UNITED STATES DISTRICT COURT EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

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UNITED STATES OF AMERICA, Plaintiff

Case No. 16-CR-20810-04

v.

TAKATA CORPORATION, Defendant.

Honorable George Caram Steeh

FOURTEENTH STATUS REPORT OF THE SPECIAL MASTER

1. Eric D. Green, the court-appointed Special Master for the custody, administration and distribution of the Takata Airbag Restitution Funds, hereby respectfully submits his Fourteenth Status Report pursuant to paragraph 4 of this Court's Appointment Order (the "Status Report").¹ The Status Report provides an overview of the Special Master's work from September 20, 2019 through November 19, 2019 (the "Reporting Period") and anticipated future efforts. The Special Master is presently on schedule regarding the processing of Claims and distribution of the restitution funds available to eligible Claimants who have filed Claims with the Individual Restitution Fund (the "IRF").

¹ Capitalized terms used but not defined herein shall have the meanings ascribed to them in the *Thirteenth Status Report of the Special Master*, dated September 20, 2019 [Doc. 114].

I. <u>ACTIVITIES IN THE REPORTING PERIOD.</u>

A. <u>CURRENT CLAIMS PAYMENT PROCESS</u>.

2. On October 3, 2019, this Court entered an order granting the Special Master's Supplemental Request for Approval of First Distribution of Individual Restitution Fund (the "Supplemental Request Order") (Dkt. No. 116). As described in the Supplemental Request Order, the value of a point was set at \$71.01 and a total amount of \$10,890,945.72 of the Individual Restitution Fund was allocated to be distributed to the Current Claimants. A list of those Current Claimants was provided to the Court in connection with the Special Master's Supplemental Request for Approval of First Distribution of Individual Restitution Fund (the "Supplemental Request") (Dkt. No. 113).

3. As the Court is aware, there are two conditions that must be met for Current Claimants with Claims deemed eligible for payment by the Supplemental Request Order to receive payment from the IRF. First, all Current Claimants must execute and submit to the Special Master the Court-approved release agreement (a "Release"). Additionally, if any Current Claimant was represented by counsel, such counsel must execute and submit to the Special Master a fee rider (a "Fee Rider") acknowledging and agreeing to abide by the restriction on attorney's fees set forth in the IRF Methodology Order. (ECF No. 78, PageID 2219). 4. As of the date of this filing, the Special Master has received Releases and Fee Riders from 67 IRF claimants. Additionally, so that the Court is aware, the Special Master, as Trustee of the Takata Airbag Tort Compensation Trust Fund (the "TATCTF"), has also received Releases from 62 TATCTF claimants in respect of their TATCTF Claims.

5. Pursuant to the above, thus far, the Special Master has distributed funds to 63 Current Claimants. The Special Master distributes payments to Current Claimants who have submitted Releases and Fee Riders, as applicable, on a weekly basis. The current IRF distributed payment total is \$6,947,401.06. For the Court's information, \$3,655,329.12 has been distributed out of the TATCTF during the Reporting Period. Out of the Current Claimants approved under the Supplemental Request Order, 27 remain to be paid out of the IRF.

B. EVALUATING FUTURE CLAIMS FOR COMPENSATION FROM THE INDIVIDUAL RESTITUTION FUND AND THE TATCTF.

6. The Special Master has now received 160 "Future Claims," *i.e.*, claims filed after August 31, 2018 or arising out of an accident after April 10, 2018. The Future Claims population breaks down as follows:

- 52 assert IRF, Trust, and POEM Claims;
- 81 assert IRF and Trust Claims;
- 15 assert solely an IRF Claim;

- 2 assert solely a Trust Claim;
- 1 asserts solely a POEM Claim;
- 1 asserts IRF and POEM Claims;
- 0 assert Trust and POEM Claims; and
- 8 fail to assert any claim type.

7. The Special Master and his professionals are reviewing and evaluating these Future Claims. In most instances, the Special Master has sent notices to Claimants regarding any existing deficiencies with Future Claims. Claimants will then have an opportunity to cure the named deficiencies as part of the claims evaluation process. The Special Master is also currently reviewing responses that have been received and will soon be able to notify Future Claimants as to their eligibility.

8. Of the 160 Future Claims received by the Special Master: (i) 27 have been deemed compensable and approved by the Special Master, (ii) 7 have been deemed potentially compensable and are awaiting review by the Special Master, (iii) 10 are under review for compensability, (iv) 49 were deemed deficient, and (v) 67 were deemed ineligible.

9. As part of the claims handling process, the Special Master is also working with a lien resolution consultant to negotiate the handling of Medicare and Medicaid liens on individual awards for Current and Future Claims, and to facilitate the resolution of other, non-governmental liens. This effort will be synchronized with the other steps in the claims resolution process to ensure that all liens are handled properly and each Claimant knows the net amount of the Claimant's award.

II. <u>GOING FORWARD EFFORTS</u>.

10. The Special Master and his team will continue to receive claims for compensation from the IRF and TATCTF, and will continue the process of reviewing, evaluating, and distributing funds on account of claims. The Special Master and his team will also continue to evaluate the claims data and recall completion rate data in connection with any future point-value evaluations. The Special Master and his claims evaluation team are committed to completing its initial evaluation of Future Claims (as they become pending Claims) within thirty (30) days of receipt.

CONCLUSION

11. The Special Master will continue to perform his responsibilities and duties consistent with the Appointment Order and all other directives of this Court.

Case 2:16-cr-20810-GCS-EAS ECF No. 118 filed 11/19/19 PageID.3123 Page 6 of 6

Dated: November 19, 2019

Respectfully submitted,

Eric D. Green, as Special Master of the Takata Restitution Funds