

United Methodist Communications  
Office of Public Information

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### **Congregations Encouraged to Vote No on BSA Bankruptcy Plan**

A United Methodist Ad Hoc Committee is encouraging congregations to vote against a proposed Boy Scouts of America (BSA) reorganization plan, following months of negotiations that have failed to yield a settlement thus far. United Methodist local churches that have chartered Scout troops or Cub packs where abuse may have occurred are vulnerable to lawsuits and claims because they are not receiving sufficient protection in the BSA bankruptcy plan.

The BSA filed bankruptcy to address sexual abuse claims against the BSA dating from 1939 to 2020. The Ad Hoc Committee – comprised of eight annual conference chancellors, two lawyers from the General Council on Finance and Administration, two staff members of the General Commission on United Methodist Men, and two bishops – has been providing oversight to legal counsel retained by the Ad Hoc Committee to look out for the interests of all United Methodist congregations that have chartered BSA troops. More than 9,000 United Methodist congregations filed proofs of claim in the BSA bankruptcy case. The proofs of claim give those congregations the opportunity to vote on whether the bankruptcy plan proposed by the BSA should be approved.

The BSA submitted a plan of reorganization in September, which did not include relief for charter organizations – including United Methodist local churches – for the majority of the claims; therefore, congregations which sponsored Scout troops and Cub packs are vulnerable to lawsuits. The Ad Hoc Committee has worked to negotiate a settlement for United Methodist congregations and other chartered organizations and will continue to engage in mediation to hopefully achieve resolution and protection for all chartered organizations.

Voting on the plan began in October, and congregations that received ballots for the vote were advised by the Ad Hoc Committee to wait to take action on the vote as it continued to seek a negotiated settlement.

Regretfully, a settlement has not been reached. Because votes must be received by December 14, 2021, the Ad Hoc Committee has recommended that congregations vote against the plan, with the proviso that if a settlement is reached, the recommendation would then be to support the plan.

The plan is scheduled for review by the bankruptcy court on January 23, 2022. If United Methodists still do not have a settlement by that date, the Ad Hoc Committee will be prepared to present to the court its objections to confirmation of the BSA plan.

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Media contact:  
Diane Degnan [presscenter@umcom.org](mailto:presscenter@umcom.org)  
615.742.5406

Resolution:

"First United Methodist Church of Palo Alto votes **NO** on the BSA Plan of Reorganization because the plan as proposed does not have a release for charter organizations. If prior to the hearing to approve the plan, charter organizations, including United Methodist charter organizations, receive appropriate release from BSA abuse claims relating to scouting activities, First United Methodist Church of Palo Alto reserves the right to change its vote and authorize lawyers representing United Methodists in the BSA bankruptcy to vote in favor of the plan."