

## **Scouting Settlement Trust Reaches 75% Milestone**

The Scouting Settlement Trust (“Trust”) has had several Survivors ask questions about the status of claim determinations and the liquidation of assets transferred to the Trust on the Effective Date (April 19, 2023) of the BSA plan of reorganization (the “BSA Plan”). As Trustee, I wanted to provide all Survivors with a more detailed analysis of the status of the Trust’s work.

The Trust continues to make substantial progress in determining Matrix claims—we have now determined about 75% of all 58,082 Matrix claims submitted to the Trust. In short, as of November 26, 2025, the Trust has determined 43,276 Matrix claims. The work to resolve each claim is complex. Highly trained Trust personnel are working diligently to understand each claim and to apply the required complicated formulas accurately to each claim. While the number of claims determined monthly has dropped recently, this drop is attributable, in large part, to two things. First, there are ongoing fraud investigations involving a substantial number of claims submitted to the Trust. While we have made preliminary determinations on many of these claims, the Trust cannot finalize its determinations until the investigations are concluded. Even though substantial work has been accomplished regarding those claims, the Trust does not count them as “determined” until the final stages of the work are complete. Second, the quality of the information submitted to the Trust dropped significantly as the deadline for the submission of Claims Questionnaires approached. Because the Trust works in “first in, first out” (FIFO) order, we are now beginning work on claims that were filed close to the claims filing deadline. As a result, the Trust is sending Additional Information Requests to the Claimants who filed these claims (or their counsel if represented) to obtain the information needed to evaluate the merits of the claims as required by the Trust Distribution Procedures (TDP) approved by the Bankruptcy Court when the BSA Plan was confirmed.

For those of you whose Matrix claims have not yet been determined, please know that the entire Trust team is committed to evaluating and determining your claims as quickly as possible consistent with the Trust’s fiduciary duties to the Survivors of childhood sexual abuse in Scouting.

As you know, there is another claims determination alternative under the BSA Plan known as the Independent Review Option (“IRO”). Under the IRO, retired judges with tort experience (“Neutrals”) have been retained by the Trust to handle the claims determination for those Survivors who have elected to have their claims evaluated under the IRO. The assigned Neutral is required to conduct an evidentiary hearing to evaluate a particular Survivor’s claim and make a Settlement Recommendation to me as Trustee seeking to replicate, to the extent possible, the amount a reasonable jury might award for the claim, taking into account the relative shares of fault that may be attributable to any party potentially responsible for the claim under applicable law. My job as Trustee is to evaluate the reasonableness of each Settlement Recommendation and either accept it or reject it. There are currently 198 Survivors who have chosen to have their claims evaluated and determined through the IRO. One hundred eighty-eight (188) Survivors have had their IRO hearings held and concluded or the affected Survivor elected to forgo an evidentiary hearing and have his claim evaluated by the Neutral based on a written record. I believe that the remaining 10 Survivors will either have had their IRO hearings concluded or will have agreed to submit their claim for determination based upon a written record by the end of

this year (December 31, 2025). As of November 26, 2025, I have received 141 Settlement Recommendations from the assigned Neutrals. I have completed my review of 129 of those Settlement Recommendations. I have accepted 127 Settlement Recommendations, rejected 1 Settlement Recommendation, and dismissed 1 IRO claim due to a prior settlement of the claim that is binding on the Claimant. I will continue to review and analyze the reasonableness of all remaining Settlement Recommendations as promptly as possible following my receipt of them and I will issue my decisions either accepting or rejecting them as required by the TDP.

The final claims process—the Expedited Distribution process—is nearly completed. Six thousand twenty-seven (6,027) Claimants elected to receive \$3,500 in final satisfaction of their sexual abuse claims on the ballots they submitted when voting on the BSA Plan and then submitted their claims to the Trust. This claims process did not require an extensive Claims Questionnaire to be filled out by the Claimants, nor was the Trust required to evaluate the merits of the individual claims. As of November 26, 2025, payments are complete for 5,293 Claimants and another 339 Claimants have received an initial distribution from the Trust on their claims, with the Trust’s lien administrator working to resolve any liens so that the monies held by the Trust to satisfy potential liens can be released to the Claimants. The Trust is awaiting receipt of 343 releases from Claimants who will then receive an initial distribution from the Trust. As liens are resolved for this group of Claimants, the Claimants will receive the balance owed to them.

As of November 26, 2025, the Trust has disbursed over \$295.5 million through all three claims processes to 36,896 Survivors who have executed a release of their sexual abuse claims in exchange for a right to payment from the Trust under the BSA Plan.

Regarding the liquidation of assets, I am working to sell the assets assigned to the Trust in order to generate more monies that will be used to pay allowed claims of Survivors and operating expenses of the Trust. My efforts in this regard are detailed below.

As you know, the Trust received over 300 pieces of art on the Effective Date of the BSA Plan. As Trustee, and after consultation with several art experts, I decided to retain Heritage Auctions (“Heritage”) to oversee the liquidation of the Trust’s art collection. To maximize the amounts received, Heritage recommended that the art be sold through a series of auctions. To date, Heritage has conducted three major auctions involving art owned by the Trust and has sold selected pieces of the Trust’s art collection in other speciality auctions. The proceeds that have been paid, or will be paid, to the Trust from these art sales totals in excess of \$14 million. I expect Heritage to conduct three more major auctions involving property of the Trust (two in 2026 and one in 2027) at which time the Trust’s art collection should be fully liquidated.

The Local Council real estate sales process is ongoing. Under the BSA Plan, the Local Councils agreed to market and sell 100 separate parcels of real property, with the net sales proceeds payable to the Trust. To date, 48 parcels of real property have sold with the Trust receiving nearly \$28.8 million from those sales. Another 8 parcels of real property are currently under contract with an aggregate sales price of approximately \$15.2 million. Finally, 44 parcels of real property are listed for sale, but no offer has been received for any of those properties. I believe the Local Councils are working to try to sell the remaining

properties and the Trust is monitoring their activities closely. The unsold parcels cannot be sold without my consent.

The Trust also received interests in over 1,000 oil and gas properties that are located across 17 states under the BSA Plan. Those oil and gas interests are not currently offered for sale, as they generated an average monthly income of over \$600,000 in 2024. I plan to continue to collect the monthly revenues from the Trust's oil and gas interests for the foreseeable future, as I believe that is the best way to maximize the value of the interests. The Trust's oil and gas interests will be sold before the Trust winds down its operations.

The Trust also received two notes payable to the Trust over time, one from BSA and one from the Delaware Statutory Trust ("DST"). BSA is obligated to pay the Trust up to \$80,000,000 in accordance with the terms and conditions of that note. DST is obligated to pay the Trust up to \$121,000,000 from excess retirement funds of the Local Councils. To date, all payments required to be made to the Trust on these notes have been made.

Those insurers who settled with BSA under the terms of the BSA Plan escrowed a large portion of the monies they agreed to pay to the Trust under the BSA Plan pending the entry of a Final Order confirming the BSA Plan. As of today, the amount held in escrow is approximately \$1.65 billion. The escrow agents are required to release these funds to the Trust once the Confirmation Order becomes final and not subject to further appeal. Unfortunately, the Confirmation Order is not yet final, as a small group of Claimants filed a request with the United States Supreme Court in October 2025 asking the Supreme Court to review the Third Circuit Court of Appeals' decision upholding the BSA Plan. BSA (among others) is opposing further appellate review and expects a decision by the Supreme Court on whether it will agree to review the Third Circuit's decision in mid-January 2026. If the Supreme Court refuses to hear the appeal, the Confirmation Order will become final. If the Supreme Court agrees to hear the appeal, further briefing on the merits of the appeal will be required, along with oral argument. If the Supreme Court agrees to hear the appeal, the Confirmation Order will not be final until after a merits ruling on the appeal by the Supreme Court, the timing of which is difficult to predict with certainty. If the Supreme Court upholds confirmation of the BSA Plan after its merits review, then the Confirmation Order will become final.

These further delays are most unfortunate and are beyond the Trust's control. Until the Confirmation Order becomes final, I do not have sufficient funds to begin making a second distribution to holders of allowed claims.

Finally, the Trust received an assignment of unsettled BSA and Local Council insurance policies that I believe provide coverage for the sexual abuse claims asserted against BSA and its affiliates. I filed suit in Federal District Court in the Northern District of Texas against all of the insurance companies that issued those policies in July 2023 (the "Comprehensive Coverage Action"). The Comprehensive Coverage Action was stayed after it was filed for several reasons including the pendency of an appeal from confirmation of the BSA Plan. Once the Third Circuit Court of Appeals determined the appeal, largely upholding confirmation of the BSA Plan, the judge presiding over the Comprehensive Coverage Action lifted the stay and the lawsuit is moving forward once again. However, the insurance companies continue to deny their obligation to pay allowed claims presented to them for payment by the Trust. The Comprehensive Coverage Action is not currently set for trial and

it will not likely proceed to trial due to the complexity of the legal issues for at least another 24 months. As the Plaintiff in the action, I will continue to prosecute the action diligently. Any monies collected through this litigation or in settlement of the Trust's claims against these insurers will be used to pay allowed claims and Trust operating expenses in accordance with the BSA Plan and TDP.

The Trust makes initial distributions to Survivors with allowed claims every other week and updated totals are posted each month to the Trust's website. As you know, initial distributions are 1.5% of the allowed amount of an individual claim. I have not determined what percentage of the allowed amount of an individual claim will be paid in a second distribution and how much of that percentage will be required to be held back to satisfy potential health care liens under applicable law. But I intend to begin issuing second distributions on allowed claims and holding back a health care lien reserve from that distribution, as soon as possible after the Order confirming the BSA Plan becomes final and the monies currently being held in escrow are released to the Trust.

As a reminder, the Trust's financial statements are audited following each year of the Trust's operation. That means that there has been an audit conducted of the Trust's financial statements from April 19, 2023 (the date the Trust was created) through December 31, 2023 and for calendar year 2024. An audit will be conducted of the Trust's financial statements for calendar year 2025 in early 2026. The audited financial statements for 2023 and 2024 have been filed with the Bankruptcy Court and are available on the Trust's website linked here ([FY23](#) and [FY24](#)).

I will, as always, keep you apprised. Please rest assured that each member of the Trust team takes our responsibilities to you seriously. We are committed to keeping you informed about our process and progress. If you have questions at any time, please send them to [info@ScoutingSettlementTrust.com](mailto:info@ScoutingSettlementTrust.com).

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