

I. ACTIVITIES IN THE REPORTING PERIOD.

A. APPROVAL OF EIGHTEENTH IRF DISTRIBUTION REQUEST.

1. On December 6, 2022, the Special Master filed the *Special Master's Request for Approval of Eighteenth Distribution of Individual Restitution Fund* [Docket No. 175] (the "Eighteenth IRF Distribution Request"), seeking Court-approval for: (i) an eighteenth distribution from the IRF to compensate seven (7) eligible Claims, and (ii) the denial of twelve (12) 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 Eighteenth IRF Distribution Request; and (iii) that such Claimants may object to the Eighteenth IRF Distribution Request by submitting a written response to the Special Master on or before December 30, 2022 (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 January 17, 2023, the Court entered an order granting the Special Master’s Request. *See Order Granting Special Master’s Request For Approval Of Eighteenth Distribution Of Individual Restitution Fund* [Docket No. 177]. 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.

7. Consistent with past practice, the Special Master, in consultation with his professionals, has evaluated the degree to which the prevailing inflation rate warrants an adjustment to the point value. As the Court is aware, the point value for eligible claims submitted in 2022 equals \$191. In accordance with the Revised IRF Methodology, the Special Master is permitted to adjust the point value on an annual basis to account for the prevailing rate of inflation. After consulting with NERA, the Special Master's economist, the Special Master has adjusted the point value for eligible claims submitted in 2023 by 5%—from \$191 to \$201. The Special Master has determined that this increase will not prejudice future claimants because of, among other reasons, the increased rates of return on the IRF's current investments and the volume of eligible claim activity since the 2021 Liability Re-Estimation (defined and discussed below). This determination will not affect the point values for claims submitted in previous years.

B. CONSIDERATION OF NEXT LIABILITY RE-ESTIMATION.

8. The Special Master and his team have commenced preliminary discussions on when the next liability re-estimation should be conducted. As the Court will recall, 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. The Special Master is closely monitoring how the projections included in the 2021 Liability Re-Estimation are holding up against actual claim experience. While actual claim data remains limited given the relatively short period of time that has passed since the finalization of the 2021 Liability Re-Estimation, the IRF's actual claim experience through the end of 2022 is slightly below projections. In March 2023, the Special Master will convene a meeting with his team and TATCTF stakeholders to determine whether commissioning another re-estimation report in the near term is appropriate considering, among other things, actual claims data, the cost of conducting a comprehensive liability re-estimation, and projected inflation and investment return rates. The Special Master will promptly advise the Court if

any decisions are made regarding the timing of the next proposed liability re-estimation.

CONCLUSION

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

Dated: February 6, 2022

Respectfully submitted,

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

Eric D. Green, Special Master