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## ATTORNEYS REPRESENTING MORE THAN 1,150 BOY SCOUTS ABUSE SURVIVORS REACT TO BSA BANKRUPTCY PLAN FAILING TO GET REQUISTE VOTES

# \*\* Survivors and Attorneys representing more than 1,150 former Boy Scouts are available for comment on implication for Boy Scouts of America and related organizations \*\*

(Wilmington, DE) - Today, the Boy Scouts of America (BSA) announced the plan of reorganization that it has been pursuing failed to garner the required votes to proceed to a confirmation hearing in February. In all, the preliminary report<sup>1</sup> indicates that over 14,000 individual survivors voted to reject the BSA's proposed plan.

The BSA's proposed plan was underpinned by settlements with three insurance companies, Hartford, Century, and Zurich, who were contributing approximately \$1.75 billion to a global settlement fund, and the BSA's local councils, who were contributing approximately \$640 million, for a total global settlement fund of approximately \$2.4 billion. The LDS Church proposed to pay another \$250 million, but those funds would have been earmarked for survivors with claims against that entity.

Although touted as the largest sexual abuse settlement ever on an aggregate level, on a per claim basis the BSA's proposed plan fell far below the average recoveries in cases involving Roman Catholic Dioceses and the recently approved settlement involving USA Gymnastics. Whereas BSA survivors would have received an average of \$31,000, the USA Gymnastics survivors standard to receive an average of over \$700,000.

Jason Amala, a sexual abuse attorney with <u>Pfau Cochran Vertetis Amala PLLC</u> ("PCVA") which represents more than 1,000 men who allege they were sexually abused as children by Boy Scout leaders and volunteers, commented: "This was a poorly constructed plan driven by a group of lawyers who wanted to achieve a quick, cheap bankruptcy settlement. Many of these law firms signed up clients under engagement letters where they did not even agree to represent their client if the case had to be pursued outside of bankruptcy. The only beneficiaries of the plan were the BSA, the insurance companies that engineered cheap settlements, the local councils that escaped their share of liability with a settlement that allowed them to retain hundreds of millions of dollars in valuable assets, and the charter organizations, many of which would have escaped without paying so much as a dollar in exchange for a complete release of their liability."

**Irwin Zalkin**, a sexual abuse attorney with the <u>Zalkin Law Firm</u> who has been representing abuse survivors for more than 20 years and who represents almost 150 survivors in the BSA bankruptcy, said that while he was confident the plan would not have been approved by the Court had it been submitted for confirmation, the failure to achieve the required votes should accelerate the process of moving to

<sup>&</sup>lt;sup>1</sup> <u>https://casedocs.omniagentsolutions.com/cmsvol2/pub\_47373/d45114a7-88c5-452f-9da1-f61ca4ac3eed\_8141.pdf</u>

obtain agreement on a better plan. "We hope the BSA and the lawyers who supported this plan will take this result as sending a message that the plan they proposed was fundamentally unacceptable to a large bloc of survivors. There are probably some bruised feelings as a result of this process, but people need to get over that. We have been focused since day one on working to achieve a plan that provides fair compensation for all survivors who experienced sexual abuse in the Boy Scouts. We will be working with the other parties in the case to bring about that outcome."

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#### About PCVA Law

<u>Pfau Cochran Vertetis Amala PLLC (PCVA)</u>, one of the leading law firms in the United States fighting for the rights of sexually exploited children, represents more than 1,000 people who were sexually abused by Boy Scout leaders in more than 35 states.

Since 2004, PCVA has represented hundreds of abuse survivors in substantial and complex bankruptcy proceedings around the country, including the Spokane Diocese, the Pacific Northwest Order of Jesuit Priests, the Christian Brothers of Ireland, and the Milwaukee Archdiocese. PCVA currently represents numerous survivors of sexual abuse in the pending bankruptcies of the Diocese of Rockville Centre, the Buffalo Diocese, the Rochester Diocese, the Camden Diocese, and the Archdiocese of Agana in Guam. In bankruptcy proceedings for the Pacific Northwest Order of Jesuit Priests, PCVA represented almost 140 survivors in one of the largest Catholic clergy settlements in the nation. The firm has also represented multiple women who were sold for sex as children on backpage.com and whose claims resulted in the seizure and closure of that website by federal authorities.

### About The Zalkin Law Firm

With offices in San Diego, CA and New York, NY, the <u>Zalkin Law Firm</u> represents survivors of child sexual abuse and sexual assault by members of religious and other organizations, including the Catholic Church, Jehovah's Witnesses, foster care, Boy Scouts, recovery homes, and colleges. Irwin Zalkin was appointed a lead negotiator by United States Magistrate Judge Leo S. Papas on behalf of over 144 victims of childhood sexual abuse against the Bishop of San Diego. These negotiations resulted in a global settlement of almost \$200,000,000. He also was one of the lead trial lawyers against the Roman Catholic Archbishop of Los Angeles where a global settlement was reached in the amount of \$660,000,000. For more information visit: <u>www.zalkin.com</u>.