

I. ACTIVITIES IN THE REPORTING PERIOD.

A. APPROVAL OF TWENTY-SECOND IRF DISTRIBUTION REQUEST.

1. On August 14, 2023, the Special Master filed the *Special Master's Request for Approval of Twenty-Second Distribution of Individual Restitution Fund* [Docket No. 188] (the "Twenty-Second IRF Distribution Request"), seeking Court-approval for: (i) a twenty-second distribution from the IRF to compensate seven (7) eligible 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 Twenty-Second IRF Distribution Request; and (iii) that such Claimants may object to the Twenty-Second IRF Distribution Request by submitting a written response to the Special Master on or before September 5, 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 September 19, 2023, the Court entered an order granting the Special Master’s Request. *See Order Granting Special Master’s Request For Approval Of Twenty-Second Distribution Of Individual Restitution Fund* [Docket No. 190]. 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. While global public health agencies have recently declared an end to the COVID-19 pandemic, the Special Master continues to monitor closely the pandemic’s effect on claim filing activity and rupture incidents, both of which 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 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. BDO THIRD ANNUAL AGREED-UPON PROCEDURES.

7. In July 2023, BDO USA LLP ("BDO"), the independent auditors previously retained by the Special Master, commenced work on the agreed-upon procedures on the payment of claims and expenses for the period beginning January 1, 2022 and ending December 31, 2022. The Special Master and his team worked diligently to provide BDO the requested claim and expense payment information so that BDO may complete the agreed-upon procedures report. The Special Master is pleased to report that BDO did not note any exceptions after performing all audit procedures. A copy of BDO's report will be transmitted to chambers under separate cover.

C. STATUS OF NEXT LIABILITY RE-ESTIMATION.

8. As previously reported to the Court, 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].

9. As disclosed in the Thirty-Fifth Status Report, the Special Master is conducting another liability re-estimation that is near completion. 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. It is possible that the planned liability re-estimation may result in a higher point value, which would result in, among other things, supplemental payments to previously compensated claimants.

10. In conjunction with the IRF's liability re-estimation analysis, the Takata Airbag Tort Compensation Trust Fund (the "TATCTF") is conducting its own re-estimation analysis. Barring unforeseen circumstances, the Special Master expects the IRF's and the TATCTF's respective re-estimations to be completed concurrently. As the Court is aware, the Special Master attempts to coordinate work

related to claim evaluation and fund administration (including liability re-estimations) between the TATCTF and the IRF. Since inception of both funds, coordination between the IRF and the TATCTF has resulted in significant efficiencies that have materially inured to the benefit of victims. But as a result of coordination efforts, the timing for finalizing the IRF's re-estimation report is somewhat intertwined with ongoing work for the TATCTF. Nevertheless, the Special Master is confident that both re-estimation reports will be finalized this calendar year. In accordance with past practice, any modification to the point value as a result of the liability re-estimation will be submitted to the Court for approval under a separate filing.

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.

Dated: October 10, 2023

Respectfully submitted,



Eric D. Green, Special Master