

I. ACTIVITIES IN THE REPORTING PERIOD.

A. OUTREACH TO POTENTIAL CLAIMANTS UPDATE.

1. During the Reporting Period, the Special Master's office has continued conducting outreach via mail, informing potential claimants that they may be eligible for compensation from the IRF and directing them to contact the Special Master's office for additional information.

2. Under the Revised IRF Methodology [Docket No. 77-1], Claimants who were involved in an incident prior to April 11, 2018 were required to file their claims with the IRF by April 11, 2021 and claims filed thereafter would be deemed untimely and barred unless the claimant could show good cause to consider the untimely claim. *See* Docket No. 77-1 at p. 25. The April 11, 2021 bar date also applies to claims submitted to the TATCTF. Therefore, any claims arising out incidents before April 11, 2018 would be presumptively time-barred unless they were filed with the IRF (and TATCTF) before April 11, 2021.

3. Leading up to the April 11, 2021 deadline, the Special Master conducted extensive outreach to potential claimants who may have held claims that could be time barred. For example, in addition to publishing notices of the deadline and conducting his advertising campaign as a matter of course, the Special Master contacted key members of the plaintiffs' bar to notify them of the deadline. In addition, the Special Master's team contacted all lawyers and individuals who had

mailed notices of claim to the Special Master but had not yet completed a claim submission. As a result of the Special Master's outreach efforts, a relatively high number of claims were filed in late-March and the first half of April 2021. The Special Master and his team are currently reviewing the corresponding claim files and working with claimants to gather all necessary information for these claims to be evaluated.

B. THE REVISED IRF METHODOLOGY AND POINTS SCHEDULE MODIFICATION

4. As the Court is aware, the IRF utilizes a relative valuation approach to determine awards to Eligible Claimants, where points are assigned to claims based on injury categories in an injury valuation matrix and certain other factors (the "Points Schedule"), 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 for anticipated claims (the "Point Value").

5. The Special Master has sought and obtained the Court's approval to make certain amendments during the Reporting Period to the Points Schedule and Point Value, as further described herein.

i. The Modified Points Schedule

6. The IRF and the TATCTF have used the same Points Schedule since inception of both Funds. Following a recent proposal submitted by certain TATCTF

stakeholders, the TATCTF incorporated two changes to the Original Points Schedule (as modified, the “Modified Points Schedule”).

7. The first change resulted in an increase to the number of points awarded for Torso Lacerative Injuries. The TATCTF stakeholders agreed that the awards for Torso Lacerative Injuries appeared undervalued under the Original Points Schedule, where: (i) mild Torso Lacerative Injuries were awarded 20 points; (ii) moderate Torso Lacerative Injuries were awarded 100 points; and (iii) severe Torso Lacerative Injuries were awarded 275 points. Under the Modified Points Schedule, a mild Torso Lacerative Injury is awarded 100 points; a moderate Torso Lacerative Injury is awarded 215 points; and a severe Torso Lacerative Injury is awarded 600 points.

8. The second change to the Original Points Schedule expanded the type of injuries that qualify under the Facial Nerve Injury group. The Original Points Schedule excluded non-facial nerve injuries from this group. Under the Modified Points Schedule, the Facial Nerve Injury group is expanded to include non-facial nerve injuries, such as limb paralysis. The TATCTF stakeholders agreed that the awards received by Claimant with non-facial nerve injuries appeared undervalued under the Original Points Schedule.

9. On February 4, 2021, the Special Master filed a motion seeking the Court’s approval to apply the same Modified Points Schedule as the TATCTF to the IRF (the “Points Modification Motion”). *See The Special Master’s Motion To*

Modify The Points Schedule Under The Revised Individual Restitution Fund Methodology [Dkt. No. 138]. On February 26, 2021, the Court entered an order approving the Points Modification Motion [Dkt No. 140].

ii. **The 2021 Re-Estimation and Modified Point Value**

10. On October 3, 2019, the Court entered an order setting the Point Value of the IRF at \$71.01 (the “2019 Point Value”). See Dkt No. 116.

11. The 2019 Point Value has been employed by the IRF in all eight (8) of the Special Master’s distribution requests filed, and approved by the Court, to date [Dkt Nos. 111, 113, 116, 120, 121, 123, 126, 127, 129, 130, 132, 133, 135, 136, 139, 141] (collectively, the “Distributions Requests”).

12. The 2019 Point Value relied on economic modelling and data analysis concerning recall completion rated by various original equipment manufacturers prepared by NERA Economic Consulting, Inc. (“NERA”) - the substance of which is detailed in NERA’s Estimation of Current and Future Liabilities – 2019 Update [Dkt No. 115] (the “2019 Liability Re-Estimation”).

13. Over the past several months, the Special Master has coordinated with NERA, the original equipment manufacturers, and members of the plaintiffs’ bar to obtain up-to-date claims and vehicle-usage data used to, among other things, update the 2019 Point Value (the “2021 Liability Re-Estimation”). NERA’s findings and recommendations are included in their report entitled “NERA 2021 Liability

Estimation Update” (the “2021 Liability Re-Estimation Report”) [Dkt No. 143, Ex. A].

14. On April 21, 2021, after considering the current data and updated modeling incorporated in the 2021 Liability Re-Estimation Report, the Special Master, in consultation with his advisors, filed a motion (the “Point Value Modification Motion”) [Dkt No. 143] to set the value of an IRF point at \$178 (the “2021 Point Value”). The 2021 Liability Re-Estimation Report serves as the basis for the Special Master’s recommendation to adopt the 2021 Point Value.

15. On May 11, 2021, the Court entered an order granting the Point Value Modification Motion and approving the 2021 Point Value (the “Point Value Order”) [Dkt No. 146].

iii. Issuance of Supplemental and Retroactive Payments

16. Pursuant to the Point Value Order, to ensure that no Claimant will be unfairly prejudiced by the implementation of the proposed 2021 Point Value, the Special Master is authorized to issue supplemental top-up payments to Eligible Claimants whose Claims were previously valued utilizing the 2019 Point Value under the Distribution Requests. The IRF points awarded to Eligible Claimants utilizing the 2019 Point Value under the Distribution Requests approved by the Court to date total 196,286 points. The 2021 Point Value will result in supplemental

top up payments in the approximate amount of \$21 million (the “Supplemental Payments”), which the Special Master expects to be made in the next sixty (60) days.

17. The Point Value Order also authorized the Special Master to issue retroactive payments to all Claimants eligible to receive additional points awarded under the Modified Points Schedule in the total amount of \$2,384,981.80 (the “Retroactive Payments”).

18. Because of the passage of time since the initial awards from the IRF in connection with the Distribution Requests, security concerns arising from increased publicly reported instances of internet-facilitated fraud, and the significant amounts of the Supplemental Payments and Retroactive Payments, the Special Master sought and obtained the Court’s approval to issue notices directly to both the Claimant and the Claimant’s representative or attorney. The Special Master has distributed a letter notice to all Claimants eligible to receive Supplemental Payments and Retroactive Payments, consistent with forms attached hereto as Exhibit A.

C. APPROVAL OF EIGHTH IRF DISTRIBUTION REQUEST.

19. On March 22, 2021, the Special Master filed the *Special Master’s Request for Approval of Eighth Distribution of Individual Restitution Fund* (the “Eighth IRF Distribution Request”) [Dkt. No. 141], seeking Court-approval for: (i) an eighth distribution from the IRF to compensate ten (10) eligible Claims, and (ii) the denial of six (6) ineligible Claims. On May 11, 2021, the Court entered an order

granting the Special Master's Request. *See Order Granting Special Master's Request For Approval Of Eighth Distribution Of Individual Restitution Fund* [Dkt. No. 145]. Accordingly, the Special Master has been processing and making these payments, subject to the Modified Points Schedule and 2021 Point Value. As of the date of this filing, the Special Master's office has received signed releases for two (2) of the compensable Claims approved in respect of the Eighth IRF Distribution Request.

III. GOING FORWARD EFFORTS.

A. CLAIM EVALUATION AND PROCESSING EFFORTS.

20. During the prior Reporting Periods, the Special Master purchased and executed upon, through its Claims Agent, Epiq, a comprehensive media plan to conduct outreach to potential claimants via various media platforms. The media plan went into effect in August 2020. The Special Master's team has observed an increase in claim filing activity following implementation of the media plan. The Special Master is reviewing proposals assembled by Epiq concerning the media plan for the upcoming year, as last year's media plan expires on July 31, 2021. Relatedly, 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. The Special Master expects claim filing activity may increase gradually as COVID-19 restrictions are lifted throughout the country.

21. 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.

CONCLUSION

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

Dated: May 21, 2021

Respectfully submitted,

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

Eric D. Green, Special Master

EXHIBIT A



RETURN SERVICE REQUESTED



TAKATA AIRBAG INJURY TRUST



Mailing Date: 5/18/2021

NOTICE OF SUPPLEMENTAL PAYMENT FROM THE TAKATA FUNDS

Re: Claim No.

Dear :

As you may be aware, the Takata Airbag Individual Restitution Fund (“IRF”) and the Takata Airbag Tort Compensation Trust Fund (“TATCTF,” together with the IRF, the “Takata Funds”) were established to compensate individuals who suffered personal injury caused by the malfunction of a Takata Corporation airbag inflator. To date, Eric D. Green, as the administrator of the Takata Funds, has sought and obtained court approval to distribute approximately \$80 million to 171 eligible claimants as allowed under the Takata Funds’ distribution procedures.¹ We are writing to inform you that the Takata Funds will be issuing supplemental payments in connection with certain claims from the Takata Funds as a result of an increase of the Point Value that applies retroactively to eligible claims.

- I. The Revised Point Value: The Takata Funds recently adopted the following revised point values: (i) the IRF Point Value increased from \$71.01 to \$178.00;² and (ii) the TATCTF Point Value increased from \$75.13 to \$183.00. Additional information on the revised point values is accessible at the website referenced below.³

If you are represented by an attorney, you should contact your attorney about this Notice for further information. If you do not have an attorney or if you have questions regarding this Notice or about the Claims administration in general, please contact the Claims Administrator by emailing us at Questions@TakataAirbagInjuryTrust.com, calling us toll-free at (888) 214-9544, or you may review the Frequently Asked Questions posted on the website of the Trustee, which is listed below.

Sincerely,

Eric D. Green, in his capacity as Special Master of the IRF and Trustee of the TATCTF

The Claims Administrator
Takata Airbag Individual Restitution Fund and Tort Compensation Trust Fund
www.TakataSpecialMaster.com
www.TakataAirbagInjuryTrust.com

¹ The distribution procedures for the TATCTF are accessible at: <http://www.takataspecialmaster.com/courtdocs>

² On May 1, 2021, the Special Master obtained the approval of the District Court from the Eastern District of Michigan in the case captioned *U.S. v. Takata* for the proposed increase in the value of an IRF point. The Order is available at <http://www.takataspecialmaster.com/>.

³ <http://www.takataspecialmaster.com/documents>

III. Your Supplement Payment equals \$ _____

Taking into account: (i) any additional points assigned to your Claim following adoption of the Modified Points Schedule; and (ii) the revised Point Value, your total supplemental payment from the Takata Funds, as detailed below, equals \$ _____

IRF Point Total:

Monetary value of IRF award based on modified Points Schedule and revised Point Value: \$

Monetary value of previous IRF award payment (including medical lien payments, if any): \$

Supplemental IRF Payment (difference): \$

TATCTF Point Total:

Monetary value of TATCTF award based on Modified Points Schedule and revised Point Value: \$

Monetary value of previous TATCTF award payment (including medical lien payments, if any): \$

Supplemental TATCTF Payment (difference): \$

T S IR T TCT

You need submit additional documentation to be eligible for these Supplemental Payments, but you must confirm the payment instructions so that the Claims Administrator knows where to send the Supplemental Payment. Please indicate below whether the payment instructions remain the same or if they have changed, and, if so, please provide current payment instructions.

_____ My payment instructions remain the same as my initial award.

_____ My payment instructions have changed. Please make payment as follows:

Please complete and return this form via email (Questions@TakataAirbagInjuryTrust.com)

For questions regarding this Notice or about the Claims administration in general, please contact the Claims Administrator by emailing us at Questions@TakataAirbagInjuryTrust.com, calling us toll-free at (888) 214-9544, or you may review the Frequently Asked Questions posted on the website of the Trustee, which is listed below.

Sincerely,

Eric D. Green, in his capacity as Special Master of the IRF and Trustee of the TATCTF

The Claims Administrator
Takata Airbag Individual Restitution Fund and Tort Compensation Trust Fund
www.TakataSpecialMaster.com
www.TakataAirbagInjuryTrust.com

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www.TakataSpecialMaster.com
www.TakataAirbagInjuryTrust.com



RETURN SERVICE REQUESTED



TAKATA AIRBAG INJURY TRUST



Mailing Date: 5/18/2021

NOTICE OF SUPPLEMENTAL PAYMENT FROM THE TAKATA FUNDS

Re: Claim No.

Dear :

You or your client were previously awarded and paid a distribution on account of your Claim (as captioned above) with the Takata Airbag Individual Restitution Fund ("IRF") and the Takata Airbag Tort Compensation Trust Fund ("TATCTF," together with the IRF, the "Takata Funds"). We are writing to inform you that you are entitled to a supplemental payment in connection with this Claim from the Takata Funds. As described further below, your supplemental payment results from an increase of the Point Value for the Takata Funds that applies retroactively to eligible claims.

The Takata Funds recently adopted the following revised point values: (i) the IRF Point Value increased from \$71.01 to \$178.00;¹ and (ii) the TATCTF Point Value increased from \$75.13 to \$183.00. You are entitled to a supplemental payment from each of the Takata Funds based on the difference between: (i) the revised point values, and (ii) payments previously made by the Takata Funds. Additional information on the revised point values is accessible at the website referenced below.²

I. Your Supplement Payment equals \$ _____

Taking into account the revised Point Value, your total supplemental payment from the Takata Funds, as detailed below, equals \$ _____

IRF Point Total:

Monetary value of IRF award based on revised Point Value: \$

Monetary value of previous IRF award payment (including medical lien payments, if any): \$

Supplemental IRF Payment (difference):\$

TATCTF Point Total:

Monetary value of TATCTF award based on revised Point Value: \$

Monetary value of previous TATCTF award payment (including medical lien payments, if any): \$

Supplemental TATCTF Payment (difference): \$

Total Supplemental Payment (IRF and TATCTF): \$

¹ On 05/11/2021, the Special Master obtained the approval of the District Court from the Eastern District of Michigan in the case captioned *U.S. v. Takata* for the proposed increase in the value of an IRF point. The Order is available at <http://www.takataspecialmaster.com>

² <http://www.takataspecialmaster.com/documents>.

You need **not** submit additional documentation to be eligible for these Supplemental Payments, but you must confirm the payment instructions so that the Claims Administrator knows where to send the Supplemental Payment. Please indicate below whether the payment instructions remain the same or if they have changed, and, if so, please provide current payment instructions.

_____ My payment instructions remain the same as my initial award.

_____ My payment instructions have changed. Please make payment as follows:

Please complete and return this form via email (Questions@TakataAirbagInjuryTrust.com) **by 6/16/2021**.

For questions regarding this Notice or about the Claims administration in general, please contact the Claims Administrator by emailing us at Questions@TakataAirbagInjuryTrust.com, calling us toll-free at (888) 214-9544, or you may review the Frequently Asked Questions posted on the website of the Trustee, which is listed below.

Sincerely,

Eric D. Green, in his capacity as Special Master of the IRF and Trustee of the TATCTF

The Claims Administrator
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