



# BOY SCOUTS OF AMERICA®

## MONMOUTH COUNCIL

### Special Communication

August 20, 2021

Action of the Monmouth Council Executive Board

**In February 2020, Boy Scouts of America (BSA) filed for Chapter 11 bankruptcy** protection to achieve two key objectives: equitably compensate victims who were harmed during their time in Scouting and continue to carry out its mission for years to come. <https://www.bsarestructuring.org/>

**Monmouth Council (MCBSA) is not part of the Chapter 11 filing** but has been requested to contribute to a Settlement Trust providing compensation for the victims of historic sexual abuse.

**Recently, BSA announced that they have come to an agreement related to the funding of the Settlement Trust.** This agreement allows for a global settlement that requires the contribution of \$500 million in cash and properties from local councils, \$250 million from BSA, and other sources. This agreement represents an important step forward to a successful emergence from BSA bankruptcy.

**MCBSA formed a Task Force months ago to follow this issue.** In June, it unanimously recommended the council's participation in the global settlement by contributing \$1.9 Million dollars in cash, 1.1 Million in Property (Beach property (Sea Bright) the council has own for over 10 years and hasn't used) and assigning its rights under insurance policies covering historical abuse liabilities.

**On 7-1-21, the Executive board of Monmouth Council approved the Task Force recommendations.** The board reiterated its belief in its social and moral responsibility to equitably compensate all victims who were abused during their time in Scouting, as well as its duty to carry out Scouting's mission to serve youth, families, and local communities for years to come.

**MCBSA's collective contribution of cash and property totaling \$3.1 Million dollars will all come from unrestricted net assets of its endowment and capital funds.** Most of these funds are investment earnings over an extended period and all the funds do **NOT** include any donor restrictions.

The board specifically directed to NOT use funds from its operations to fund the contribution to the Settlement Trust. No funds that come from Friends of Scouting contributions; Local Council Service Fees; Public and Private grants; or program revenues will be used. This action will have zero impact on the operations of Forestburg and Quail Hill Scout Reservation or the Council's Service Center in Morganville.

Under the proposed plan, a successful exit from bankruptcy for the BSA will result in protection for both BSA and local councils from any future claims arising from past instances of sexual abuse. There is an injunctive bar to litigation and indemnification in favor of BSA and all local councils that contribute their share.

**MCBSA's participation in the settlement will have many critical benefits:**

- Fulfilling MCBSA's moral responsibility to compensate survivors of abuse
- Permanently resolving claims against MCBSA for abuse alleged to have occurred before February 18,2020
- Continuing the mission of BSA Scouting and TAC Scouting

This has been a challenging issue for BSA and Monmouth Council's volunteer and professional leadership. We look forward to providing families unparalleled Scouting in the years to come.

Sincerely,

*Timothy J. Hogan*

*Michael P. Mahon*

*Jeffrey Rumen*

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President

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