

(the “IRF”) and the Takata Airbag Tort Compensation Trust Fund (“TATCTF”).²

3. The deadline for filing as a “Current Claim” was on August 31, 2018. As of September 17, 2018, Garden City Group (“GCG”), the Special Master’s claims administrator, received and logged 292 total claim forms for Current Claims. Of those claims, 260 assert personal injury and 32 assert wrongful death. As expected, a significant surge in claim filing activity occurred in the final two weeks of the Current Claim filing period.

4. Claimants complete a single claim form in which they can assert up to three independent claims against: (i) the IRF; (ii) the TATCTF; or (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 claim type(s) they are asserting.

² 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 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.

5. Not all 292 claims are against the IRF (*i.e.*, in some cases, the claimant did not check the IRF “box”). Rather, the Current Claim population breaks down as follows:³

- 50 assert IRF, Trust and P-OEM Claims;
- 173 assert both IRF and Trust Claims;
- 17 assert solely an IRF Claim;
- 8 assert solely a Trust Claim;
- 2 assert solely a P-OEM Claim;
- 5 assert IRF and P-OEM Claims; and
- 37 fail to assert any claim type.

6. The Special Master and his team of professionals will reach out to the 37 claimants who did not assert any claim type, almost all of whom are proceeding *pro se*, to ascertain the claimant’s intent and, if warranted, help address the omission. Depending on the facts, the Special Master may take similar action with respect to claimants who allege Trust or P-OEM claims but did not check the IRF box.

7. With the expiration of the Current Claim filing period, 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

³ These counts reflect the type of claim asserted on the claim forms and may change as the claim review process progresses.

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. NERA is working closely with GCG and the Special Master's staff at Resolutions, LLC to analyze and compare Current Claim data against the projections contained in the IRF Methodology. NERA also will be sharing 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.

8. Following the Special Master's review and approval of NERA's analysis, the Special Master will submit the Future Claims estimation to the Court, as contemplated in the IRF Methodology. It is anticipated that the Future Claims estimation will be ready for submission in October. 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.

9. At the same time, the Special Master and his team of professionals are diligently working to review and evaluate the Current Claims. This process is proceeding according to plan and on schedule. GCG is reviewing and processing each individual claim received for compensability and value. The first step in the

process is to review a submitted claim for facial deficiencies, such as a missing signature, lack of basic documentation, or failure to supply required information. Deficiency letters are then sent out to those claimants with facially deficient claims, or their attorneys, with requests for supplementation within the allotted time. Once a claim is deemed complete, it is evaluated and scored by dedicated staff at GCG, reviewed by senior management at GCG, and then sent to the Special Master for final review and determination. The Special Master reviews each and every claim.

10. The Special Master's team is in the midst of this process for the Current Claims that were submitted by the August 31, 2018 cut-off for filing Current Claims. Once this process is completed for all Current Claims, each claimant, or claimant's attorney, will be notified of the Special Master's initial award determination and the claimant's right to an internal appeal pursuant to the IRF Methodology. Upon the completion of the internal appeals process, the Special Master will make a final award determination for each allowed claim, convert the number of points awarded to a dollar amount, and submit the Special Master's recommendations for the universe of Current Claims to the Court for its final approval.

11. 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, 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. DISTRIBUTING THE \$850 MILLION OEM RESTITUTION FUND.

12. In prior reporting periods, the Special Master successfully disbursed \$848,778,756.90 of the \$850 million OEM Restitution Fund to the Consenting OEMs and one Non-Consenting OEMs. On August 10, 2018, the Special Master received a signed Distribution and Release Agreement from Maruti Suzuki India Limited ("Maruti") and directed the distribution to Maruti of its Court-approved allocation payment of \$28,659.33.

13. On August 24, 2018, following several attempts by the Special Master to contact the five remaining OEMs (the "Remaining OEMs") who, despite notice to them, had not claimed and therefore had not received a distribution from the OEM Restitution Fund, the Special Master sought Court approval of proposed procedures to provide final notice to the Remaining OEMs and, after a fourteen day notice period, transfer any funds remaining in the OEM Restitution Fund to the

IRF for the benefit of and distribution to individual victims.⁴ On August 28, 2018, the Court approved these procedures.⁵

14. Thereafter, the Special Master provided email or mail notification to the Remaining OEMs in accordance with the Court's order. On September 12, 2016, the Special Master received an executed, but incomplete, Distribution and Release Agreement from Zhejiang Geely Automobile Parts & Components Stock Co., Ltd ("Geely"). The Special Master has requested a complete, executed copy of the Distribution and Release Agreement and, upon receipt, is prepared to instruct that the Court-approved allocation payment of \$1,114,622.94 be distributed to Geely.

15. On September 4, 2018, South East Fujian Motor Co., Ltd. requested a Chinese translation of the final notice and the Distribution and Release Agreement. In response, the Special Master informed South East Fujian Motor Co., Ltd. that the Special Master does not have a Chinese translation and granted an extension of time to submit an executed Distribution and Release Agreement to enable the OEM to engage a translator should it wish to do so. No further response has been received by South East Fujian Motor Co., Ltd. The Special Master will provide

⁴ See *Special Master's Request for Approval of Final Notice to Remaining OEMs and Distribution of Unclaimed Funds in the OEM Restitution Fund to the Individual Restitution Fund*, dated August 24, 2018 [Doc. 98].

⁵ See *Order Approving Special Master's Request for Approval of Final Notice to Remaining OEMs and Distribution of Unclaimed Funds in the OEM Restitution Fund to the Individual Restitution Fund*, dated August 28, 2018 [Doc. 100].

South East Fujian Motor Co., Ltd. an additional 30 days to submit an executed Distribution and Release Agreement before transferring its Court-approved allocation payment of \$47,449.39 to the IRF.

16. No responses were received from three OEMs—Jiangxi Changhe Suzuki Automobile, Co., Ltd.; Forest River, Inc.; and Atiwe Autoteile Herstellungs-und Vertriebs GmbH—whose aggregate Court-approved allocation payment is \$30,511.43. The deadline to respond to the final notice has expired. Accordingly, the Special Master will instruct that this amount be transferred to the IRF.

II. GOING FORWARD EFFORTS.

17. The Special Master and his team will continue to receive claims for compensation from the Individual Restitution Fund and TATCTF, and begin the process of reviewing and evaluating claims.

CONCLUSION

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

Dated: September 28, 2018

Respectfully submitted,



Eric D. Green, Special Master

CERTIFICATE OF SERVICE

I hereby certify that on October 1, 2018, 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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