

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

DELAWARE BSA, LLC,¹

Reorganized Debtor.

Chapter 11

Case No. 20-10342 (LSS)

**UNITED STATES TRUSTEE’S MOTION FOR A (I) STATUS REPORT RELATING TO
CLAIMANT TREATMENT FROM THE SCOUTING SETTLEMENT TRUST
AND (II) STATUS CONFERENCE**

Andrew R. Vara, the United States Trustee for Region 3 (“U.S. Trustee”), through his undersigned attorneys, hereby files his *Motion for a (i) Status Report Relating to Claimant Treatment from the Scouting Settlement Trust and (ii) Status Conference* (the “Motion”). The U.S. Trustee moves for this relief to allow for the Scouting Settlement Trust (the “Trust”) to respond in writing to issues regarding claimant treatment that have been raised by the Office of the U.S. Trustee in its communications with the Trust. The U.S. Trustee believes that, after the Trust’s report is filed, claimants would benefit from a status conference designed to assist claimants.

PRELIMINARY STATEMENT

Section 105(d) of the Bankruptcy Code² (“Section 105(d)”), allows for the Court, upon request of a party in interest, to “hold such status conferences as are necessary to further the

¹ The last four digits of the tax identification number of Reorganized Debtor Delaware BSA, LLC are 4311. The Reorganized Debtor’s mailing address is 1325 West Walnut Hill Lane, Irving, Texas 75038. On March 13, 2026, the Court entered a final decree closing the chapter 11 case of Boy Scouts of America. See Case No. 20-10343, Docket No. 13530. Commencing on March 13, 2026, all motions, notices, and other pleadings relating to the Reorganized Debtors shall be filed and administered in the remaining chapter 11 case of Delaware BSA, LLC, Case No. 20-10342.

² Unless specified otherwise, subsequent references to sections are to the Bankruptcy Code, 11 U.S.C. § 101, *et seq.*

expeditious and economical resolution of the case[.]” Under section 307, the U.S. Trustee “may raise and may appear and be heard on any issue in any case or proceeding under this title[.]” The Reorganized Debtor’s case is pending to permit the Trust to continue administering distributions to claimants that are survivors of sexual abuse. In most instances, those survivor claimants have received a 1.5% initial distribution on the allowed amounts of their claims and, more recently, a supplemental distribution of 3.2% on the allowed claim amounts. Further distributions to survivor claimants is subject to, among other things, pending litigation with the Future Claims Representative (“FCR”) to ensure future claimants receive equal treatment to the current claimants.

Survivor claimants have reached out to both the Court and the U.S. Trustee with great frequency to solicit information. Prompted by these communications, the U.S. Trustee moves for certain relief to provide survivor claimants with a status report detailing: (1) the mechanisms in place, and the Trust’s assessment of the efficacy of those mechanisms, to respond to concerns raised by survivors and their representatives; and (2) management of the Trust’s 1-833-961-6495 call line and info@scoutingsettlementtrust.com email in fielding communications from survivors and responding thereto. The U.S. Trustee appreciates the Trust’s efforts to provide information to claimants and believes a report on these communication mechanisms will be productive and aid understanding of trust management.

JURISDICTION & STANDING

1. The U.S. Trustee is charged with administrative oversight of the bankruptcy system in this District under 28 U.S.C. § 586(a)(3). Such oversight is part of the U.S. Trustee’s overarching responsibility to enforce the laws as written by Congress and interpreted by the courts. *See United States Trustee v. Columbia Gas Systems, Inc. (In re Columbia Gas Systems, Inc.)*, 33 F.3d 294, 295-96 (3d Cir. 1994) (noting that the U.S. Trustee has “public interest standing” under 11 U.S.C.

§ 307 which goes beyond mere pecuniary interest); *Morgenstern v. Revco D.S., Inc. (In re Revco D.S., Inc.)*, 898 F.2d 498, 500 (6th Cir. 1990) (describing the U.S. Trustee as a “watchdog”).

2. Under 11 U.S.C. § 307, the U.S. Trustee has standing to be heard on the issues raised in this pleading.

STATEMENT OF FACTS

3. On February 18, 2020, the Debtors filed voluntary petitions under chapter 11 of the Bankruptcy Code. The Bankruptcy Court entered an order jointly administering the cases for administrative purposes. On March 5, 2020, the U.S. Trustee appointed an Official Committee of Unsecured Creditors and an Official Committee of Tort Claimants.

4. With their petitions, the Debtors filed a plan and disclosure statement [D.I. 20 and 21]³ which provided that the Debtors, Chartered Organizations, Insurers, and Local Councils would fund a trust for the payment of holders of “Abuse Claims”—a class of unsecured creditors with claims related to sexual abuse against not only the Debtors, but also against non-debtor third parties. The Debtors proposed that, in exchange for their contributions to the trust, the contributing parties would receive releases and be protected by a channeling injunction.

5. On the Debtors’ motion, the Court entered an order on April 24, 2020 appointing James L. Patton, Jr., (“Mr. Patton” or the “FCR”) as the legal representative for Future Claimants [D.I. 486].

6. On September 15, 2021, the Debtors filed their *Fifth Amended Chapter 11 Plan of Reorganization* [D.I. 6212] and accompanying Disclosure Statement [D.I. 6213].

³ Prior to the Final Decree and Closing, the Lead Case was Case No. 20-10343. Accordingly, all docket number references prior to March 13, 2026 are to the docket in Case No. 20-10343 unless specified otherwise.

7. On September 29, 2021, after five days of hearings beginning on September 21, 2021, the Court approved the *Modified Fifth Amended Chapter Plan of Reorganization* [D.I. 6443] for solicitation.⁴ The Court set the confirmation hearing for January 24, 2022, with a December 14, 2021 voting deadline.

8. The Debtors filed their *Third Modified Fifth Amended Chapter 11 Plan of Reorganization* (the “Plan”) on February 15, 2022. D.I. 8813. On March 10, 2022, the Debtors filed a supplemental voting declaration reflecting the final status of votes in Classes 8 and 9.⁵

9. After several adjournments, the confirmation trial began on March 14, 2022 and continued through April 18, 2022, for a total of 22 days of trial.

10. At the conclusion of the confirmation trial, the Court took confirmation of the Plan under advisement and issued an extensive opinion (the “Confirmation Opinion”) on July 29, 2022. D.I. 10136. The opinion is reported at *In re BSA*, 642 B.R. 504 (Bankr. D. Del. 2022). On September 8, 2022, the Court entered its *Supplemental Findings of Fact and Conclusions of Law and Order Confirming the Third Modified Fifth Amended Chapter 11 Plan of Reorganization (With Technical Modifications) for Boy Scouts of America and Delaware BSA, LLC* (the “Confirmation Order”). D.I. 10316.

11. Multiple parties filed notices of appeal by the September 22, 2022 deadline, and those appellate matters were consolidated under *National Union Fire Insurance Co. of Pittsburgh PA v. Boy Scouts of America*, Case No. 22-cv-1237 (D. Del.). On March 28, 2023, the District

⁴ The modifications accounted for changes agreed to by parties in interest or directed to be made by the Court during the five-day disclosure statement hearing.

⁵ *Supplemental Declaration of Catherine Nownes-Whitaker Of Omni Agent Solutions Regarding the Submission of Votes and Final Tabulation of Ballots Cast In Connection With the Limited Extended Voting Deadline for Holders of Claims In Class 8 and Class 9 On the Third Modified Fifth Amended Chapter 11 Plan Of Reorganization For Boy Scouts Of America And Delaware BSA, LLC* [D.I. 9275].

Court filed its Opinion and Order affirming the Confirmation Opinion. D.I. 11057 (reported at *Nat'l Union Fire Ins. v. BSA (In re BSA)*, 650 B.R. 87 (D. Del. 2023)). In evaluating the channeling injunction and the releases contained in the Plan, the District Court affirmed the Bankruptcy Court's finding that "the Plan provides a mechanism for payment of all or substantially all Direct Abuse Claims" noting "no party presented evidence at trial to challenge this critical finding." 650 B.R. at 141. Certain parties appealed from the District Court's ruling.

12. On May 13, 2025, the United States Court of Appeals for the Third Circuit (the "Third Circuit") issued an opinion (i) determining that the Plan had been substantially consummated and dismissing, under section 363(m) of the Bankruptcy Code, the appeals filed by certain claimants; (ii) affirming the Confirmation Order; and (iii) reversing the District Court's judgment as to the Allianz Insurers' claim. The Third Circuit directed the Bankruptcy Court to enter an appropriate order on remand. *See In re Boy Scouts of Am.*, 137 F.4th 126 (3d Cir. 2025).

13. On July 21, 2025, the Bankruptcy Court entered the *Order, Pursuant to May 13, 2025 Decision of the United States Court of Appeals for the Third Circuit, Modifying Supplemental Findings of Fact and Conclusions of Law and Order Confirming the Third Modified Fifth Amended Chapter 11 Plan of Reorganization (With Technical Modifications) for Boy Scouts of America and Delaware BSA, LLC*. D.I. 12966.

14. On January 12, 2026, the Supreme Court of the United States, ruling on a petition for writ of certiorari filed by certain claimants, as well as other parties' opposition to that petition, denied the petition. *Lujan Claimants v. Boy Scouts of Am.*, Case No. 25-490. February 6, 2026, was the deadline for the filing of a petition for rehearing with the Supreme Court; no party sought rehearing. Therefore, on February 7, 2026, the Confirmation Order became a final order.

15. On February 11, 2026, the Trust provided an update on its website, advising claimants as follows:

Claimants who have already received initial distribution. Pursuant to this partial resolution, a supplemental distribution of 3.2% of a Claimant's allowed claim will be made by the Trust to Claimants who have already received their initial distribution of 1.5% from the Trust.

Claimants with allowed claims who have not yet received initial distribution. Pursuant to this partial resolution, Claimants who have allowed claims but have not yet received an initial distribution (and who have returned all required documents to the Trust) will be entitled to receive a distribution from the Trust of 4.7% of the allowed claim amount (1.5% + 3.2%).

News And Key Documents, Scouting Settlement Trust, (Feb. 11, 2026) (available at: <https://www.scoutingsettlementtrust.com/s/news-and-key-links>) (accessed Apr. 1, 2026).

16. On February 17, 2026, the FCR filed the *Motion of the Future Claimants' Representative for Judicial Resolution of Payment Percentage Dispute*. D.I. 13451, 13460 (sealed and redacted versions) (referred to as the "FCR Payment Percentage Dispute").

17. On February 18, 2026, the Reorganized Debtors filed their *Motion for Final Decree* to close the Boy Scouts of America Case, Case No. 20-10343. D.I. 13454. On March 13, 2026, the Court entered an Order that closed Case No. 20-10343. D.I. 13530.

18. The Bankruptcy Court has set June 15, 2026 as the date for the hearing on the FCR Payment Percentage Dispute. D.I. 322 [Case No. 10-10342].

Management of Individual Claimant Requests for Relief

19. During a hearing on April 16, 2024, the Court communicated to the Trust's counsel that a significant number of survivor claimants had filed letters and other submissions seeking various types of relief, which the Court indicated it would treat as motions. D.I. 12008, 12017. On May 8, 2024, the Court docketed a Letter indicating that it would hold a status conference on a

number of the survivor claimants' motions and providing notice to law firms representing survivor claimants. D.I. 12061. The Trust filed a summary of claimant matters on May 9, 2024. D.I. 12071.

20. The Court has entered scheduling orders for motions and letter requests filed by individual claimants on at least sixteen occasions. *See, e.g.*, D.I. 12091, 12122, 12274, 12464, 12595, 12650, 12702, 12813, 12877, 13051, 13173, 13264, 13333 and 13463; D.I. 36, 55 [Case No. 20-10342].

Recent Claimant Communications to the U.S. Trustee

21. Throughout this case, the U.S. Trustee has received correspondence and communications from individual survivor claimants—requesting case updates, seeking information about distributions, and asking other case-related questions. Recently, the U.S. Trustee has received an appreciable increase in the number of communications and contact from individual claimants seeking case information and requesting answers to questions about the Trust's administration of claims. The inquiries focus on the following issues: (i) the ability of Future Claimants to file claims beyond the applicable deadline for current claimants; (ii) requests for explanation of the FCR Payment Percentage Dispute; (iii) resolution of healthcare and attorney liens that claimants believe are causing delays in their supplemental distributions; (iv) the low recovery percentage of claimant distributions in comparison to the Trust's administrative costs; (v) concerns that case delays, Trust costs, and unexplained future claims are harming and victimizing survivor claimants; and (vi) harm and delay caused by what survivor claimants perceive as the Trust's and the FCR's unresponsiveness to claimant inquiries.⁶ In addition, individual claimants often confuse the U.S. Trustee with the Trustee of the Trust or the FCR.

⁶ The U.S. Trustee does not attach copies hereto to respect the privacy rights of survivor claimants consistent with applicable confidentiality orders that remain in effect. The U.S. Trustee can supplement this motion as directed by the Court if further review of these items would aid the Court.

ARGUMENT

A. The Court Can and Should Hold a Status Conference to Inform Individual Claimants Regarding the Various Issues Relevant to Administration of the SST

22. Section 105(d) states that “The court, on its own motion or on the request of a party in interest—(1) shall hold such status conferences as are necessary to further the expeditious and economical resolution of the case;” 11 U.S.C. § 105(d)(1). In discussing Section 105, Collier’s Bankruptcy Practice Guide states: “Section 105, while not containing a specific reference to chapter 11, may nevertheless also be viewed as a Bankruptcy Code section available for judicial intervention in a chapter 11 postconfirmation.” 6 Collier Bankruptcy Practice Guide P 123.08.

23. In other contexts, bankruptcy courts have used the authority granted by Section 105(d) to permit survivors of sexual abuse to address the Court. *In re Roman Cath. Archbishop of Baltimore*, 672 B.R. 672, 674 (Bankr. D. Md. 2025) (“Those individuals are parties in interest in this case and should be provided appropriate opportunities to address the Court and others. Not only is this approach warranted under the particular circumstances of this case, but it is also consistent with, and contemplated by the Court’s authority under, sections 105(a) and (d)(1), 362, and 1109(b) of the Bankruptcy Code and Federal Rule of Bankruptcy Procedure 5001(b)”)(footnotes omitted). In the *Archbishop of Baltimore* case, the bankruptcy court also cited *Law v. Siegel*, 571 U.S. 415, 421 (2014), for the proposition that the Bankruptcy Court’s equitable powers remain available, unless overridden by explicit mandates of other Bankruptcy Code sections. *Id.* at 681, n.25. Supreme Court precedent on the inherent power of federal courts also provides a basis for the Court to act here. *See Dietz v. Bouldin*, 579 U.S. 40, 45–46 (2016).

24. A court may exercise its inherent power in furtherance of “a ‘reasonable response to the problems and needs’ confronting the court’s fair administration of justice.” *Dietz*, 579 U.S. at 45 (quoting *Degen v. United States*, 517 U.S. 820, 823–824, (1996)). That exercise of inherent power, “cannot be contrary to any express grant of or limitation on the district court’s power contained in a rule or statute.” *Id.* (citing *Degen*, 517 U.S. at 823; Fed. Rule Civ. Proc. 83(b)). These two principles are satisfied with respect to this Motion, as Section 105(d) permits this relief, and no other rule or statute prohibits it. *See Dietz*, 579 U.S. at 45-46.

25. The U.S. Trustee believes that a status conference will aid the Court and survivor claimants, and also believes that it is appropriate for the Court to require the Trust to file a status report in advance of that conference. First, the FCR Payment Percentage Dispute has been a source of confusion for many survivor claimants, many of whom acted with diligence and alacrity to file their own claims with the Trust by the applicable deadline. These survivor claimants are now under the mistaken impression that other claimants (i.e., future claimants) are now permitted to submit late claims, while existing survivors scrupulously followed the rules and met the deadlines. Second, survivor claimants expected, based on the Confirmation Order, that all or substantially all of the Direct Abuse Claims would be paid in full. Now, even though the Confirmation Order is final, claimant distributions will be only 4.7% of their claims—a more than significant reduction. A status report and status conference will permit the Trust to explain the Trust’s current distribution process and anticipated distribution percentage, as well as to present any potential contingencies that could increase claimants’ distributions.

26. Third, both the requested status report and status conference will allow the Trust to explain its claimant inquiry response process, especially how long claimants can expect the Trust

will take to respond to claimants. The requested status report and status conference can help bridge the gap between claimants' expectations and what the Trust is doing.

B. The Status Report and Status Conference Should Address (i) the Mechanisms Used for Communication and the Effectiveness of those Communications, and (ii) the Management of the Toll-Free Number and Electronic Mail Account(s) Used by the SST to Respond to Survivor Claimants

27. The U.S. Trustee also moves for the status report and status conference under Section 105(d) so that the Trust can provide the Court, the U.S. Trustee, survivor claimants, and other parties in interest with a concise statement of (1) how the Trust handles communications with claimants, (2) whether the Trust is aware of any barriers or impediments that could prevent or impair the ability of claimants' counsel to communicate accurate, concise, and easily-understood information to their clients, and (3) any other information that would help to improve claimants' understanding of (and satisfaction with) the claim resolution and distribution process.

i. The Trust Should Clearly Set Forth the Mechanisms Currently Available to Contact It, and Its Assessment of those Mechanisms in Responding to Concerns Raised by Survivors and Their Representatives

28. The Trust maintains a website that, among other information, provides case status updates for claimants, free access to key documents, explanations of distribution mechanics and percentages, and information about how claimants can contact the Trust with questions or inquiries.⁷ The U.S. Trustee believes that it would be helpful for the Trust, in its status report, to explain the contact methods it uses to respond to claimant inquiries, the typical Trust response time for inquiries, and the mechanics of the Trust's processes and procedures for interacting with and responding to survivor claimants and their counsel, counsel with powers of attorney, or claimants with independent (non-attorney) representatives.

⁷ The Trust's website is <https://www.scoutingsettlementtrust.com/s/>.

29. Many of the survivor claimants, as indicated by their letters to the Court and their communications with the U.S. Trustee, are likely raising complicated issues in their inquiries to which the Trust cannot provide an immediate response. The U.S. Trustee also believes it would be helpful for the Trust, in the requested status report, to provide an overview of how the Trust investigates these kinds of complicated inquiries which require substantial additional research and activity, so that claimants can better manage their expectations of the timing of the process.

ii. *The SST Should Describe How It is Managing Its Telephone Call Line and E-mail in Fielding Communications and Responding Thereto*

30. Consistent with the above items, it would be helpful to the Court, the U.S. Trustee, survivor claimants, and others for the Trust to provide a clear statement about how the Trust staffs its telephone line (1-833-961-6495) and general e-mail address (info@scoutingsettlementtrust.com), including typical response timeframes and the contents of same.

31. The U.S. Trustee reserves any and all rights.

WHEREFORE, the U.S. Trustee respectfully requests that this Court grant the relief requested in this Motion and issue an order accordingly.

Dated: June 1, 2026
Wilmington, Delaware

Respectfully submitted,

ANDREW R. VARA
UNITED STATES TRUSTEE
REGIONS 3 & 9

By: /s/ Hannah J. McCollum
Hannah J. McCollum, Esq.
Trial Attorney
United States Department of Justice
Office of the United States Trustee
J. Caleb Boggs Federal Building
844 King Street, Suite 2207
Wilmington, DE 19801
202-573-3275
hannah.mccollum@usdoj.gov