

## February 26th Weekly Update

I am pleased to tell you that the Scouting Settlement Trust (the “Trust”) has resumed all operations, including processing and paying claims. As you know, on Friday, February 16, 2024, Justice Alito issued an administrative stay of the District Court’s order affirming confirmation of BSA’s plan of reorganization. This stay forced me to suspend operations of the Trust pending further order of either Justice Alito or the United States Supreme Court. On Thursday, February 22, 2024, the Supreme Court vacated Justice Alito’s administrative stay. Because no stay of the confirmation order remained in effect, I immediately directed that all Trust operations resume. My team and I are very happy to be back at work on your behalf.

As I detailed in last week’s update, a key factor in determining what percentage of a Claimant’s allowed claim the Trust can pay is the total number of Claims Questionnaires submitted to the Trust. Once we know the total number of Claims Questionnaires submitted, Trust professionals will be better able to estimate likely outcomes and determine how much money we need to reserve so that all allowed claims can be paid the same percentage initial distribution. As important deadlines pass, our ability to anticipate that grows. For example, the deadline to submit a claim under the so-called Independent Review Option, or IRO, was last Friday, February 23. While we are still reconciling some administrative fee payments, at this time we believe a total of 318 Claimants have elected to proceed under the IRO.

Given the passage of the IRO deadline last week, the Trust now has certainty for this claims process. By March 1, the Trust will have certainty for the Expedited Distribution claims process, as the Trust announced earlier this month that it will not accept any further late Claims Questionnaires from Expedited Distribution Claimants after February 29, 2024. That leaves only the so-called Matrix claims process, the deadline for which is May 31, 2024. Once all three deadlines pass, a more informed calculation of the initial payment percentage can be made.

As you may know, the IRO process will be supervised day-to-day by The Hon. Michael J. Reagan (Ret.), who served for nearly two decades as a federal district judge in the Southern District of Illinois and as chief judge of his court for many years. Unless a Claimant elects to submit his claim based upon a written record only, IRO Claimants will be afforded a hearing (either in person or virtual) before a neutral, in which they and their counsel will be able to present their respective cases complete with the opportunity to call witnesses. The Trust has retained a highly qualified group of neutrals (i.e., retired judges with trial experience) to administer these claims, independently evaluate their merits and make a settlement recommendation to me as Trustee. An overview of the IRO process can be found [here](#).

With the IRO deadline behind us, the Expedited Distribution deadline soon to be behind us and the initial Matrix distributions being made to Claimants with allowed claims, the Trust’s operations are well underway. There remain a number of

uncertainties, as I mentioned last week, stemming from ongoing litigation that has impacted, and will continue to impact, our ability to make a larger percentage initial distribution on allowed claims. Again, we hope to have greater clarity in the coming months with regard to these litigation uncertainties.

In the meantime, the Advance Payment Program (“APP”) I announced on Monday, February 12, 2024 offers the opportunity for many Claimants to receive an advance on their initial distribution from the Trust more quickly than a full claims allowance review would permit. The APP was created in response to your requests of the Trust and in recognition of the fact that the Trust process is lengthy and complicated, and many Claimants are elderly or in poor health. Claimants who are eligible for the APP and wish to participate should return their signed releases as soon as possible to receive their advance against their initial distribution from the Trust.

The Trust is committed to keeping Claimants, counsel and the public informed about its progress – as well as the challenges it faces. In addition to these regular updates from me, questions about the Trust can be directed to Trust staff at [info@scoutingsettlementtrust.com](mailto:info@scoutingsettlementtrust.com).

Respectfully,  
Hon. Barbara J. Houser (Ret.)  
Trustee