The Society for Creative Anachronism, Inc. (SCA) has been operating under the burden of a massive and difficult legal battle that has critically drained resources and caused significant ongoing difficulties for the organization. In October 2011, the board of the SCA and its legal counsel were finally able to resolve this issue, but not without significant financial costs.

The Board of Directors and Officers of the SCA continue to make all possible efforts to be as transparent as possible, but since the case related to the heinous sexual abuse of several minors, we naturally have been and continue to be unable to discuss many aspects of the case.

**Background:**

Several years ago, a former SCA member named Ben Schragger was convicted of the sexual abuse of multiple children that he allegedly met through the SCA. He was sentenced and is currently serving a 62-year prison sentence. The Board, of course, permanently revoked his SCA membership.

After an initial civil lawsuit was filed and dismissed in 2007 against the SCA, a second civil lawsuit was filed in 2009 claiming that the SCA should be held liable for Mr. Schragger’s wrongdoing. The lawsuit also asked that the SCA be held liable for allegedly not having effective policies in place at that time to protect these children. Three SCA participants who were local officers during this time were also named as defendants in the lawsuit. The Plaintiffs in the lawsuit demanded Seven Million Dollars ($7,000,000.00) in damages from the SCA. In accordance with Corpora and the Bylaws, the SCA agreed to indemnify the three individual local officers who were named in the lawsuit.

The SCA immediately tendered the lawsuit to its insurance companies and one insurer agreed to cover the SCA’s attorney’s fees incurred in defending the lawsuit. All other insurers refused to cover defense fees or indemnify the SCA in the event of a settlement or judgment.

In 2010, both insurance carriers threatened to file suit in Federal Court. They wanted a Federal Court judge to rule that the insurance policies did not cover the 2009 lawsuit in any way (defense or indemnification). As a protective measure, it was necessary for the SCA to file a pre-emptive lawsuit against both insurance carriers, demanding payment under the policies. In this lawsuit the SCA demanded coverage in California, where the SCA is headquartered. The SCA has been required to pay the attorney representing the SCA in this lawsuit against the insurance carriers. It stands to reason that payment of these fees has left the SCA in a precarious financial position.

In October of 2011, the victims agreed to settle for $1,300,000.00. This settlement was presented for approval to both the SCA’s insurers. The acceptance of this offer provides the SCA, Inc. with the assurance that there will be no further lawsuits brought by the victims of Ben Schragger and thus brings to a close the financial and legal risk to the Kingdoms, officers, and the SCA as a result of the lawsuit. One insurance carrier agreed to pay $450,000 of the settlement amount. The other insurance carrier has refused to contribute to the settlement.
Therefore, the SCA has been forced to pay the remainder of this settlement, $850,000. This brings the total cost to the SCA for both the settlement and the related legal fees to over $1M.

The SCA is continuing its lawsuit against the insurance carrier that refused to contribute to the settlement and is seeking repayment of the full $850,000.

**Current Status:**

To meet the terms of the settlement, and cease any further litigation against the SCA, its Kingdoms, and their officers with respect to Mr. Schragger’s abuse, the SCA is now forced to pay $850,000 for the settlement within a short timeframe. The SCA is continuing its suit against the non-paying insurance carrier, which has a trial date set of May, 2012.

The SCA corporate office simply does not have this much in cash, assets or cashable dollars. While the corporate office of the SCA has managed the burden of our shared liability to date, it has been the entirety of Society for Creative Anachronism, Inc. that has been liable for damages under this lawsuit. In order to meet the terms of the settlement without financially crippling the SCA, its subsidiaries or any single branch, it has thus become absolutely necessary that each Kingdom located in whole or in part in the United States, both Pennsic and Gulf Wars, and the subordinate Corporate level checking accounts contribute an equal percentage of their separate total cash assets to the settlement and associated legal fees. The other wars will contribute as part of the Kingdom through which they report.

The SCA’s financial advisors have conducted extensive financial evaluations, and have determined that our mutual obligations to settle these liabilities will require 18% of each of those applicable accounts be contributed to the settlement. This 18% contribution by the account holders listed above will finally resolve the current financial issues and mutual liabilities we are all facing. By sharing the burden of our obligations equally, we can avoid any significant or unfair burdens to any one of our individual groups while protecting the integrity of the SCA as a whole, our shared Society, and our mutual “dream.”

Should the ongoing lawsuit against the insurance carrier prove successful, the funds that were provided by account holders described above, would naturally be returned to each on a pro rata basis of the recovered amount, once legal fees are settled. Though there are no guarantees that this will happen or when it will happen, the Board is committed to pursue recovery of those contributions.

The relevant Kingdom officials will be contacted shortly to discuss the contribution formula and the amount each account holder (as stated above) will have to contribute to settle our mutual legal obligations.

We recognize you will naturally have many questions, and we ask that these be addressed to the appropriate Kingdom Ombudsman, who will endeavor to respond as soon as possible. While we
are committed to get back to you as quickly as possible, we do ask for some patience and understanding as this process is extremely difficult. In addition, we have held a series of conference calls with the reigning monarchs, seneschals and exchequers of all Kingdoms to more fully explain the issue and address their concerns, all of whom are also available to address questions.

The Board of Directors, Corporate officers and Society officers are doing everything possible to resolve this issue to the best outcome possible. Your understanding and support of our mutual responsibilities are deeply and fervently appreciated as we move forward.

Yours in Service,

The Board of Directors
Leslie Vaughan, Chairman | Baronessa Isabeau della Farfalla (OP)
Mark Faulcon, Vice Chairman | Duke Martin Lochner (KSCA, OP)
John Fulton, Director | Duke John the Bearkiller (KSCA, OP)
Denise Hundley, Director | Countess Denise Duvalier (OP)
Tim Jennings, Director | Garraed Galbraith (OL)
Lisa May, Director | Countess Margaret ni Conner (OP)
Kim McAuley, Director | Viscountess Kaelyn mac Dermott (OP)
Max Nelson, Director-Elect | Baron Maximilian Von Halstern

The Senior Corporate Officers
Thomas W. Hughes, President | Baron Master Sean o'Shaughnessy
Kimberly Harvey, Vice-President for Operations (Society Seneschal) | Countess Kenna Harve (OP)
Renee Signorotti, Vice-President for Corporate Operations
Mazelle Attiya, Treasurer | Maitresse Alysia Gabrielle de Fougeres (OL, OP)
Dori Andrepont, Publications Manager | Baroness Doria Tecla (OP)