

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

| | | |
|---------------------------|---|------------------------------|
| UNITED STATES OF AMERICA, |) | |
| Plaintiff |) | Case No. 16-CR-20810-04 |
| v. |) | Honorable George Caram Steeh |
| TAKATA CORPORATION, |) | |
| Defendant. |) | |

**SPECIAL MASTER’S REQUEST FOR APPROVAL
OF FIRST DISTRIBUTION OF INDIVIDUAL RESTITUTION FUND**

Eric D. Green, as Special Master of the Takata Restitution Funds, respectfully submits this request (the “Request”) for this Court’s approval of the first distribution from the Individual Restitution Fund (defined below) and respectfully represents as follows:

BACKGROUND

I. Creation Of The Takata Restitution Funds And Appointment Of The Special Master.

On February 27, 2017, the United States Department of Justice and Takata Corporation (“Takata”) filed the *Rule 11 Plea Agreement* [Doc. 23] (the “Plea Agreement”) to resolve criminal charges brought by the government against Takata in connection with Takata’s design, manufacturing, testing, sale and distribution of automobile airbag inflators. The Plea Agreement, which was accepted by this Court, provides, *inter alia*, for the appointment of a Special

Master to oversee the distribution of \$975 million in restitution (the “Restitution Funds”) that Takata agreed to pay to designated claimants, including auto manufacturers (the “OEMs”) and individuals with personal injuries.¹ This proposed first distribution addresses only the restitution to individuals under the Individual Restitution Fund (defined below).

Contemporaneously with the acceptance of the Plea Agreement, the Court entered the *Restitution Order* [Doc. 24] (the “Restitution Order”) requiring Takata to, among other things, pay \$125 million in restitution to individuals who suffered (or will suffer) personal injury caused by the malfunction of a Takata airbag inflator, and who have not already resolved their claims against Takata (the “Individual Restitution Fund” or “IRF”).

Pursuant to the Plea Agreement, on July 31, 2017, the Court entered an order appointing Eric D. Green as Special Master of the Takata Restitution Funds (the “Appointment Order”) [Doc. 40] to administer the Individual Restitution Fund (as well as the OEM Restitution Fund). Pursuant to paragraph 2 of the Appointment Order, the Special Master’s responsibilities include, *inter alia*, establishing

¹ The Restitution Order requires, *inter alia*, Takata to pay \$850 million in restitution to the OEMs in connection with their purchase of Takata airbags inflators (the “OEM Restitution Fund”). The Special Master previously submitted the proposed allocation of the OEM Restitution Fund and requested Court approval of the proposed notice program [Doc. 49]. The Court entered the order approving the proposed notice program to distribute notice regarding the OEM Restitution Fund on November 28, 2017 [Doc. 50], and the distribution of the \$850 million in restitution to the OEMs has been completed in accordance with the Court’s orders [Docs. 81, 90, 100, 105].

procedures, subject to Court approval, to determine eligible claimants and the amount of loss eligible for compensation, developing a formula or formulas, subject to Court approval, for distributing funds to eligible claimants, making determinations regarding allowed claims, and making a recommendation to the Court regarding allocation of funds from the Individual Restitution Fund.

II. Current Claim Procedures.

As detailed below, the Special Master has been working with his economist, NERA Economic Consulting (“NERA”), and his claims administrator, Epiq Systems, Inc., as successor-in-interest to Garden City Group (“Epiq” or the “Claims Administrator”), to fulfill his duties under the Restitution and Appointment Orders to administer the Individual Restitution Fund. As a result of these efforts, the Special Master now submits the final proposed monetary awards and denials for Current Claims (as defined below) to the Court for its review and approval.

A. The Revised IRF Methodology.

On March 21, 2018, the Court entered an order approving the Special Master’s proposed approach to distributing the funds in the IRF (the “Revised IRF Methodology”).² The Revised IRF Methodology sets forth the requirements for

² *Order Granting Special Master’s Request for Approval of the Revised Individual Restitution Fund Methodology (Doc. 77) and Overruling Defendant’s Objection [Doc. 78] (the “IRF Methodology Order”).*

qualifying as an Eligible Claimant³ and divides eligible claims into two categories:

- (i) “Current Claims” filed with the Special Master by August 31, 2018; and
- (ii) “Future Claims” filed after August 31, 2018. Under the Revised IRF Methodology, a portion of the IRF is allocated to Current Claims and the balance is reserved for Future Claims based on estimations of Current and Future Claims conducted by NERA.

Given that the estimated value of all anticipated Current and Future Claims far exceeds the \$125 million in the Individual Restitution Fund, the Special Master decided to utilize a relative valuation approach to determine awards to Eligible Claimants. Under this approach, points are assigned to claims based on injury categories in an injury valuation matrix and certain other factors, and then the points assigned to each claim are converted to a monetary award based on the number and value of allowed claims and the funds available.

Future Claims will be valued and paid similar to Current Claims. In the event that there are fewer Future Claims than estimated, unused funds will be distributed to all eligible claimants on a proportional basis.

³ “Eligible Claimant” means an individual (1) who has suffered personal injury or death caused by the rupture or aggressive deployment of a Takata phase-stabilized ammonium nitrate (PSAN) airbag inflator (the “PSAN Airbag Inflator Malfunction”; (2) who was at the time the PSAN Airbag Inflator Malfunction occurred (a) in a vehicle located or registered in the United States, its territories or its possessions, or (b) a U.S. citizen or permanent resident (wherever the PSAN Airbag Inflator Malfunction occurred); and (3) who has not already resolved his or her claim against Takata Corporation and/or any of its affiliates.

B. The Claim Forms And Notice Program.

On May 29, 2018, the Special Master obtained Court approval of the following in connection with the IRF: (i) the Notice Program; (ii) the Personal Injury Claim Form; (iii) the Wrongful Death Claim Form; (iv) the lists of required supporting documentation; (v) the Notice of Claim Form, which enables claimants to timely file but defer consideration of their claim; and (vi) the HIPAA Release.⁴

The next day, May 30, 2018, the Special Master launched the targeted Notice Program for the IRF, including direct notification through mail and email, indirect notice through international publication and a press release, and various types of online media. With respect to the direct notification, the Claims Administrator mailed a claim package consisting of a direct notice, claim forms, supporting documentation checklists, and a notice of claim. This targeted notice supplemented the notice program in the U.S. Bankruptcy Proceedings, which was designed to reach approximately 83 million past and present registered owners of a vehicle containing a Takata PSAN Inflator.

⁴ *Order Granting Special Master's Request for Approval of Individual Restitution Fund Claim Forms, Notice Program, and Extension of Current Claims Filing Deadline*, dated May 29, 2018 [Doc. 94].

C. The Initial Evaluation Of Current Claims.

In conjunction with the launch of the Notice Program, the Special Master launched the claims processing program for the IRF, with the claims submission website going live on May 30, 2018.

The Special Master received 256 IRF claims by the August 31, 2018 deadline for filing as a Current Claim. The Special Master and his team of professionals reviewed and evaluated all Current Claims for eligibility and compensability under the Revised IRF Methodology.

First, Epiq reviewed each claim: (i) for facial deficiencies, such as a missing signature, lack of basic documentation, or failure to supply required information; and (ii) for more substantive deficiencies, such as failure to supply evidence of a rupture or aggressive deployment. If deficiencies were identified by Epiq, then deficiency notices were sent out to those claimants, or their attorneys, identifying the deficiencies and requesting supplementation within a 90-day cure period.

Once a claim was deemed complete, it was evaluated and scored by staff at Epiq, reviewed by senior management at Epiq according to criteria developed and specified by the Special Master, and then sent to the Special Master for final review and determination.

Ultimately, of the 256 Current Claims, the Special Master and his team determined that 102 of these Claims are eligible for compensation and 154 are ineligible for compensation.

With respect to the ineligible claims, these Claims are ineligible for the following reasons: (1) 86 of the Claims remain deficient following the expiration of the deadline to cure deficiencies (February 13, 2019); (2) 22 of the Claims allege a non-deployment of the airbag, which is not compensable under the IRF; and (3) for 46 of the Claims, a Takata airbag was not installed in the subject vehicle.

For each of the 102 eligible Current Claims, the Special Master, with the assistance of his professionals, finalized the point awards following both an initial evaluation and additional review sessions to ensure that each eligible Current Claim was treated fairly and equitably as compared to similar eligible injury claims.

D. Notice Of Award Or Denial.

On May 3, 2019, the Special Master sent award letters to eligible Claimants notifying them of their proposed point award for their Current Claims. These letters included the number of points that such Claimant had been awarded, as well as the likely dollar range for the value of the Current Claim, based upon the likely value of a point. That same day, the Special Master also sent denial letters to

ineligible Claimants and deficient Claimants, notifying the Claimants of the basis of the determination that their claims are not compensable.

E. Appeal Process.

Upon receipt of the award or denial letter, Claimants were provided the opportunity to appeal the Special Master's determination through the internal appeals process set forth in the Revised IRF Methodology. Claimants could initiate an appeal by filing a Notice of Appeal with the Special Master within 30 days of receipt of the determination letter. The Special Master received: (i) 53 Notices of Appeal solely of a determination of ineligibility; and (ii) 74 Notices of Appeal solely of the amount of an award, one of which was subsequently withdrawn by the claimant.

As directed in the Revised IRF Methodology, independent third-party Review Officers then re-examined the 127 claims for which Notices of Appeal were filed and made a recommendation to the Special Master as to each Current Claim that they reviewed. The Special Master then considered each of the recommendations of the Review Officers, and, as applicable and in his discretion, confirmed or revised the Claimant's eligibility determination or award.

F. Revised Estimation Of Current And Future Claims.

The Special Master and NERA have prepared a revised estimation of total claims expected over the lifetime of the IRF in order to ensure that a sufficient

portion of the limited IRF is preserved to treat Future Claimants fairly and consistently with Current Claimants.

NERA worked closely with Epiq and the Special Master's staff at Resolutions, LLC to analyze and compare Current Claims data against the projections contained in the Revised IRF Methodology. NERA determined that the Current Claims data closely aligns with NERA's initial estimation. Based on NERA's revised estimation, the Special Master has determined that 92% of the IRF should be reserved for Future Claims, leaving 8% available to compensate eligible Current Claims.

FIRST DISTRIBUTION

I. Total Amount To Be Distributed To Current Claims.

The Special Master oversees an account at Wilmington Trust, National Association that contains the funds constituting the IRF for eventual distribution to claimants with eligible Current and Future Claims. As of July 1, 2019, the balance of the IRF is \$126,991,270.⁵ Based on NERA's revised estimation, the Special Master has determined that 92% of the IRF should be reserved for Future Claims, leaving 8% available to compensate eligible Current Claims.

⁵ The almost \$2 million increase from the initial \$125 million was principally the result of the Special Master's investment program for the IRF. *See* Appointment Order ¶ 2(2)(c). In addition, \$47,449.39 was transferred from the OEM Restitution Fund to the IRF. *See Order Approving Special Master's Request for Final Approval of Distribution of South East Fujian Motor Co., Ltd.'s Unclaimed Funds to the Individual Restitution Fund*, dated Dec. 3, 2018 [Doc. 105].

Accordingly, the Special Master recommends that \$9,769,555.31 be distributed to Current Claimants in the First Distribution.⁶

II. Allocation Among Current Claims.

In accordance with the Court-approved Revised IRF Methodology, the Special Master has evaluated each Current Claim, determined whether it is eligible for compensation from the IRF, and, if eligible, assigned a point value. In total, after all internal reviews and appeals, 151,847 points were awarded for Current Claims. As a result, the proposed value of a point is \$64.34.⁷

Attached hereto as **Exhibit A** is a list of all Current Claims determined to be eligible for compensation, the points awarded to each Claim, and the corresponding monetary value of each point award, based on the proposed dollar value of a point. Attached hereto as **Exhibit B** is a list of all Current Claims determined to be ineligible for compensation. The names of the claimants are removed in order to protect each Current Claimant's personal information.

The Special Master recommends that the Court approve the Current Claimants listed on Exhibit A as Eligible Claimants and the distribution of the

⁶ To calculate the allocation between Current and Future Claimants, NERA discounted the value of the IRF's current assets to account for, among other things, future inflation. Thus, the funds available for distribution to Current Claimants does not equal 8% of the IRF's account balance as of July 1, 2019.

⁷ The value of a point remains subject to change based on, among other things, estimates of future claims, which are driven primarily by OEM recall completion rates and incidents of inflator ruptures, as well as actual investment results. The Special Master is receiving data on a rolling basis and, if the updated information results in a change in the value of a point, the Special Master will seek Court-approval of the revised value.

monetary awards listed on Exhibit A to these Claimants. The Special Master further recommends that the Court approve the denial of the Current Claims listed on Exhibit B.

III. Releases.

The Court previously approved conditioning payment from the IRF on the execution and submission of a release to the Special Master. *See* IRF Methodology Order. In addition, the Court ordered that attorney's fees for Current Claims may not exceed one-third of an award, except for good cause shown as to why the permissible attorney's fees portion of an award should be upwardly adjusted. *See id.* The Special Master recommends requiring that, as a condition for payment from the IRF to any individual represented by counsel, counsel must execute a rider to the release acknowledging and agreeing to abide by the restriction on attorney's fees set forth in the IRF Methodology Order.

IV. Notice And Objections.

Pursuant to the procedures set forth in the *Minutes of July 25, 2019 Conference with Special Master* [Doc. 110] (attached hereto as **Exhibit C**), the Special Master will notify Current Claimants: (i) of their point award and the monetary value of the award (if any); (ii) of the filing of this Request; and (iii) that they may object to the Request by submitting a written response to the Special Master on or before August 30, 2019. Shortly following the objection deadline,

the Special Master will confer with the Court to review the Current Claim dispositions and any submitted objections. Following that meeting, the Special Master will request that the Court enter an order approving the Request.

CONCLUSION

WHEREFORE, the Special Master requests that the Court enter an order substantially in the form attached hereto as **Exhibit D** approving: (a) the value of a point; (b) the allocation of the Individual Restitution Fund between Current Claims and Future Claims; (c) the distribution to Current Claimants as set forth on **Exhibit A** hereto; (d) the determination that the claims of the Current Claimants set forth on **Exhibit B** are ineligible for compensation from the Individual Restitution Fund; and (e) conditioning payment from the IRF to individuals represented by counsel on execution of a rider by counsel acknowledging and agreeing to abide by the restriction on attorney's fees set forth in the IRF Methodology Order.

Dated: August 6, 2019

A handwritten signature in black ink, appearing to read 'E. D. Green', is written over a horizontal line.

Eric D. Green, Special Master

EXHIBIT A

| | Claim No. | Points Awarded | Monetary Award¹ |
|-----|------------------|-----------------------|-----------------------------------|
| 1. | 10000251 | 1,500 | \$96,510.00 |
| 2. | 10000568 | 1,250 | \$80,425.00 |
| 3. | 47 | 600 | \$38,604.00 |
| 4. | 10000381 | 6,000 | \$386,040.00 |
| 5. | 10000554 | 7,000 | \$450,380.00 |
| 6. | 28 | 8,000 | \$514,720.00 |
| 7. | 35 | 4,000 | \$257,360.00 |
| 8. | 10000216 | 4,000 | \$257,360.00 |
| 9. | 25 | 8,000 | \$514,720.00 |
| 10. | 26 | 8,000 | \$514,720.00 |
| 11. | 27 | 6,000 | \$386,040.00 |
| 12. | 10000058 | 9,450 | \$608,013.00 |
| 13. | 29 | 8,000 | \$514,720.00 |
| 14. | 23 | 5,150 | \$331,351.00 |
| 15. | 10000358 | 6,500 | \$418,210.00 |
| 16. | 14 | 1,000 | \$64,340.00 |
| 17. | 44 | 350 | \$22,519.00 |
| 18. | 10000525 | 350 | \$22,519.00 |
| 19. | 10000118 | 350 | \$22,519.00 |
| 20. | 58 | 350 | \$22,519.00 |
| 21. | 10000513 | 100 | \$6,434.00 |
| 22. | 10000369 | 350 | \$22,519.00 |
| 23. | 15 | 350 | \$22,519.00 |
| 24. | 71 | 350 | \$22,519.00 |
| 25. | 10000336 | 350 | \$22,519.00 |
| 26. | 10000440 | 1,000 | \$64,340.00 |
| 27. | 10000561 | 350 | \$22,519.00 |
| 28. | 10000391 | 350 | \$22,519.00 |
| 29. | 10000252 | 1,250 | \$80,425.00 |
| 30. | 45 | 350 | \$22,519.00 |
| 31. | 12 | 350 | \$22,519.00 |
| 32. | 59 | 350 | \$22,519.00 |
| 33. | 49 | 100 | \$6,434.00 |
| 34. | 50 | 150 | \$9,651.00 |
| 35. | 131 | 1,000 | \$64,340.00 |
| 36. | 10000407 | 1,000 | \$64,340.00 |

¹ Calculated at \$64.34 per point.

| | Claim No. | Points Awarded | Monetary Award¹ |
|-----|------------------|-----------------------|-----------------------------------|
| 37. | 10000562 | 1,000 | \$64,340.00 |
| 38. | 1000622 | 1,000 | \$64,340.00 |
| 39. | 10000536 | 1,000 | \$64,340.00 |
| 40. | 10000462 | 350 | \$22,519.00 |
| 41. | 10000499 | 1,000 | \$64,340.00 |
| 42. | 46 | 100 | \$6,434.00 |
| 43. | 52 | 525 | \$33,778.50 |
| 44. | 10000460 | 10 | \$643.40 |
| 45. | 10000468 | 10 | \$643.40 |
| 46. | 51 | 10 | \$643.40 |
| 47. | 10000533 | 2,500 | \$160,850.00 |
| 48. | 11 | 250 | \$16,085.00 |
| 49. | 10000378 | 375 | \$24,127.50 |
| 50. | 10000495 | 10 | \$643.40 |
| 51. | 75 | 150 | \$9,651.00 |
| 52. | 10000039 | 100 | \$6,434.00 |
| 53. | 10000410 | 600 | \$38,604.00 |
| 54. | 20 | 1,500 | \$96,510.00 |
| 55. | 34 | 400 | \$25,736.00 |
| 56. | 32 | 1,000 | \$64,340.00 |
| 57. | 64 | 500 | \$32,170.00 |
| 58. | 83 | 500 | \$32,170.00 |
| 59. | 10000467 | 500 | \$32,170.00 |
| 60. | 89 | 500 | \$32,170.00 |
| 61. | 80 | 2,850 | \$183,369.00 |
| 62. | 36 | 2,500 | \$160,850.00 |
| 63. | 37 | 2,725 | \$175,326.50 |
| 64. | 10000541 | 2,500 | \$160,850.00 |
| 65. | 92 | 2,725 | \$175,326.50 |
| 66. | 24 | 2,250 | \$144,765.00 |
| 67. | 10000415 | 2,725 | \$175,326.50 |
| 68. | 10000414 | 3,000 | \$193,020.00 |
| 69. | 76 | 2,400 | \$154,416.00 |
| 70. | 10000067 | 1,600 | \$102,944.00 |
| 71. | 10000469 | 1,600 | \$102,944.00 |
| 72. | 73 | 2,000 | \$128,680.00 |
| 73. | 10000484 | 2,400 | \$154,416.00 |
| 74. | 10000313 | 1,600 | \$102,944.00 |

| | Claim No. | Points Awarded | Monetary Award¹ |
|------|------------------|-----------------------|-----------------------------------|
| 75. | 10000492 | 1,600 | \$102,944.00 |
| 76. | 22 | 525 | \$33,778.50 |
| 77. | 10000402 | 100 | \$6,434.00 |
| 78. | 10000372 | 100 | \$6,434.00 |
| 79. | 10000321 | 100 | \$6,434.00 |
| 80. | 21 | 100 | \$6,434.00 |
| 81. | 70 | 100 | \$6,434.00 |
| 82. | 10000441 | 100 | \$6,434.00 |
| 83. | 10000318 | 375 | \$24,127.50 |
| 84. | 10000376 | 100 | \$6,434.00 |
| 85. | 10000408 | 100 | \$6,434.00 |
| 86. | 10000558 | 100 | \$6,434.00 |
| 87. | 18 | 375 | \$24,127.50 |
| 88. | 48 | 100 | \$6,434.00 |
| 89. | 87 | 375 | \$24,127.50 |
| 90. | 43 | 20 | \$1,286.80 |
| 91. | 84 | 375 | \$24,127.50 |
| 92. | 10000404 | 275 | \$17,693.50 |
| 93. | 10000405 | 100 | \$6,434.00 |
| 94. | 10000517 | 100 | \$6,434.00 |
| 95. | 10000368 | 100 | \$6,434.00 |
| 96. | 10000426 | 375 | \$24,127.50 |
| 97. | 10000406 | 100 | \$6,434.00 |
| 98. | 10000553 | 412 | \$26,508.08 |
| 99. | 60 | 275 | \$17,693.50 |
| 100. | 10000108 | 3,750 | \$241,275.00 |
| 101. | 10000139 | 1,125 | \$72,382.50 |
| 102. | 55 | 225 | \$14,476.50 |

EXHIBIT B

| | Claim No. |
|-----|-----------|
| 1. | 88 |
| 2. | 10000552 |
| 3. | 10000505 |
| 4. | 10000560 |
| 5. | 10000566 |
| 6. | 10000574 |
| 7. | 10000509 |
| 8. | 10000519 |
| 9. | 10000520 |
| 10. | 10000521 |
| 11. | 10000522 |
| 12. | 10000524 |
| 13. | 10000526 |
| 14. | 10000527 |
| 15. | 10000531 |
| 16. | 10000539 |
| 17. | 100 |
| 18. | 101 |
| 19. | 81 |
| 20. | 10000201 |
| 21. | 10000449 |
| 22. | 10000489 |
| 23. | 10000482 |
| 24. | 10000498 |
| 25. | 10000472 |
| 26. | 10000191 |
| 27. | 10000214 |
| 28. | 10000156 |
| 29. | 10000263 |
| 30. | 10000096 |
| 31. | 10000540 |
| 32. | 10000542 |
| 33. | 10000544 |
| 34. | 10000547 |
| 35. | 10000548 |
| 36. | 10000534 |
| 37. | 10000511 |
| 38. | 10000514 |

| | Claim No. |
|-----|-----------|
| 39. | 10000515 |
| 40. | 10000506 |
| 41. | 10000502 |
| 42. | 10000529 |
| 43. | 10000516 |
| 44. | 10000518 |
| 45. | 10000528 |
| 46. | 72 |
| 47. | 10000473 |
| 48. | 10000465 |
| 49. | 10000491 |
| 50. | 10000480 |
| 51. | 10000451 |
| 52. | 10000456 |
| 53. | 10000228 |
| 54. | 10000349 |
| 55. | 10000508 |
| 56. | 10000507 |
| 57. | 10000170 |
| 58. | 10000450 |
| 59. | 10000443 |
| 60. | 10000431 |
| 61. | 78 |
| 62. | 10000085 |
| 63. | 10000500 |
| 64. | 10000323 |
| 65. | 10000138 |
| 66. | 10000445 |
| 67. | 10000150 |
| 68. | 56 |
| 69. | 57 |
| 70. | 61 |
| 71. | 63 |
| 72. | 10000474 |
| 73. | 10000494 |
| 74. | 10000131 |
| 75. | 10000463 |
| 76. | 10000488 |

| | Claim No. |
|------|-----------|
| 77. | 10000226 |
| 78. | 10000274 |
| 79. | 10000485 |
| 80. | 10000090 |
| 81. | 10000478 |
| 82. | 10000047 |
| 83. | 10000373 |
| 84. | 10000328 |
| 85. | 10000322 |
| 86. | 10000069 |
| 87. | 10000046 |
| 88. | 10000051 |
| 89. | 10000446 |
| 90. | 10000444 |
| 91. | 10000112 |
| 92. | 10000104 |
| 93. | 41 |
| 94. | 10000442 |
| 95. | 10000419 |
| 96. | 10000333 |
| 97. | 10000182 |
| 98. | 10000436 |
| 99. | 10000059 |
| 100. | 10000427 |
| 101. | 10000360 |
| 102. | 10000362 |
| 103. | 10000188 |
| 104. | 10000310 |
| 105. | 10000420 |
| 106. | 10000424 |
| 107. | 10000200 |
| 108. | 31 |
| 109. | 10000417 |
| 110. | 10000413 |
| 111. | 10000403 |
| 112. | 10000178 |
| 113. | 10000375 |
| 114. | 10000371 |

| | Claim No. |
|------|-----------|
| 115. | 13 |
| 116. | 10000116 |
| 117. | 10000083 |
| 118. | 10000338 |
| 119. | 10000332 |
| 120. | 10000217 |
| 121. | 10000098 |
| 122. | 10000213 |
| 123. | 10000181 |
| 124. | 10000196 |
| 125. | 10000153 |
| 126. | 10000148 |
| 127. | 10000144 |
| 128. | 10000267 |
| 129. | 10000133 |
| 130. | 10000174 |
| 131. | 5 |
| 132. | 10000285 |
| 133. | 10000290 |
| 134. | 10000045 |
| 135. | 10000140 |
| 136. | 10000099 |
| 137. | 10000243 |
| 138. | 10000293 |
| 139. | 10000077 |
| 140. | 10000259 |
| 141. | 10000121 |
| 142. | 1000112 |
| 143. | 10000065 |
| 144. | 10000154 |
| 145. | 10000061 |
| 146. | 10000068 |
| 147. | 10000111 |
| 148. | 10000175 |
| 149. | 10000171 |
| 150. | 10000100 |
| 151. | 10000063 |
| 152. | 10000052 |

| | Claim No. |
|------|-----------|
| 153. | 10000056 |
| 154. | 10000071 |

EXHIBIT C

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

| | | |
|---------------------------|---|------------------------------|
| _____ |) | |
| UNITED STATES OF AMERICA, |) | |
| Plaintiff |) | Case No. 16-CR-20810-04 |
| |) | |
| v. |) | Honorable George Caram Steeh |
| |) | |
| TAKATA CORPORATION, |) | |
| Defendant. |) | |
| _____ |) | |

MINUTES OF JULY 25, 2019 CONFERENCE WITH SPECIAL MASTER

On July 25, 2019, Special Master Eric D. Green conferred with the Court to discuss the substantial progress made in evaluating Current Claims. The Special Master reported that he and his team of professionals have nearly completed the Current Claims evaluation process, including the initial evaluation of each Current Claim, provision of notice of initial determinations and the opportunity to appeal, the re-examination of claims on appeal by the Review Officers, and the Special Master’s consideration of the recommendations of the Review Officers, all in accordance with the revised IRF Methodology approved by the Court on March 21, 2018 (Doc. 78). The Court and the Special Master then discussed the process for obtaining court approval of Current Claim dispositions and the final dollar value of a point. After conferring with the Special Master, the Court considered and approved the following procedure and timeline:

1. In early August, 2019, the Special Master intends to file a motion with the Court seeking approval of all Current Claim dispositions, the dollar value of a point, and the form of release¹ to be executed by the claimant and submitted to the Special Master in order for the claimant to receive his or her allocated distribution (the “Motion”). The Motion will include a list of the awards to be given by claim number and claimant name; provided, however, that the claimant name shall be redacted to preserve confidentiality.

2. After filing the Motion, the Special Master will notify Current Claimants of their point award and the monetary value of the award (if any), which is subject to court-approval. Current Claimants also will be notified that they may object to the Motion by submitting a written response to the Special Master on or before August 30, 2019.

3. Shortly following the objection deadline, the Special Master will confer with Judge Steeh to review the Current Claim dispositions and any submitted objections.

4. Following that meeting, the Special Master will request that the Court enter an order approving the Motion as initially submitted or

¹ The Court previously approved conditioning payment on submitting a release and the content of the release as part of the IRF Methodology.

amended by the Special Master. Following approval by the Court, the Special Master shall commence the distribution process to eligible Claimants.

Dated: July 29, 2019

s/George Caram Steeh
GEORGE CARAM STEEH
UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

Copies of this Order were served upon attorneys of record on July 29, 2019, by electronic and/or ordinary mail.

s/Marcia Beauchemin
Deputy Clerk

EXHIBIT D

**UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

| | | |
|---------------------------|---|------------------------------|
| | | |
| UNITED STATES OF AMERICA, |) | |
| Plaintiff |) | Case No. 16-CR-20810-04 |
| |) | |
| v. |) | Honorable George Caram Steeh |
| |) | |
| TAKATA CORPORATION, |) | |
| Defendant. |) | |
| | | |

**[PROPOSED] ORDER GRANTING SPECIAL
MASTER’S REQUEST FOR APPROVAL OF FIRST
DISTRIBUTION OF INDIVIDUAL RESTITUTION FUND**

Upon the request of Eric D. Green in his capacity as Special Master for approval of the first distribution of the Individual Restitution Fund:¹

IT IS HEREBY ORDERED AND ADJUDGED as follows:

1. The Court APPROVES the Special Master’s recommendation that the value of a point be set at \$64.34.
2. The Court APPROVES the Special Master’s recommendation that \$9,769,555.31 of the Individual Restitution Fund be allocated to Current Claimants, with the balance reserved for Future Claimants. If there are fewer Future Claims than estimated, unused funds will be distributed to all eligible claimants on a proportional basis.

¹ Capitalized terms used but not defined herein shall have the meanings set forth in the *Special Master’s Request for Approval of First Distribution of Individual Restitution Fund* (the “Distribution Request”).

3. The Court APPROVES the Special Master's recommendations regarding the allocation of funds among Current Claimants as set forth on Exhibit A to the Distribution Request. The Special Master shall distribute the amount of \$9,769,555.31 to the Current Claimants listed on Exhibit A in accordance with the allocation set forth on Exhibit A; provided, however, that as a condition for payment from the Individual Restitution Fund, each Current Claimant must execute and submit to the Special Master a release and, if the Current Claimant is represented by counsel, counsel for the Current Claimant must execute and submit to the Special Master a rider to the release as described in paragraph 5 herein.

4. The Court APPROVES the Special Master's determination that the claims of the Current Claimants set forth in Exhibit B are ineligible for compensation from the Individual Restitution Fund.

5. The Court APPROVES conditioning payment from the IRF to individuals represented by counsel on execution of a rider by counsel acknowledging and agreeing to abide by the restriction on attorney's fees set forth in the IRF Methodology Order.

6. The Court DIRECTS that Distributions shall be made in accordance with the procedures set forth in the Revised IRF Methodology.

7. This Court retains jurisdiction over all matters covered by, or related to, this Order.

So ordered.

Dated: _____, 2019

GEORGE CARAM STEEH
UNITED STATES DISTRICT JUDGE