

## Boy Scouts of America Bankruptcy

### Frequently Asked Questions and Answers

**Revised October 28, 2020**

- Q. Why did the Conference engage the Bradley Firm to file the Proofs of Claim for the local churches in the BSA bankruptcy proceeding?
- A. Many other Conferences, including Central Texas, Florida, and Greater New Jersey, have chosen to work with the Bradley Firm to streamline filing Proofs of Claim for the local churches in those various Conferences. The best reason to use one law firm that represents multiple Conferences is for cost sharing. The overall cost of the process will be shared by all local churches from all of the different Conferences and it will bring the cost per local church down substantially. If a local church files their own Proof of Claim without hiring a lawyer, they can do so and we have provided the information. Also, every local church may hire their own law firm to handle filing the Proof of Claim. The Conference is engaging this representation for the entirety of the Boy Scouts of America bankruptcy case, not only for the limited purpose of only filing a proof of claim.
- Q. Who does the local church return this information to and who can it contact with questions?
- A. If the local church authorizes the Bradley Firm to file a Proof of Claim on its behalf, the Revised Memorandum of Understanding and Required Information must be returned via email to [bsa@vaumc.org](mailto:bsa@vaumc.org) no later than **5:00 p.m. on November 2, 2020**. Local churches may contact the Treasurer's Office at 804-521-1100. Press Option 2 with questions. The Treasurer's Office will be staffed to answer questions at these dates and times:
- Tuesday, October 27 through Thursday, October 29 until 7:00 p.m.;
  - Sunday, November 1, from 1:00 p.m. to 5:00 p.m.; and
  - Monday, November 2 until 7:00 p.m.
- Q. Does filing a Proof of Claim protect the local church from future legal liability related to the class action lawsuit against the Boy Scouts of America?
- A. We cannot say that filing a Proof of Claim protects anyone from future legal liability. The Proof of Claim tells the trustee in bankruptcy that the local church has a potential claim against the BSA should the local church be sued along with the BSA. If there is a future judgment against the BSA and the local church, the local church is filing this Proof of Claim to alert the BSA it may seek money from the BSA to pay for any judgment against the local church.

- Q. Are there any legal fees the local church needs to pay if it uses the Bradley Firm as counsel with the bankruptcy court?
- A. Yes and no. On October 27, 2020, CFA approved the Conference to pay the fees associated with filing the Proof of Claim for all churches that choose to engage the Bradley Firm. This is the only expense the Conference will pay on behalf of the local churches. If the local church decides to use the Bradley Firm for any other BSA bankruptcy representation after the filing of the Proof of Claim, the local church will be responsible for paying the legal fees and costs. There will need to be a detailed discussion between the local church and the Conference about this issue should it be necessary in the future.

For example, if there are issues associated with the Proof of Claim for any local church, such as an objection to the particular local church's Proof of Claim or some other bankruptcy issue, the cost associated with the representation for that local church will be higher and the local church will need to reimburse the Conference for the payment of any fees on behalf of the local church to the Bradley Firm. If this happens, there will be a discussion between the Conference and the local church about how the fees will be paid going forward (if the Conference is advancing the fees for the local church to the Bradley Firm) and how those fees will be reimbursed by the local church.

**The Conference is only facilitating the filing of Proofs of Claim. The Conference is not a party in any lawsuit involving the BSA and any local church.** *Please note, the example provided above is only an example and should in no way be relied on but it is a representative example.*

- Q. If a church hires a law firm separately, is there help for the legal fees or is the local church on its own?
- A. The local church is responsible for fees whether it hires a firm separately, or works with the Bradley Firm via the Conference.
- Q. Is the client of the Bradley Firm the Conference or each individual church?
- A. The client is the local church and the Conference for very specific purposes only. The Conference has agreed to pay the legal fees to the Bradley Firm on behalf of the local churches that use the Conference's process for filing of the Proofs of Claim. The local church is responsible for reimbursing the Conference for the fees it paid on behalf of the local church related this this representation.
- Q. What if the interests of a particular church deviate from the interests of the Conference, should the local churches be prepared to engage separate legal representation for any challenges or cases that arise?
- A. **The Conference is not responsible for any litigation involving a local church.**

There should not be a time where the interests of the local church will deviate from the interests of the Conference as part of this legal representation. The Conference engaged the Bradley Firm to make filing the Proofs of Claim easier for each local church in the Virginia Conference and to help facilitate other litigation issues should they be necessary in the future. The Bradley Firm will represent the local churches that engage it in all aspects of the bankruptcy case, including, but not limited to, filing a proof of claim, defending a potential objection to such proof of claim, and negotiating plan treatment. The local church can terminate the relationship with the Bradley Firm at any time upon written notice to the Bradley Firm. If the local church decides to engage the Bradley Firm for anything other than the filing of the Proof of Claim, the local church needs to discuss this engagement with the Conference so the Conference can make a decision about how the fees will be paid to the Bradley Firm going forward.

- Q. What are the terms of representation attached as Exhibit 1 to the Revised Memorandum of Understanding and why does Exhibit 1 have a different date in the upper left corner of each page?
- A. This is a unique situation where the Conference is the initial client and then the local church, who is also a client, authorizes the Conference to submit all information to the Bradley Firm on its behalf. The Conference signed an engagement letter with the Bradley Firm on October 23, 2020 containing the terms and conditions of the representation with the Conference as the initial client. Exhibit 1 explains how the engagement with the Bradley Firm works for the local churches. Exhibit 1 to the Revised MOU is also Exhibit 1 to the engagement letter with the Bradley Firm that the Conference signed on October 23, 2020. That is why Exhibit 1 to the Revised MOU has the date of October 23, 2020 in the upper left corner because it was attached to the original engagement letter. The Conference sent the original engagement letter with the revised FAQs and Answers on October 27, 2020. As stated in the Conference's engagement letter with the Bradley Firm, as well as the Revised MOU between the Conference and the local church, the agreement to the terms contained in Exhibit 1 is necessary for the local church to be represented by the Bradley Firm.
- Q. How should former church property being held by Districts be handled?
- A. The District Board of Trustees would sign the Proof of Claim form for those churches since the District is holding property from these former churches.
- Q. Even if there is not a current troop, if a local church has ever had a troop should it file?
- A. Yes, if a local church has ever been involved in a charter at any point with the Boy Scouts of America, it should file a Proof of Claim.
- Q. Why do we have a relatively short time to respond?

- A. It has only recently been clarified that Chartering Organizations have potential standing in the BSA bankruptcy proceedings and should file a Proof of Claim to protect their interests before the Bar Date on November 16, 2020. The Bar Date means just that. If you fail to file a Proof of Claim by November 16, 2020, you will be barred from ever filing one.
- Q. What happens if a local church doesn't file a Proof of Claim?
- A. Unfortunately, if a Proof of Claim **is not filed by November 16, 2020** and an abuse claim is brought against the Boy Scouts and the local church, the local church will be without any financial recourse against the Boy Scouts and will be responsible for any judgment against it.
- Q. Does my church need to notify any others associated with our chartered Boy Scout troop who may be affected by BSA's bankruptcy?
- A. No. Notification of potential victims and affected others is the responsibility of BSA. If this somehow changes you will be notified via another e-mail blast. If the local church believes there are other legal issues, the local church needs to hire counsel.