



**I. ACTIVITIES IN THE REPORTING PERIOD.**

**A. EVALUATING CLAIMS FOR COMPENSATION FROM THE \$125 MILLION INDIVIDUAL RESTITUTION FUND AND THE TATCTF.**

2. In a prior reporting period, the Special Master launched the claims processing program for the IRF and the Takata Airbag Tort Compensation Trust Fund (“TATCTF”).<sup>2</sup> Since then, the Special Master and his team have been working diligently to process and evaluate all filed claims. The Special Master is proceeding on schedule.

3. The deadline for filing as a “Current Claim” was August 31, 2018. As of March 19, 2019, Epiq Systems, Inc. (“Epiq”), as successor-in-interest to Garden City Group, the Special Master’s claims administrator, received and logged 284 total claim forms for Current Claims. Of those claims, 253 assert personal injury and 31 assert wrongful death. The Special Master has reviewed and assigned a point value to all complete Current Claims.

4. Claimants complete a single claim form in which they can assert independent claims against each of the following: (i) the IRF; (ii) the TATCTF; or

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<sup>2</sup> As described in further detail in the Fifth Status Report, the Special Master also serves as the Trustee of the TATCTF, which was created in the U.S. Bankruptcy Proceedings of certain Takata debtors (including Takata’s U.S. affiliate, TK Holdings Inc.) to, among other things, administer, resolve, and liquidate certain personal injury or wrongful death claims related to the malfunction of Takata PSAN Inflators (“PSAN PI/WD Claims”). All PSAN PI/WD Claims against Takata Corporation, TK Holdings Inc. and its affiliated debtors (“Trust Claims”) or against any Consenting OEM that elects to become a “Participating OEM” (“POEM Claims”) are channeled to the TATCTF. To date, Honda/Acura is the only Participating OEM.

(iii) if the inflator defect manifested in a Honda or Acura vehicle, Honda, in its capacity as a “Participating OEM” in the TATCTF. Claimants are instructed to check different boxes on the claim form to indicate which of these three claim type(s) they are asserting.

5. The Current Claims population breaks down as follows:

- 51 assert IRF, Trust and POEM Claims;
- 190 assert both IRF and Trust Claims;
- 15 assert solely an IRF Claim;
- 9 assert solely a Trust Claim;
- 1 asserts solely a POEM Claim;
- 3 assert IRF and POEM Claims; and
- 15 fail to designate any claim type.

6. The Special Master and his team of professionals sent deficiency notices to Claimants who failed to designate any claim type, notifying them that at least one claim type must be selected for their claim form to be processed. The Special Master’s team also contacted Claimants who filed a Trust Claim or a POEM Claim but not an IRF Claim to find out why the Claimant has not asserted an IRF Claim and to ask whether the Claimant would like to amend its claim to add an IRF Claim.

7. The Special Master and his team of professionals have reviewed and evaluated all Current Claims for eligibility and compensability. The first step in the process is for Epiq to review a submitted claim for facial deficiencies, such as a missing signature, lack of basic documentation, or failure to supply required information, or for more substantive deficiencies, such as failure to supply evidence of a rupture or aggressive deployment. Deficiency notices are then sent out to those claimants, or their attorneys, with deficient claims, and the deficiency notices request supplementation within the cure period for deficiencies. Current Claimants who received a deficiency notice were given 90 days to cure the deficiency. The deadline for Current Claimants to cure deficiencies was February 13, 2019.<sup>3</sup>

8. Once a claim is deemed complete, it is 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. The Special Master personally reviews each and every claim, and as of the date of this Status Report, has reviewed and valued all complete Current Claims.

9. Of the 284 Current Claims, the Special Master and his team have determined that 104 of these Claims are eligible for compensation. Of the 104

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<sup>3</sup> As of March 26, 2019, 41 Claimants have cured their deficiency and are now eligible for compensation.

eligible Current Claims, 90 assert personal injury and 14 assert wrongful death.

The breakdown of the 104 eligible Current Claims is as follows:

- 85 IRF and Trust Claims;
- 12 IRF, Trust, and POEM Claims;
- 6 IRF Claims; and
- 1 Trust Claim.<sup>4</sup>

10. Of the 284 Current Claims, 121 remain deficient. The Special Master has also determined that 59 are ineligible for compensation. These 59 Claims are ineligible primarily for one of two reasons: (1) the Claim alleges a non-deployment of the airbag, which is not compensable under the IRF or Trust; or (2) a Takata airbag was not installed in the subject vehicle. Claimants have the opportunity to appeal the Special Master's determination that their Claims are ineligible.

11. The Special Master and his professionals have assigned a point value to all eligible Current Claims. After the initial evaluation of each separate filed Current Claim was complete, the Special Master and his professionals met again on March 12 and 13, 2019 to review all eligible Current Claims as a group for accuracy and internal consistency. At this additional review session, the Special Master and his professionals compared all eligible Current Claims by injury type to

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<sup>4</sup> This Trust Claim is an international claim that is ineligible to receive compensation from the IRF.

ensure that each eligible Current Claim was treated fairly and equitably as compared to similar validated injury claims. After completing a final, comprehensive review of all eligible Current Claims, the Special Master finalized the point awards for each of the 104 eligible and valued Current Claim.

12. The Special Master is preparing letters to send to eligible Claimants notifying the Claimants of their proposed point award. These letters will include the number of points that such Claimant has been awarded, as well as the likely dollar range for the value of the Claim, based upon the likely value of a point. Upon receipt of the award letter, Claimants will have an opportunity to appeal the Special Master's proposed award through the internal appeals process set forth in the revised IRF Methodology. Claimants can initiate an appeal by filing a Notice of Appeal with the Special Master within 30 days of receipt of the determination letter. If a Claimant files a Notice of Appeal, an independent third-party Review Officer will re-examine the claim and make a recommendation to the Special Master. The Special Master will consider the recommendation of the Review Officer, and, as applicable and in his discretion, revise the Claimant's award. Once that appeals process is complete, the Special Master will notify Claimants of the final proposed Claim award and submit the final proposed monetary awards to the Court for its review and approval.

13. The Special Master has also received 82 “Future Claims,” *i.e.*, claims filed after August 31, 2018 or arising out of an accident after April 10, 2018. The Future Claim population breaks down as follows:

- 16 assert IRF, Trust, and POEM Claims;
- 43 assert IRF and Trust Claims;
- 6 assert solely an IRF Claim;
- 1 asserts solely a Trust Claim;
- 1 asserts solely a POEM Claim;
- 1 asserts IRF and POEM Claims;
- 1 asserts Trust and POEM Claims; and
- 13 fail to assert any claim type.

14. The Special Master and his professionals are reviewing and evaluating these Future Claims and intend to inform Future Claimants of any deficiencies in their Claims in the near future. Claimants will then have an opportunity to cure the named deficiencies as part of the claims evaluation process.

15. 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.

**B. REVISED ESTIMATION OF CURRENT AND FUTURE IRF CLAIMS**

16. With the expiration of the Current Claim filing period and the conclusion of the period to cure deficiencies, the Special Master and his economist, NERA Economic Consulting ("NERA"), are now in the process of preparing the revised estimation of total claims expected over the entire lifetime of the IRF. This revised estimate is necessary to ensure that a sufficient portion of the limited IRF is preserved to treat future claimants fairly and consistently with Current Claimants. This revised estimate is also necessary to determine the dollar value of a point.

17. NERA is working 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 has also shared its information and estimation analysis with the Future Claimants' Representative in the U.S. Bankruptcy Proceedings who performed similar analyses as part of those proceedings and who, pursuant to the terms of the Second Amended Trust Distribution Procedures, must consent to the initial value of a point for a Trust Claim. NERA has determined that so far the Current Claims data closely aligns with NERA's initial estimation contained in the IRF Methodology.

18. NERA has prepared a report with the results of its analysis of the Current Claims data and its estimation of current and future liabilities. Upon the expiration of the period to cure deficient claims and the Special Master's final determination regarding the point value of each eligible Current Claim, NERA began reviewing the final claims data, including the number of eligible Current Claims, injury types, and points awarded by the Special Master. NERA is updating and finalizing its report using the most accurate data regarding the number of claims, as well as the proposed awards. The Special Master anticipates providing the Court with this further revised estimation of the current and future liabilities when NERA completes its revised analysis.

19. Once the revised estimation of expected total claims is completed and the division between Current Claims and estimated Future Claims is approved, the Special Master will be in a position to calculate the funds available from the total IRF for Current Claims and begin allocating specific amounts of the available restitution funds to allowed Current Claims. The Special Master will then submit its recommendations for the universe of Current Claims to the Court for its final approval. This process is currently on schedule.

## **II. GOING FORWARD EFFORTS.**

20. The Special Master and his team will continue to receive claims for compensation from the Individual Restitution Fund and TATCTF, and will

continue the process of reviewing and evaluating claims. The Special Master and his team will also continue to evaluate the claims data in order to determine the ratio between Current and Future Claims, as well as the dollar value of a point, so that all awards can be monetized.

**CONCLUSION**

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

Dated: March 26, 2019

Respectfully submitted,

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

Eric D. Green, Special Master

### CERTIFICATE OF SERVICE

I hereby certify that on March 26, 2019, I electronically filed the foregoing paper with the Clerk of the Court using the ECF system, which will send notification of such filing to the following:

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Respectfully submitted,

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