

Scouting Settlement Trust to Advance Partial Payments to Survivors while Litigation is Pending

SANTA FE, NM (Feb. 12, 2024) –The [Scouting Settlement Trust](#) (“Trust”), the fund established to compensate Survivors of childhood sexual abuse while in the Boy Scouts of America (“BSA”), today announced that it will accelerate partial payments to eligible claimants, many of whom are elderly and in poor health.

“We have been asked repeatedly by Survivors if we can distribute some money while the claims process is under way and we have found a way,” said Hon. Barbara J. Houser (Ret.), the Trustee overseeing the administration and distribution of the compensation fund. “A confluence of factors, mostly related to ongoing litigation, currently limits the amount of money we’re able to distribute, so we have developed this program to put some money into the hands of Survivors who have been waiting for a long time for some measure of justice.”

Under the Advance Payment Program (“APP”), eligible claimants will be able to receive payments of \$1,000 before their allowed claim amount is finally determined. Eligibility to participate in the APP will be determined based upon a rigorous application of criteria to the information provided to the Scouting Settlement Trust (the “Trust”) by individual claimants.

The Trust was established as part of the BSA’s Chapter 11 bankruptcy plan of reorganization with a compensation fund valued at approximately \$2.4 billion by the bankruptcy court. More than 82,000 abuse claims were filed with the bankruptcy court.

The Trust, which is independent from BSA, was formed in April 2023 when the plan went effective. That plan outlines specific rules, known as the Trust Distribution Procedures (“TDP”), for how the Trust collects, assesses and pays valid claims for childhood sexual abuse in scouting.

To date, approximately 2,914 payments totaling more than \$7.3 million have been issued by the Trust to Claimants. An additional 252 payments totaling about \$650,000 are scheduled to be sent Feb. 13.

Judge Houser said the Advance Payment Program allows claimants to receive some money while their claim determination is being finalized.

“As I have shared previously, the Trust is constrained from paying claims until various key issues are resolved,” said Judge Houser. “The APP allows us to get some money to more Claimants, rather than getting an initial distribution to the smaller number of Claimants whose claims have been fully evaluated.”

The Trust will – over time – make multiple payments on Survivors’ claims as more funds are paid into the Trust and illiquid Trust assets are reduced to cash. But initial distributions made by the Trust on allowed claims will be just 1.5 percent of the total allowed claim amount as a result of several factors. Those factors include:

- **Appeals:** The Trust will not receive the full amount of its funding until the BSA reorganization plan is confirmed by final court Order. Finality will not occur until all appeals from confirmation of the plan are exhausted. A group of claimants, along with certain insurers, have an appeal pending before the Third Circuit Court of Appeals. As long as that appeal is pending, the Trust will not receive additional funds. The Trust currently has approximately \$600 million in liquid assets available to distribute to Survivor’s with allowable claims. When the confirmation order becomes final, the Trust should receive another \$1.5 billion, which can be used to fund Trust operations and compensate Claimants with allowable claims.
- **Litigation:** The Trust also has litigation pending against dozens of insurance companies over billions of dollars more in coverage. Any funds received through that litigation will go to the Trust and can be used, in part, to distribute to Survivors with allowable claims. However, that litigation is temporarily stayed until the United States Supreme Court rules on certain issues presented in the Purdue Pharma bankruptcy case. The Purdue ruling is expected by summer.
- **Claim Totals:** The ultimate amount paid to Claimants will be determined in part by how many claims are filed and allowed. Until the Trust knows the total number of allowed claims, it cannot determine how much can be distributed to individual Claimants. The rules established by the Bankruptcy Court *require* the Trust to pay all Claimants the same percentage of their allowed claim awards. Although more than 82,000 claims were filed with the bankruptcy court, Judge Houser said she expects that not all of those Claimants will complete the necessary paperwork and submit it to the Trust. Of the 7,000 or so Claimants who elected the so-called Expedited Distribution option in bankruptcy court, only about 5,600 — or 80% — ultimately submitted the required paperwork to the Trust.

Judge Houser has set a deadline of May 31 for all the remaining Matrix claims.

“We understand how long this process has been for Survivors, and we want them to know that we’re listening and responding,” said Judge Houser.

The Advanced Payment Program will work as follows:

- First, as Claims Questionnaires are received by the Trust, the Trust will evaluate the connection to Scouting for both the Claimant and the alleged Abuser(s). If the information provided by the Claimant satisfies the Trust’s connection to Scouting requirements, the Claim will move to the next step.
- Second, the Trust will make a preliminary evaluation of the information contained in the Claimant’s Claims Questionnaire to determine, after applying mitigating factors, what is the likely minimum allowed amount of the Claim.
- Third, based upon that preliminary evaluation, the Trust will be prepared to offer Claimants whose likely award amounts meet a certain threshold an advance against their anticipated initial distribution from the Trust. This advance would be paid to the Claimant upon receipt of an executed release by the Claimant.
- Fourth, notwithstanding the signing of a release, the Claimant’s Claims Questionnaire will be subject to a detailed evaluation by Trust professionals, who will determine the ultimate value of the claim based upon all the criteria set forth in the TDP.
- Fifth, the Claimant will be notified of the allowed amount of his claim upon the conclusion of the Trust’s detailed evaluation. Once the allowed amount of the claim is determined and certain additional documents are submitted to the Trust by the Claimant, the advance received by the Claimant will be credited against the Claimant’s initial distribution and any additional monies owed to the Claimant will be paid by the Trust.

For more information, visit www.scoutingsettlementtrust.com.

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