



THE EPISCOPAL DIOCESE OF NORTH CAROLINA

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Date: November 2, 2020

From: The Reverend Canon David F. Sellery

To: Clergy and Lay Leaders

Re: Boy Scouts of America Bankruptcy

Dear Friends:

The Boy Scouts of America (“BSA”) filed a Chapter 11 Bankruptcy Proceeding in the US Bankruptcy Court for the District of Delaware earlier this year. The motivation for the bankruptcy is it provides a structure for dealing with the myriad of sexual abuse claims which have arisen across the country. **The deadline for filing claims in that bankruptcy is NOVEMBER 16, 2020.** More on the claims filing process later.

We are advising churches to check their records to see if the church had any association with scouts any time after 1/1/92. The association doesn’t have to rise to the level of troop sponsor but might be as tenuous as providing space for meetings. The nature of the church’s claim would be for indemnification for any liability the church might have arising out of abuse.

Additionally, BSA has sent to The Episcopal Church (“TEC”) a listing showing all Episcopal churches or other entities that it considered Chartered Organizations (“CO”) as of March 31, 1988. If your church appears on that list, as a CO you may have some liability if a child associated with your scouting program was sexually abused by someone associated with that program. We are advised that the North Carolina statute of limitations for child sex abuse claims is ten years from the date the child attains the age of eighteen. That means that, for planning purposes the period of time we are concerned with is **any time after January 1, 1992.** **If you were a CO during any part of this period, you need to take steps to protect your interest in the BSA bankruptcy.**

COs are entities which are technically independent from BSA; they are not subsidiaries or have any corporate connection to BSA (the entity that is in bankruptcy.) Fortunately, effective in 1984 BSA agreed to provide liability insurance coverage for the CO for any claims arising from the scouting activities. It’s that liability insurance that will likely be the primary source for the claims settlement pool that will be created upon the confirmation of the BSA Plan of

Reorganization. Anyone wanting to be reimbursed from that pool **MUST FILE A PROOF OF CLAIM BY 5:00 PM ON NOVEMBER 16, 2020**. Attached are some “Remarks on BSA Bankruptcy (10/19/2020)” and “Answers to Chartered Organizations (10/22/2020)” that have been prepared by BSA and we commend your review of these. The “Remarks” have some particularly helpful POC preparation and filing information. That claim must be received by the deadline.

If you have already received a claim for child sexual abuse arising out of your scouting program, you should have already reported that to your insurance carrier and you should already have a relationship with a lawyer defending that claim. If that is the case, double check with that lawyer to make sure that he or she knows about the BSA bankruptcy and will file a claim for you.

However, we are not concerned simply about claims already asserted. The statute of limitations may still permit claims to be asserted even though your scouting program was terminated years ago. By way of an illustration of the problem, assume that your scouting program was terminated on December 31, 2005. Further assume that on July 1, 2004, a scout in your program was abused at a weekend camping trip and that the abused scout’s birth date was June 1, 1994. That scout turned 18 on June 1, 2012 and, therefore, has until June 1, 2022 to file a claim. The BSA bankruptcy doesn’t bar the scout from filing his claim against you but it would bar you from seeking indemnification from BSA and its insurer unless you file a “Protective Claim” by November 16, 2020.

Please understand that the Diocese of North Carolina will not file this claim for you.

Whether you were a parish, mission or other entity at the time of the scouting program, you will need to file the proof of claim yourself. To assist you in that process, we are enclosing a generic proof of claim (“POC”) form and an Addendum to Proof of Claim which we have received from the TEC General Counsel which you can attach to the POC. The Generic POC provides some guidance to you in how to complete your POC. A blank POC is also enclosed for you to complete and file. Please read the Addendum and make sure you understand it. To the extent that you need help with any part of this filing, please seek assistance from a local experienced bankruptcy attorney **BUT DO IT ASAP**. The POC may be filed either:

Through the website of the BSA Claims and Noticing Agent at <http://www.omniagentsolutions.com/bsaclaims>; or

By first class mail, overnight courier or hand deliver to:

**Office of the Clerk
U.S. Bankruptcy Court
824 Market Street, 3rd Floor
Wilmington, DE 19801**

Unlike NC Absentee Ballots **the POC must be actually received by 5:00 PM on November 16, 2020**; the postmark date on the mailed envelope has no impact here at all.

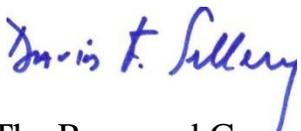
If you were a mission at any point during the “window” that we have, the Diocese will likely file its own POC to cover any liability that the Diocese may have on account of its ownership of the real estate used by you at the time even though it was not a PO or responsible for your operation of the PO and scouting program.

Additional information about the BSA bankruptcy will be available on the Diocesan website at [www/episdionc.org](http://www.episdionc.org).

And, please join us this coming Thursday, **November 5, 8:30 am – 9:30 am** when our Chancellor, Ed Embree and our Bishops will be available to answer any additional questions or concerns.

Here is the zoom link: <https://zoom.us/j/93079432216>.

With prayerful kind regards,



The Reverend Canon David F. Sellery

Enclosures:

Remarks on BSA Bankruptcy
Answers to Chartered Organizations
Generic POC
“Clean” POC
Addendum to POC