

I. ACTIVITIES IN THE REPORTING PERIOD.

A. APPROVAL OF NINETEENTH IRF DISTRIBUTION REQUEST.

1. On February 6, 2023, the Special Master filed the *Special Master's Request for Approval of Nineteenth Distribution of Individual Restitution Fund* [Docket No. 178] (the "Nineteenth IRF Distribution Request"), seeking Court-approval for: (i) a nineteenth distribution from the IRF to compensate seven (7) eligible Claims, and (ii) the denial of six (6) ineligible Claims.

2. Consistent with the procedures set forth in the Minutes of July 25, 2019 Conference with Special Master (the "July 2019 Minutes Order") [Docket No. 110], the Special Master notified the affected Claimants: (i) of their point award and the monetary value of the award (if any); (ii) of the filing of the Nineteenth IRF Distribution Request; and (iii) that such Claimants may object to the Nineteenth IRF Distribution Request by submitting a written response to the Special Master on or before March 1, 2023 (the "Objection Deadline").

3. As the Court is aware, there are two conditions that must be met for Claimants with compensable Claims to receive payment from the IRF. First, all Claimants must execute and submit to the Special Master the Court-approved release agreement (a "Release"). Additionally, if any 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. [Docket No. 78, Page ID 2219].

4. On April 3, 2023, the Court entered an order granting the Special Master’s Request. *See Order Granting Special Master’s Request For Approval Of Nineteenth Distribution Of Individual Restitution Fund* [Docket No. 181]. Accordingly, the Special Master will begin processing and making these payments, subject to the Modified Points Schedule and 2021 Point Value, on a rolling basis following receipt of the necessary documentation.

II. GOING FORWARD EFFORTS.

A. CLAIM EVALUATION AND PROCESSING EFFORTS.

5. The Special Master continues to monitor closely the pandemic’s effect on claim filing activity and rupture incidents, both of which have materially decreased during the pandemic. Though it remains too early to make any definitive conclusions regarding the pandemic’s effect on claim filing activity, the Special Master continues to observe a modest increase in claim filings as transportation activity returns to pre-COVID-19 levels. The Special Master will continue to monitor closely claim filing trends and inform the Court accordingly.

6. As stated above, the Special Master and his team will continue to receive claims for compensation from the IRF and TATCTF (in his capacity as Trustee of that Trust), 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 remain committed to completing its initial evaluation of Claims within thirty (30) days of the Special Master's receipt thereof.

B. CONSIDERATION OF NEXT LIABILITY RE-ESTIMATION.

7. As the Court is aware, the Special Master, in coordination with NERA, the original equipment manufacturers, and members of the plaintiffs' bar, conducted a comprehensive liability re-estimation in March 2021 (the "2021 Liability Re-Estimation"). [Docket No. 143, Ex. A]. Based on the 2021 Liability Re-Estimation, the Special Master requested that the Court approve an increase to the point value from \$71 to \$178. On May 11, 2021, the Court entered an order approving the increased point value. [Docket. No. 146].

8. Following extensive discussions with his team and other stakeholders, the Special Master intends to perform another liability re-estimation over the next six months. As the Court is aware, liability re-estimations require a detailed examination of, among other things, (i) assets currently held by the IRF, (ii) projected investment rates of return, (iii) projected rates of inflation, (iv) auto recall completion rates, (v) an analysis of unrecalled vehicles that remain on the road, and (vi) existing claims data. The Special Master, with the assistance of his

professionals, has commenced the detailed and time-intensive work demanded by a liability re-estimation, with the goal of producing the most accurate, yet conservative, liability projection. While it is far too early to draw any conclusions, it is possible that the planned liability re-estimation could result in a higher point value, which would result in, among other things, supplemental payments to previously compensated claimants. The Special Master will keep the Court apprised of his work throughout the liability re-estimation timeline.

C. RESTITUTION ACCOUNTS HELD AT SIGNATURE BANK.

9. As previously reported to the Court, on March 12, 2023, the Federal Deposit Insurance Corporation (the “FDIC”) and the Board of Governors of the Federal Reserve System issued a joint press release announcing a systemic risk exception for Signature Bank, New York, New York (“Signature Bank”). In connection with Signature Bank’s closure, also on March 12, 2023, the FDIC established Signature Bridge Bank, N.A. (“Signature Bridge Bank”) and oversaw the transfer of all deposits of Signature Bank to Signature Bridge Bank.

10. Since the inception of the IRF, the Special Master had maintained a checking account at Signature Bank to effectuate, among other things, the payment of eligible claims. Notwithstanding the transfer of Signature Bank assets to Signature Bridge Bank, the Special Master, through his agents, has had continuous and

uninterrupted access to all IRF funds transferred to Signature Bridge Bank in the correct amounts.

11. Since the last report to the Court, the Special Master has established a new banking relationship with Citizens Bank, N.A, which will from this point forward provide the claim payment function previously carried out by Signature Bank and Signature Bridge Bank. Though the Special Master has had undisturbed access to relevant accounts at Signature Bridge Bank, he determined that it was prudent to replace the IRF's banking relationship with a better-capitalized financial institution. After a review of various banking institutions, the Special Master determined, in consultation with counsel, that Citizens Bank, N.A. was qualified and sufficiently capitalized to replace Signature Bank and continue issuing award payments in the ordinary course of IRF operations. The Special Master does not anticipate any interruption in banking services resulting from the transition.

CONCLUSION

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

Dated: April 10, 2023

Respectfully submitted,



Eric D. Green, Special Master