganization filed by the Debtors on March 1, 2021, has not garnered the support of any significant constituency in this case. To the contrary, it has already been met by intense opposition, including from the Tort Claimants’ Committee. *See* Bloomberg Law, *Boy Scouts’ Victim Trust Plan Met With Immediate Pushback*.² The founder of the Coalition, Tim

¹ The Debtors in these chapter 11 cases, together with the last four digits of each Debtor’s federal tax identification number, are: Boy Scouts of America (6300) and Delaware Boy Scouts, LLC (4311).

² https://news.bloomberglaw.com/bankruptcy-law/boy-scouts-to-put-cash-property-rockwell-art-in-victim-trust?utm_source=twitter&campaign=235BEC44-7B92-11EB-A7DC-5FB24F017A06&utm_medium=lawdesk. Both the TCC and the Coalition immediately, and publicly, criticized the plan:

David Molton, an attorney representing a group of victims calling itself the Coalition of Abused Scouts for Justice, said victims will view the settlement offer as “dead on arrival.”

“The proposed plan provides woefully insufficient compensation for the tens of thousands of survivors grievously injured over decades as a result of Boy Scouts’ failures,” Mr. Molton said on behalf of the coalition, which accounts for most of the abuse claims filed in the bankruptcy.

A separate, official committee representing abuse victims criticized the bankruptcy plan upon its release, saying it didn’t offer adequate compensation “or provide any enhanced systematic protections for future generations of scouts.”

See Peg Brickley, *Boy Scouts Offer Sex-Abuse Settlement, Aiming for End to Bankruptcy*, Wall St. J. (March 2, 2021), https://www.wsj.com/articles/boy-scouts-offer-sex-abuse-settlement-aiming-for-end-to-bankruptcy-11614650357?st=2tjww1ntse9c20w&reflink=desktopwebshare_permalink.

Kosnoff, has gone so far as to publically threaten, “**How do you say L-I-Q-U-I-D-A-T-I-O-N? Burn it, Burn it all to the ground! All of it.**” Kosnoff Law (@SexAbuseAttys), Twitter (March 1, 2021, 10:50 PM) (Attached as Exhibit 1).³

The reaction of claimants’ counsel to the plan reflects the basic reality that underlies this bankruptcy case and that stands in the way of a confirmable plan. The filing of the case led to a massive advertising and claim-generation effort by the Coalition that, in turn, resulted in an astonishing, 55-fold increase in the pending claims against the Boy Scouts. From a mere 275 cases in litigation, along with another 1,400 that were the subject of correspondence, there are now some 96,000 filed proofs of claim. The Coalition plainly is not prepared, at least without a fight, to address the obvious concerns that this explosion in claims raises.

The violent reaction of claimants’ counsel to the newly-filed plan shows that progress cannot occur without an investigation into the claims filed in this case. Otherwise, we fear that one of two things will occur: Either the plaintiffs’ lawyers will run roughshod over the Debtors, resulting in a proposed plan and trust distribution procedures designed to allow tens of thousands of invalid claims, which will leave the insurers with no choice but to contest confirmation, or, in Mr. Kosnoff’s words, this case will head toward liquidation.

The discovery into the claims that Century and Hartford have requested is necessary for this case to avoid one of those fates. Absent that discovery, the mediation alone is not on a path to produce consensus. The plan and disclosure statement that the Debtors recently filed not only has generated no support, but it was not the product of meaningful negotiations. To the contrary, the first time the insurers saw the current plan and the proposed disclosure statement was on March 1, when the Debtors filed those documents. The time-sensitive discovery the

³ <https://twitter.com/SexAbuseAttys/status/1366596731614334980>.

insurers seek will shed light on the explosion in claims and, by allowing all parties to uncover the basic facts, hopefully pave the way toward building a semblance of consensus.

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EXHIBIT 1



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How do you say L-I-Q-U-I-D-A-T-I-O-N?

Burn it, Burn it all to the ground! All of it.

 **Kosnoff Law** @SexAbuseAttys · 17h
DEAD ON ARRIVAL: Boy Scouts submit reorganization plan to bankruptcy court
[srib.mn/3q7aHAQ](https://www.startribune.com/3q7aHAQ)

10:50 PM · Mar 1, 2021 · Twitter Web App

1 Like

