

Confirmation of Boy Scouts of America Chapter 11 Plan of Reorganization

Firm News

05.01.2023

In February 2020, the 100-year-old youth organization filed for bankruptcy protection to deal with liability stemming from decades of sexual abuse claims that have been filed against it. Represented by Morris Nichols, as co-counsel with White & Case, the Boy Scouts entered bankruptcy to timely and equitably compensate survivors of sexual abuse and ensure that the Boy Scouts emerge from bankruptcy and continue carrying out its charitable mission.

In February 2022, after many months of litigation, careful negotiation and mediation, the Debtors filed an amended chapter 11 plan, the centerpiece of which was the largest (\$2.7 billion) sexual abuse compensation fund in the history of the United States. Our team assisted the Debtors with this monumental achievement, which was supported by every estate fiduciary, nearly every organized creditor group and over 85% of abuse survivors. Following the filing of this plan, the Bankruptcy Court held a five-week-long confirmation trial, which included testimony from 26 witnesses. On September 8, 2022, the Bankruptcy Court entered an order confirming the Debtors' plan.

In March 2023, the U.S. District Court for the District of Delaware affirmed the plan, and on April 19, 2023, the Chapter 11 plan went into effect after the Court of Appeals for the Third Circuit denied motions to stay the confirmation order pending appeals from certain appellant groups.

Derek Abbott, Andrew Remming, and Paige Topper from Morris Nichols' Business Reorganization & Restructuring group worked on the engagement.

PROFESSIONALS

Derek C. Abbott

Andrew R. Remming

PRACTICE AREAS

Bankruptcy & Restructuring