

2023 Year End Letter

As the year comes to a close, I want to provide a quick update on the Trust's work in 2023 and to look ahead to 2024.

As you know, the Trust was authorized to begin work in mid-April 2023. In the intervening eight months, we have built an entire organization. We hired staff, established the systems necessary to process claims and delivered the first payments to eligible Claimants.

We know you have waited years – decades even – for the measure of justice these payments represent; every member of the Trust's staff is humbled by the responsibility of ensuring that your claims are evaluated fairly and in a timely manner. In 2024, we should be able to process and pay claims at a significantly faster rate than this year simply because, with the staff and systems now in place, that will be our focus.

Because we strive to operate as transparently as possible, below are key facts about the Trust's operations in the first year.

- The Trust received 5,835 Expedited Distribution claims, about 79% of the expected total. Of those, 5,629 have been determined eligible for payment and 1,727 have been paid. We anticipate paying the remainder of the eligible claims as soon as those Claimants complete and return their final paperwork. The deadline to submit Expedited Distribution claims was Nov. 2. To date, the total amount distributed on Expedited Distribution claims is \$4,377,945.
- The Trust has received 3,131 claims to be evaluated pursuant to the matrix set forth in the BSA plan of reorganization. Matrix claims will be, by far, the largest number of claims to be evaluated. We anticipate approving the first payments in the coming weeks, with the pace increasing throughout 2024. No deadline has yet been set for the submission of Matrix claims; any deadline that is set will be communicated at least 120 days in advance of the deadline.
- The Trust has received 15 claims for the Independent Review Option. The deadline to submit claims under the Independent Review Option is Feb. 16, 2024 – but Claimants pursuing this option must contact the Trust no later than Feb. 8, 2024, for instructions on how to submit payment of the initial \$10,000 administrative fee.

Although evaluating and paying claims will be the Trust's primary focus in 2024, a number of factors are likely to affect our work and the ultimate amount of funds available to distribute to Claimants.

- Litigation continues against several insurance companies whose policies were assigned to the Trust under BSA's plan of reorganization. These policies, in aggregate, represent billions of dollars that could be used to compensate Claimants. We will keep you updated as resolutions are reached.
- We hope the Bankruptcy Court will rule in the coming weeks on whether certain Claimants who selected Expedited Distribution on their ballots when voting on BSA's plan of reorganization will be permitted to change their election to file either a Matrix claim or proceed under the Independent Review Option. After the Bankruptcy Court's decision is received, the Trust will provide additional guidance to Claimants and counsel, as appropriate.
- The United States Supreme Court will issue its decision in an unrelated bankruptcy case (Purdue Pharma) that could impact the BSA plan of reorganization and the Trust. It is impossible to predict at this time whether there will be an impact or what it might be.
- We will continue to liquidate non-cash assets that were contributed to the Trust under BSA's plan of reorganization and are fully committed to maximizing the value of these assets to increase the funds available to pay to Claimants.

We know how long you have been kept waiting and have appreciated your patience as we built the structures and processes necessary to ensure that every claim is evaluated fairly and that every one of your voices is heard. We expect that 2024 will see the results of our work as we get faster and more efficient at processing claims and compensating Claimants.

Our next Town Hall will be held on Jan. 10. You will receive an invitation right after the new year.

Respectfully,
Hon. Barbara J. Houser (Ret.)
Trustee