EXHIBIT A

UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF FLORIDA
Miami Division

MDL No. 2599
Master File No.: 15-MD-02599-MORENO
S.D. Fla. Case No. 1:14-cv-24009-MORENO

IN RE: TAKATA AIRBAG PRODUCT LIABILITY LITIGATION
THIS DOCUMENT RELATES TO: **ECONOMIC LOSS TRACK CASES AGAINST BMW, MAZDA, SUBARU, AND TOYOTA DEFENDANTS**

DECLARATION OF PETER PRIETO IN SUPPORT OF PLAINTIFFS' OMNIBUS MOTION FOR FINAL APPROVAL OF CLASS SETTLEMENTS AND CERTIFICATION OF SETTLEMENT CLASSES, AND APPLICATION FOR CLASS REPRESENTATIVE SERVICE AWARDS AND CLASS COUNSEL'S ATTORNEYS' FEES

PETER PRIETO declares as follows:

1. I am Chair Lead Counsel for Plaintiffs and the proposed Settlement Classes in these coordinated proceedings against the Toyota, BMW, Mazda, and Subaru Defendants.[1] I respectfully submit this declaration in support of Plaintiffs' Motion for Final Approval of Settlement, Certification of Settlement Classes, and Application for Class Representative Service Awards and Class Counsel's Attorneys' Fees. Except as otherwise noted, I have personal knowledge of the facts set forth in this declaration, and could testify competently to them if called upon to do so.

[1] The BMW, Mazda, Subaru, and Toyota Defendants – as identified in the Settlements, and inclusive of related entities identified in the Settlements – are collectively referred to as the "Settling Defendants." Capitalized terms not defined herein shall have the same definitions and meanings ascribed to them in the Settlements.

2. After almost three years of hard-fought litigation and extensive discovery, and more than a year of arm's-length negotiations, Plaintiffs and the Settling Defendants executed the Settlement Agreements on May 17, 2017. The Settlements require the Settling Defendants to pay almost $500 million in cash to non-reversionary Settlement Funds, and, according to Plaintiffs' valuation expert, have a combined value of approximately $741,287,307, when including the estimated value of the Customer Support Programs being provided.

3. Plaintiffs maintain that the claims asserted in the Action are meritorious, that any motion for class certification would prove successful, and that Plaintiffs would prevail if this matter proceeded to trial. The Action involved sharply opposed positions on several fundamental legal and factual issues. The ultimate success of the litigation required Plaintiffs to prevail, in whole or in part, on all of these issues. Continued litigation, therefore, presents significant risks to attaining a successful judgment, as well as the time and expenses associated with proceeding to trial, the time and expenses associated with appellate review, and the countless uncertainties of litigation, particularly in the context of a large and complex multi-district litigation.

4. In light of the risks presented by continued litigation, and taking into account the substantial benefits extended to the Class Members under the terms of the Settlement Agreements, the Settlements not only provide fair and adequate compensation to the Settlement Class Members, they represent a significant achievement benefitting the Settlement Classes.

A. Background of the Litigation.

5. In late 2014, Plaintiffs, on behalf of themselves and all others similarly situated, sued several automotive companies, including BMW, Ford, Honda, Mazda, Nissan, Subaru, and Toyota (the "Automotive Defendants"), and airbag suppliers Takata Corporation and TK

Holdings, Inc. ("Takata"). Plaintiffs, who owned or leased vehicles manufactured or sold by the Automotive Defendants, alleged that their vehicles were equipped with defective airbags supplied by Takata. The airbags, Plaintiffs alleged, all share a common, uniform defect: the use of phase-stabilized ammonium nitrate, a notoriously volatile and unstable compound, as the propellant in their defectively designed inflators, which are metal canisters that are supposed to release gas to inflate an airbag cushion in the milliseconds following a crash. As a result of this common defect, Plaintiffs alleged that the inflators within Takata's airbags have an unreasonably dangerous propensity to rupture and shoot metal shrapnel toward vehicle occupants.

6. Following numerous field ruptures of Takata's inflators that seriously injured or killed vehicle occupants, the Automotive Defendants began to recall vehicles equipped with such inflators. Honda initiated several narrow recalls from 2008 through 2012, claiming that the field ruptures resulted from limited manufacturing defects. As field ruptures continued to occur, however, the recalls expanded significantly. From April 11, 2013 through May, 15, 2015, BMW, Ford, Honda, Mazda, Nissan, Subaru, and Toyota initiated and expanded recalls ultimately covering millions of vehicles.

7. On May 18, 2015, Takata entered into a Consent Order with NHTSA that required it to file Defect Information Reports, triggering recalls of almost 34 million inflators. Given the size of the recalls and a shortage of replacement inflators, NHTSA also entered a Coordinated Remedy Order to prioritize which vehicles should be repaired first. Takata's Consent Order has been amended several times, expanding the recall to all inflators with non-desiccated phase-stabilized ammonium-nitrate propellant, which includes approximately 60 million inflators, and setting a December 31, 2019 deadline for Takata to demonstrate the safety of its desiccated inflators, at which time NHTSA may require Takata to recall those inflators as

well. The Coordinated Remedy Order has been amended several times, and now divides vehicles into 12 priority groups to coordinate the schedule of repairing defective inflators. Priority Group 1 vehicles are the ones most at risk of experiencing a rupture.

8. Prior to the recalls, Plaintiffs allege that neither Takata nor the Automotive Defendants disclosed this common defect to Class Members. Instead, they represented that their products were safe. Plaintiffs alleged that they suffered several forms of economic damages as a result of purchasing defective airbags and vehicles that were inaccurately represented to be safe. Plaintiffs allege that they overpaid for their vehicles with defective airbags and did not receive the benefit of their bargain, because the vehicles and airbags were of a lesser standard and quality than represented. In addition, Plaintiffs allege that they suffered damages in the form of out-of-pocket expenses, including lost wages from taking time off work to bring their vehicles to dealerships for the recall, paying for rental cars and alternative transportation, and hiring child care while the recall remedy was being performed.

9. Moreover, millions of Class Members remain exposed to the unreasonable risk of serious injury or death posed by defective Takata inflators that have not been removed from their vehicles. Even though nationwide recalls have been underway for more than three years, tens of millions of recalled inflators in the United States have not yet been repaired. Although supply shortages are partly responsible for these low completion rates, NHTSA has also highlighted a lack of effective outreach programs from automotive companies.

B. Course of Proceedings.

10. On October 27, 2014, eighteen plaintiffs filed a class action complaint in *Craig Dunn, et al. v. Takata Corp., et al.*, No. 1:14-cv-24009 (S.D. Fla.) (the "Economic Loss Class Action Complaint"), asserting economic loss claims against several Automotive Defendants and

Takata. The Judicial Panel on Multidistrict Litigation subsequently consolidated the *Dunn* action for pretrial proceedings with additional class and individual actions alleging similar or identical claims before this Court in *In re Takata Airbag Products Liability Litigation*, No. 1:15-md-02599-FAM (S.D. Fla.) (MDL 2599).

11. On March 17, 2015, the Court entered an Order Appointing Plaintiffs' Counsel and Setting Schedule, which designated me as Chair Lead Counsel, David Boies of Boies Schiller and Flexner, LLP, and Todd A. Smith of Power Rogers & Smith, PC, as Co-Lead Counsel in the Economic Loss track; Curtis Miner of Colson Hicks Eidson as Lead Counsel for the Personal Injury track; and Roland Tellis of Baron & Budd P.C., James Cecchi of Carella Byrne Cecchi Olstein P.C., and Elizabeth Cabraser of Lieff, Cabraser, Heimann & Bernstein, LLP as Plaintiffs' Steering Committee members.

12. Plaintiffs filed an Amended Consolidated Class Action Complaint on April 30, 2015. On June 15, 2015, Plaintiffs filed a Second Amended Consolidated Class Action Complaint ("SACCAC"), which was the operative pleading for Plaintiffs' economic loss claims at the time the Settlements were reached.

13. On July 17, 2015, defendants Toyota, Ford, Subaru and Nissan filed a Joint Motion to Stay Based on the Primary Jurisdiction of the National Highway Traffic Safety Administration. The Court denied this motion on September 22, 2015. (ECF No. 737.)

14. On July 17, 2015, Takata and the seven Automotive Defendants each filed Motions to Dismiss Plaintiffs' SACCAC. The Court has now ruled on all the Motions to Dismiss, granting them in part and denying them in part. (ECF Nos. 737, 871, 975, 1099, 1101, 1202, 1208, 1256, 1417, 1766, 1767.)

15. The Parties have taken extensive discovery in this case. Pursuant to the Court's initial case management order, discovery began almost immediately after creation of the MDL, in the spring of 2015. Over the past two years, the Defendants have produced more than 10 million pages of documents through discovery. Plaintiffs' counsel have dedicated a team of more than 40 attorneys to the laborious work of reviewing these documents, many of which are in Japanese, necessitating expensive and time-consuming translation, at great expense, which Plaintiffs have borne. The Defendants have deposed more than 70 class representatives, and Plaintiffs have deposed at least 45 witnesses of the Defendants. Depositions of individual employees of certain Automotive Defendants continue to be taken. Plaintiffs also have retained and consulted extensively with multiple experts on liability and damages issues in an effort to prepare the case for trial.

16. While Plaintiffs were litigating before this Court, the U.S. Department of Justice pursued a separate investigation of Takata. On January 13, 2017, Defendant Takata Corporation signed a criminal plea agreement in which it admitted, among other things, that it

> knowingly devised and participated in a scheme to obtain money and enrich Takata by, among other things, inducing the victim OEMs to purchase airbag systems from Takata that contained faulty, inferior, nonperforming, non-conforming, or dangerous PSAN inflators by deceiving the OEMs through the submission of false and fraudulent reports and other information that concealed the true and accurate test results for the inflators which the OEMs would not have otherwise purchased as they were.

U.S. v. Takata Corp., No. 2:16-cr-20810 GCS EAS, Dkt. No. 23 at 47 (E.D. Mich. Feb. 27, 2017). On the same day, an indictment of three Takata employees on related charges was unsealed. Takata entered a guilty plea to one count of wire fraud before U.S. District Judge George Caram Steeh, as part of a settlement with the U.S. Department of Justice. *See id.* at 2.

17. On March 10, 2017, the Automotive Defendants – Nissan, Ford, BMW NA, Toyota, Mazda, Subaru, and Honda – all filed cross-claims against Takata. (Dkt. 1444, 1445, 1446, 1451, 1452, 1453, 1454.) On April 28, 2017, Takata filed a Motion to Strike, Alternative Motion to Dismiss in Part and Memoranda of Law as to each of the Cross-Claims.

18. On June 25, 2017, Takata Corporation's United States subsidiary, Defendant TK Holdings, Inc., filed a bankruptcy petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware. *In Re TK Holdings, Inc.*, No. 17-11375 (Bankr. D. Del.). Likewise, Takata Corporation has filed for insolvency protection in Japan and has filed a petition under 11 U.S.C. § 1501 to recognize the Japanese insolvency proceeding in the United States. (ECF No. 1857.) Consequently, Plaintiffs' claims against TK Holdings, Inc. and Takata Corporation are stayed.

C. Settlement Negotiations.

19. In parallel with the hard-fought litigation track, preliminary settlement discussions began in early 2016, between Plaintiffs' counsel and Toyota's counsel, John P. Hooper of King & Spalding.[2] During these and subsequent negotiations, the parties discussed their relative views of the law and facts and potential relief for the proposed Class, and exchanged a series of counter-proposals for key issues and concepts in a potential settlement. After months of negotiations between Plaintiffs' counsel and Toyota's counsel, the settlement discussions expanded to include additional Automotive Defendants, including BMW, Mazda, and Subaru. These multi-party discussions ultimately ended in an impasse in early 2017.

20. In early 2017, however, Plaintiffs' counsel and Toyota's counsel resumed direct negotiations and ultimately reached a preliminary agreement on March 21, 2017, signing a

[2] Mr. Hooper left Reed Smith LLP and joined King & Spalding in July of 2017.

Memorandum of Understanding ("MOU") memorializing the essential terms of the Settlement. Over the next six weeks, Plaintiffs' counsel intensely negotiated and reached agreements with counsel for BMW, Mazda, and Subaru. Plaintiffs' counsel's negotiations with counsel for BMW were aided by the Court-appointed mediator, Paul C. Huck, Jr. After the MOUs were signed, the parties engaged in intense negotiations regarding the specific terms of each Settlement Agreement, requiring Plaintiffs to engage in multi-party diplomacy, with a hybrid of individual negotiations with each Defendant, as well as combined sessions with multiple Defendants at later stages when it was constructive. The Settlement Agreements were signed on May 17, 2017. At all times, the lengthy negotiations were adversarial, non-collusive, and at arm's length.

D. Settlement Recovery.

21. The Settlements require the Settling Defendants to deposit a total of approximately $553 million, less a 10% credit for their respective Rental Car/Loaner Programs, into separate non-reversionary Qualified Settlement Funds. The separate Settlement Amounts for each Settling Defendant are: $278.5 million for Toyota; $131 million for BMW; $75,805,050 for Mazda; and $68,262,257 for Subaru.

22. In accordance with the Agreements, the Settling Defendants deposited approximately 12% of the full Settlement Amounts within 30 days of this Court's Preliminary Approval of the Settlements, to immediately fund the first year of the Outreach Programs. The rest of the Settlement Fund payments will be made over a prescribed four-year schedule set forth in the Settlements.

23. The Settlement Funds will be used to pay for: (a) the Outreach Programs; (b) an Out-of-Pocket Claims Process to compensate Class Members for out-of-pocket expenses relating to the Takata Airbag Inflator Recall; (c) residual cash payments to Class Members who have not

incurred reimbursable out-of-pocket expenses and who register for residual payments, to the extent that there are residual amounts remaining; (d) the Rental Car/Loaner Programs, which will provide rental or loaner vehicles to Class Members with Priority Group 1 vehicles at no cost when the Recall Remedy cannot be performed within thirty days; (e) notice and related costs; (f) claims administration, including expenses associated with the Settlement Special Administrator; (g) Court-awarded Class Counsel's fees and expenses; and (h) Court-awarded service awards to Class Representatives.

E. Considerations Supporting the Settlements.

i. There was No Fraud or Collusion.

24. The Court is well aware of how hard and zealously the Parties litigated prior to reaching the Settlements. Plaintiffs continue to litigate this matter against other Defendants, and the sharply contested nature of the proceedings in this case readily shows the lack of fraud or collusion behind the Settlements.

25. Class Counsel negotiated the Settlements with similar vigor. Plaintiffs were represented by experienced counsel at these arms-length negotiations. And the settlement negotiations were informed, on both sides, by counsel experienced in the litigation, certification, trial, and settlement of nationwide class action cases. In particular, Class Counsel had the benefit of years of experience and a familiarity with the facts of this case as well as with other cases involving similar claims.

26. As I described above, Class Counsel conducted a thorough investigation and analysis of Plaintiffs' claims and engaged in extensive formal discovery with the Settling Defendants. Class Counsel's thorough review of that extensive discovery enabled us to gain an understanding of the evidence related to key questions in the case, and prepared us for well-

informed settlement negotiations. Thus, Class Counsel were well-positioned to evaluate the strengths and weaknesses of Plaintiffs' claims, as well as the appropriate basis upon which to settle them.

27. The settlement negotiations were, at all times, adversarial and conducted at arm's length. In fact, after months of negotiations, the Parties reached an impasse in early 2017, before the Parties resumed negotiations in the spring of 2017.

ii. The Settlements Will Avert Years of Highly Complex and Expensive Litigation.

28. This case involves millions of Class Members, with potential damages exceeding billions of dollars. The claims and defenses are complex; litigating them is and has been difficult and time consuming. Although the Action has been pending for more than two years, recovery by any means other than settlement would require additional years of litigation in this Court and appellate courts. In contrast, the Settlements will provide immediate and substantial benefits to millions of consumers.

iii. The Factual Record is Sufficiently Developed to Enable Plaintiffs and Class Counsel to Make a Reasoned Judgment Concerning the Settlements.

29. Significant discovery occurred in this case prior to the Settlements. It afforded Class Counsel insight into the strengths and weaknesses of their claims against the Settling Defendants. Before settling, we had developed ample information and performed extensive analyses from which to assess the probability of success on the merits, the possible range of recovery, and the likely expense and duration of the litigation.

iv. Plaintiffs Would Have Faced Significant Obstacles to Obtaining Relief.

30. Class Counsel are quite confident in the strengths of their case, but we are also pragmatic as well as aware of the various defenses available to the Settling Defendants and the

risks inherent in any litigation. While Plaintiffs overcame the risk of dismissal on various theories advanced at the motion to dismiss stage, including legal challenges to the common law and state statutory claims, the ultimate success of Plaintiffs' claims turned on these and other questions that were certain to arise in the context of motions for summary judgment or class certification and at trial.

31. While Class Counsel believe we have a compelling case against the Settling Defendants, we are mindful that the Settling Defendants advanced significant defenses that we would be required to overcome at summary judgment, at class certification, at trial, and eventually on appeal. This litigation involved several key risks, including: (1) overcoming Takata's guilty plea to wire fraud; (2) establishing that the Settling Defendants had sufficient knowledge of the risks inherent in Takata's defective airbag inflators; and (3) developing a damages model to measure the economic losses suffered by millions of consumers. Class Counsel also appreciate that, absent a settlement, it would have taken years of additional litigation – and overcoming vigorous legal and factual defenses – to bring the Action to finality. Even then, the outcome would still be uncertain. Given the myriad risks attending these claims, the Settlements cannot be seen as anything other than a fair compromise.

32. Protracted litigation, as we all know, carries inherent risks and inevitable delay. Under the circumstances, Plaintiffs and Settlement Class Counsel determined that the Settlements clearly outweigh the risks of continued litigation.

v. The Settlement Amounts Are Reasonable Given the Range of Possible Recovery.

33. The Settlements provide substantial value to the Classes. Such value is well within the range of reasonableness. Even before including the value of the Customer Support Program, the Settlements have a combined value of approximately $553 million, which

represents roughly more than 50% of Plaintiffs' and Class Members' estimated damages recovery under a method of calculating damages based on the prices the Settling Defendants paid for and marked up Takata airbags, according to evidence produced in discovery. This method of calculating damages has been sustained against a *Daubert* challenge in a similar automotive defect class action. *See In re Myford Touch Consumer Litig.*, No. 13-CV-03072-EMC, 2016 WL 7734558, at *5 (N.D. Cal. Sept. 14, 2016). The additional value of the Customer Support Programs further increases the range of recovery as a percentage of the possible damages that Plaintiffs and Class Members could recover if they were to prevail all the way through trial and on appeal.

34. Moreover, the non-reversionary aspect of the Settlements speaks volumes about their adequacy and reasonableness. All the Settlement Funds, less the necessary costs of settlement administration, attorneys' fees, expenses and service awards, will be distributed for the benefit of Class Members, through the Outreach Programs, Out-of-Pocket Claims Process, and Residual Distribution. In other words, none of the Settlement Funds are being returned to the Settling Defendants.

35. The Settlements also provide for a *cy pres* distribution for funds that cannot be distributed directly to Class Members in a cost-effective manner. With Court approval, the funds will be distributed as *cy pres* relief to worthy charities, especially to charities geared toward combatting harms that injured Class Members.

vi. The Opinions of Class Counsel, Class Representatives, and Absent Class Members Strongly Favor Approval of the Settlements.

36. Class Counsel believe that these Settlements are extraordinary and clearly deserving of Final Approval. Moreover, opposition to the Settlements has been de minimis. Although the objection and opt-out deadlines have not expired yet, as of September 8, 2017,

Class Counsel have received only 6 objections, and the number of opt-outs has not exceeded 320.

F. Service Awards.

37. Pursuant to the Settlements, Class Counsel seek, and the Settling Defendants do not oppose, Service Awards of $5,000 per named Plaintiff, or $2,500 per Plaintiff for married couples when both spouses are Plaintiffs. If the Court approves them, the Service Awards will be paid from the Settlement Funds, and will be in addition to the relief the Class Representatives will be entitled to under the terms of the Settlement. These awards will compensate the representatives for their time and effort in the Action, and for the risk they undertook in prosecuting the case against the Settling Defendants.

38. Service awards compensate named plaintiffs for the services they provided and the risks they incurred during the course of the class action litigation. Courts have consistently found service awards to be an efficient and productive way to encourage members of a class to become class representatives and take on the responsibility of representing the entire class.

39. The factors for determining a service award include: (1) the actions the class representatives took to protect the interests of the class; (2) the degree to which the class benefited from those actions; and (3) the amount of time and effort the class representatives expended in pursuing the litigation.

40. The above factors, as applied to the Action, demonstrate the reasonableness of a service award of $5,000 to each Class Representative, or $2,500 to each Class Representative for married couples where both spouses are Class Representatives. Among other things, each Class Representative took numerous actions and provided substantial assistance to Class Counsel by locating and forwarding responsive documents and information and by engaging in conferences

with Class Counsel, with many preparing and sitting for depositions as well. In so doing, the Class Representatives were integral to educating Class Counsel and helping Class Counsel form the central theory of this case. The Class Representatives not only devoted time and effort to this long-running litigation, but the end result of their efforts, and those of counsel, was a substantial benefit to the Classes. It's only fair that these Class Representatives be compensated for their service.

41. If each of the Class Representatives are awarded $5,000, the total service awards will be $115,000. This is a miniscule percentage of the Settlement Funds, and well within the range of reasonable service awards.

G. Class Counsel's Attorneys' Fees.

42. Pursuant to the Settlements, Class Counsel are permitted to request that the Court award us attorneys' fees up to 30% of the Settlement Amounts. The Settling Defendants agreed not to oppose such a request for attorneys' fees and expenses. The Parties negotiated and reached this agreement regarding attorneys' fees and expenses only after reaching agreement on all other material terms of the Settlement Agreements.

43. As indicated in the Court-approved Notice disseminated to the Classes, and consistent with standard class action practice and procedure, Class Counsel request a fee amounting to 30 percent of the $553,567,307 combined Settlement Amounts, which represent the common funds created through our hard work and efforts. That amount would include both attorneys' fees and expenses.

i. The Claims Against the Settling Defendants Required Substantial Time and Labor.

44. Prosecuting and settling the claims in the Action demanded considerable time and labor, making this fee request reasonable. Throughout the pendency of the Action, the internal

organization of Class Counsel, including assignments of work, weekly or bi-weekly conference calls, and oversight of various tasks and projects, ensured that we were continuously engaged in coordinated, productive work efforts to maximize efficiency and minimize duplication of effort. To the same ends, in-person meetings of Class Counsel were also held at various times during the course of the litigation, to ensure that we were adhering to our litigation strategy and achieving our objectives.

45. Class Counsel spent hundreds of hours investigating the claims of many dozens of potential plaintiffs against the Settling Defendants in this MDL. Class Counsel interviewed hundreds of consumers and potential plaintiffs to gather information about the Settling Defendants' conduct and its impact upon consumers. This information was essential to our ability to understand the nature of the Settling Defendants' conduct and potential remedies.

46. Class Counsel expended significant resources researching and developing the legal claims at issue. An assessment of the laws of all fifty (50) states was necessary to determine which state common law doctrines and consumer protection statutes provided Plaintiffs with viable claims.

47. Class Counsel faced a significant hurdle with the filing of the Settling Defendants' various motions to dismiss. We conducted substantial legal research and undertook a considerable briefing effort to oppose the various motions, which ultimately resulted in Plaintiffs' 121-page Opposition Brief. We also convened in advance of oral argument on the various motions to prepare for the day-long argument held on October 23, 2015.

48. At this Court's insistence, discovery began almost immediately after the formation of the MDL. We served more than 100 written discovery requests on each of the Defendants, seeking relevant and probative documents and information in their possession. The

process of developing, refining and finalizing such discovery requests - with an eye toward class certification, summary judgment, and trial - required considerable effort by us.

49. Defendants have produced over ten (10) million pages of documents in response to Plaintiffs' discovery requests, and also served responses to Interrogatories. Defendants also asserted layers of blanket, boilerplate objections to our discovery requests. The parties held countless meet-and-confer discussions to resolve numerous discovery disputes. Those disputes that could not be resolved were presented to the Special Master through briefs and oral arguments, which required considerable time and effort.

50. Class Counsel established a large document review team consisting of more than 40 attorneys from thirteen (13) different law firms whose task was to review, sort, and code the produced documents. To make the review and subsequent litigation more efficient, we established uniform coding procedures for electronic review of the documents produced, and team members remained in constant contact with each other to ensure that all counsel became aware of significant emerging evidence in real time. Such document review efforts and coordination were essential - and account for a large proportion of the attorney time expended in this Action. The document review project was complicated by the fact that many documents were in Japanese, requiring time-consuming translation and specialized reviewers, at great expense.

51. In addition, Class Counsel expended significant time and effort to prepare responses to the Settling Defendants' interrogatories and requests for production of documents directed to more than 100 named Plaintiffs, and to successfully prepare for and defend the depositions of these Plaintiffs. More than 70 such depositions have been taken to date.

52. Class Counsel also expended significant time and expense preparing for and taking depositions of Defendants' witnesses across the country. Class Counsel has deposed at least 45 witnesses of the Defendants to date. Teams of attorneys spent weeks preparing for each deposition of a Defense witness, a consequence of the sheer volume of documents produced, as well as the breadth of issues and timespan that had to be covered. Many of the depositions were conducted in Japanese, requiring additional time and expense for real-time translation.

53. Beginning in early 2016, Class Counsel began preliminary settlement discussions with Toyota's counsel. Throughout 2016, we prepared for and participated in numerous days of negotiations in various locations in an attempt to settle the Action.

54. After the Parties executed the MOUs in connection with the Settlements, Class Counsel engaged in protracted discussions and drafting over the terms of the Settlement Agreements.

55. All told, Class Counsel's steadfast and coordinated work paid great dividends for the Classes. Each of the above-described efforts was essential to achieving the Settlements currently before the Court. Taken together, the time, expertise, and resources Class Counsel devoted to prosecuting and settling the Action of nationwide importance justify the fee we are now seeking.

ii. The Issues Involved Were Novel and Difficult and Required the Exceptional Skill of a Highly Talented Group of Attorneys.

56. The Court, we believe, regularly witnessed the high quality of our legal work, which has conferred a significant benefit on the Classes in the face of daunting litigation obstacles and highly sophisticated defense counsel. As the Court is aware, it is a considerable challenge to successfully prosecute a case like this. Moreover, the orderly and effective management of this very large MDL, including claims against seven of the world's largest

automotive companies, presented challenges that many law firms and lawyers simply would not be able to meet.

57. Indeed, litigation of a case like this requires counsel highly trained in class action law and procedure as well as the specialized issues these cases present. All of the lawyers representing Plaintiffs, and in particular those whom this Court appointed to represent Plaintiffs, possess these attributes, and their participation as Class Counsel added significant value to the representation of these especially large Classes consisting of millions of individuals. The record before the Court establishes that the Action involved a wide array of complex and novel challenges, which we met at every juncture based on our extensive experience in complex litigation and class action litigation.

58. In assessing the quality of representation by Class Counsel, the Court also should consider the quality of their opposing counsel. The Settling Defendants were represented by extremely able, sophisticated, and diligent attorneys. These were worthy, highly competent adversaries who fought at every turn to protect their clients' interests.

iii. The Claims Against The Settling Defendants Entailed Considerable Risk.

59. The Settling Defendants mounted vigorous defenses to these claims, denying any and all liability in the Actions. The time, work, and expense demands on us were daunting, and limited our ability to work on numerous other matters. Our success under these circumstances represents a genuine milestone.

60. Prosecuting the Action was risky from the outset. While several risks existed, I will limit my discussion to three of the most serious risks.

61. First, the Settling Defendants have claimed that they were deceived by Takata as to the safety of its inflators, a defense they claim finds support in Takata's recent guilty plea to a

count of wire fraud based on allegedly misleading testing results provided to certain OEMs. The Settling Defendants have argued that these criminal charges, which portray them as "victims" of Takata's deception, were a "game changer" and absolve them of any liability.

62. Second, the Settling Defendants have challenged Plaintiffs' damages theories. While Plaintiffs allege that they suffered economic losses at the time of purchase, because a vehicle with a defect is, by definition, worth less than a defect-free vehicle, the Settling Defendants contend that Plaintiffs have not suffered compensable damages because most defective inflators eventually will be replaced free of charge through recalls.

63. Third, the Settling Defendants would have vigorously opposed class certification. Though we believe that we could and would prevail in a litigated class certification battle, the Settling Defendants would assert numerous arguments against certification of all or parts of the Classes. Moreover, even if Plaintiffs were successful, the Settling Defendants would inevitably seek interlocutory review of class certification rulings under Rule 23(f) in the Court of Appeals, delaying the progress towards trial for months, if not years.

64. Each of these risks, standing alone, could have impeded Plaintiffs' successful prosecution of these claims at trial (and in any appeal). Together, they show that Plaintiffs' claims against the Settling Defendants were far from a "slam dunk" and that, in light of all the circumstances, the Settlements achieve an excellent class-wide result.

iv. Class Counsel Assumed Substantial Risk to Pursue the Action on a Pure Contingency Basis, and Were Precluded from Other Employment as a Result.

65. Class Counsel prosecuted the Action entirely on a contingent fee basis. In undertaking to prosecute this complex action on that basis, we assumed a significant risk of nonpayment or underpayment. That risk also warrants the requested fee.

66. Public policy concerns - especially ensuring the continued availability of experienced and capable counsel to represent classes of injured plaintiffs whose individual claims would defy vindication - further justifies the requested fee award.

67. The progress of the Action to date readily shows the inherent risk that we faced in taking these cases on a contingency fee basis. Despite our enormous and ongoing effort in litigating before this Court for almost three years, we remain completely uncompensated for the millions of dollars of time and expenses we have invested. Uncompensated expenditures of this magnitude can severely damage or even destroy some law firms. It cannot be disputed that the Action entailed a substantial risk of nonpayment and resulting financial hardship for our practices.

68. Furthermore, the time we spent on the Action was time that we could not spend on other matters. This factor militates in favor of our requested fee.

v. Class Counsel Achieved an Excellent Result.

69. The Settlements we achieved are outstanding. Instead of facing additional years of costly and uncertain litigation, millions of Class Members will receive an immediate benefit from Settlements with a combined value of more than $553 million. The Settlements represent an exceptional achievement by any measure.

vi. The Requested Fee Comports with Customary Fees Awarded in Similar Cases.

70. The fee requested here matches the fee typically awarded in similar cases. As numerous decisions have recognized, a fee award of 30 percent of a common fund is well within the range of a customary fee in this District and in this Circuit. Our fee request falls at the low end of the average in the private marketplace, where contingency fee arrangements often

approach or equal 40 percent of any recovery. Moreover, the requested fee falls squarely within the range of awards made in numerous cases brought in this Circuit and District.

vii. Other Factors Also Favor Approving Class Counsels' Fee Request.

71. Other factors likewise support granting our fee request. As noted, the burdens of this litigation have precluded our pursuit of other cases. The relatively small size of most of the firms representing Plaintiffs and the major commitment involved in accepting this representation, precluded our firms from working on other matters and accepting other representations. Over the past two years, my firm and I, as well as other Court-appointed firms, repeatedly turned away work or refused to become involved in other cases, because of the significant time and effort that this case and MDL required. In addition, our fee request is firmly rooted in "the economics involved in prosecuting a class action." Without adequate compensation and financial reward, cases such as this simply could not be pursued.

72. Moreover, Class Counsel has advanced millions of dollars in out-of-pocket costs and expenses, for which the requested fee award will include and cover.

73. Finally, unlike most settlements, Class Counsel's work in connection with these Settlements will not end at Final Approval. These Settlements will last for at least four years and will require substantial input from Class Counsel to oversee and adjust the Outreach Programs and Out-of-Pocket Claims Processes. The requested fee award will cover this extensive work over the next four years as well.

I declare under penalty of perjury of the laws of Florida and the United States that the foregoing is true and correct, and that this declaration was executed in Miami, Florida on September 8, 2017.

/s/ Peter Prieto
Peter Prieto