

EXHIBIT D

**IN THE UNITED STATES DISTRICT COURT
FOR THE 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 NISSAN MOTOR CO., LTD. AND
NISSAN NORTH AMERICA, INC.,
DEFENDANTS**

**DECLARATION OF KIRK D. KLECKNER REGARDING THE
CUSTOMER SUPPORT PROGRAM AND RENTAL CAR/LOANER PROGRAM**

KIRK D. KLECKNER, of full age, declares as follows:

1. Summary of Opinions

a. This declaration pertains to the valuation of the Customer Support Program Warranty (CSP Warranty) and Rental Car/Loaner Program (RCL) in the Settlement Agreement¹ with Defendants Nissan Motor Co., Ltd., and Nissan North America, Inc. (Defendant).²

b. Based on the analyses explained below, I have determined within a reasonable degree of professional certainty:

i. the value of the settlement's CSP Warranty is \$73,860,000; and

¹ SETTLEMENT AGREEMENT Case 1:15-md-02599-FAM Document 1971-1 Entered on FLSD Docket 08/08/2017; STIPULATION AMENDING EXHIBITS TO SETTLEMENT AGREEMENT Case 1:15-md-02599-FAM Document 2160-1 Entered on FLSD Docket 11/01/2017; and AMENDED EXHIBIT 9 Case 1:15-md-02599-FAM Document 2160-3 Entered on FLSD Docket 11/01/2017.

² Earlier this year, I valued the CSP Warranty and RCL class member benefits for the settlements of Defendants BMW, Mazda, Subaru, and Toyota (Previous Settlement Defendants) in this action. The Defendant and Previous Settlement Defendants together are referred to in this declaration as the Settlement Defendants.

ii. that the value of the settlement's RCL exceeds the 10% credit allocated for the program in the settlement.

2. Experience and Qualifications

a. I am a Certified Public Accountant in the United States with an MBA. I have an ABV accreditation in business valuation and intangible asset valuation from the American Institute of Certified Public Accountants (AICPA). I am an Accredited Senior Appraiser (ASA-BV) from the American Society of Appraisers. I have litigation-related experience in valuing economic losses and damages, and I have a Certified in Financial Forensics (CFF) accreditation from the AICPA.

b. My experience includes seven years as the Chief Financial Officer for a well-respected Top 50 United States automotive dealership group; 19 years with an accounting firm including roles as shareholder, Chief Operating Officer, and Director of Business Valuation and Litigation Support Services; and performing services for hundreds of companies in a wide array of industries, including but not limited to retail dealerships, property and casualty insurance, warranty insurance, and distribution.

c. As CFO of an automotive dealership group, I worked on service and warranty matters. My duties as CFO included establishing and overseeing extended service contractual relationships, and establishing and overseeing automotive dealer-owned reinsurance entities and structures for extended service warranty contracts and other insurance-related products.

d. My experience as an expert includes the following automotive warranty related class action settlement valuation determinations: 1) the Warranty Extension and other class member benefits provided for by the Volkswagen and Audi Warranty Extension class action settlement agreement (VW/Audi)³; 2) the Customer Support Program related class member benefits provided for by the Toyota-United States class action settlement agreement (Toyota-US)⁴; and 3) the Customer Support Program in the Toyota-Canadian class action settlement agreement (Toyota-Canadian)⁵.

e. My *curriculum vitae* is attached as Exhibit A.

3. Valuation Purpose, and Scope and Materials Considered

a. Plaintiff's Counsel asked me to independently:

³ The United States District Court District Of Massachusetts, In re Volkswagen and Audi Warranty Extension Litigation, Docket No. 1:07-md-01790

⁴ Central District Of California, Southern Division, In Re: Toyota Motor Corp. Unintended Acceleration Marketing, Sales Practices, And Products Liability Litigation, United States District Court, Case No. 8:10ML2151 JVS (FMOx)

⁵ Canadian Toyota Unintended Acceleration Marketing, Sales Practices, And Products Liability Litigation Settlement Agreement (various courts)

- i. Value the Class Member benefits made available from this class action litigation and settlement related to the CSP Warranty; and
- ii. Determine whether the value of the Class Member benefits related to the RCL made available to Priority Group 1 Vehicles exceeds the credit of 10% of the overall Settlement Amount allocated to the RCL program.

b. In conducting my work and forming my opinions, I was provided and have considered, in addition to my substantial experience in this area, the materials identified in Exhibit B for the Settlement Defendants. I believe that the information made available to me, taken as a whole, provided sufficient data from which I could draw valid valuation conclusions.

c. My Valuation Primary Assumptions, Information Requested, Valuation Methodologies, Valuation Conclusions, and Certifications and Representations are profiled below.

4. Valuation Primary Assumptions and Limiting Conditions

a. My analyses, opinions, and conclusions are limited only by the Valuation Primary Assumptions and Limiting Conditions outlined in Exhibit C, which include, among others:

- i. My calculations assume a Valuation Effective Date of December 20, 2017; if the timing of the final approval date of the Settlement Agreement occurs as expected during the first quarter of 2018, my valuation conclusions will be materially accurate.
- ii. Given the complexity of this valuation, number of Defendants involved, and time constraints of the project, I reserve the right to submit a revised valuation to correct any inadvertent errors or omissions.

5. Information Requested

a. To understand the nature of potential CSP Warranty claims and the monetary exposure, I asked the Settlement Defendants to:

- i. Define the inflator's various repair and replacement procedures included in the CSP Warranty program and provide the average per vehicle warranty claim amount for each procedure.
- ii. Provide the estimated average per vehicle Takata recall remedy cost (including temporary and permanent remedies).

b. To determine the number of Subject Vehicles to receive benefits (Covered Vehicles) and to estimate the CSP Warranty value and Rental Car/Loaner Program value, I asked the Settlement Defendants to provide:

- i. The number of Subject Vehicles originally sold by model year and type, including the number of vehicles with original equipment Takata PSAN

desiccated inflators, the number of recalled Priority Group 1 Vehicles, and the number of recalled Non-Priority Group 1 Vehicles.

ii. The number of permanent remedies performed with Non-Takata inflators as of Valuation Effective Date.

iii. The estimated quarterly supply timeline of non-Takata replacement inflators for vehicles with original equipment Takata PSAN desiccated inflators, recalled Priority Group 1 vehicles, and recalled non-Priority Group 1 vehicles.

c. To determine the number of effective CSP Warranty coverage years for the Subject Vehicles, I asked the Settlement Defendants to provide, by the model and model year, the new vehicle warranty coverage (e.g. 3-years/36,000 miles) for the inflator.

d. To assess the consumer value proposition of the Settlement Defendants' new vehicle warranty coverages in contrast to the CSP Warranty coverage and to assess the variability of such by vehicle 'in-service' year, I asked the Settlement Defendants to provide for pertinent model years:

i. Number of vehicles sold by model years in the U.S.

ii. U.S. new vehicle warranty costs paid by model year (excluding any recall costs), or summary ranges of warranty costs

e. To assess the consumer value proposition of "manufacturer" extended service contracts (ESC)⁶ sold in contrast to the CSP Warranty coverage and to assess the variability of such by vehicle 'in-service' year, I asked the Settlement Defendants to provide U.S. Vehicle ESC warranty costs by ESC term and contract year, the number of ESCs sold by model year, and average cost to dealer by model year.

f. Although some of the information requested was not available for every Settlement Defendant, I believe that the information provided to me by the Settlement Defendants, taken as a whole and supplemented by my extensive knowledge of the industry, provided sufficient data from which I could draw valid valuation conclusions.

6. Customer Support Program Warranty (CSP Warranty) – Valuation Methodology and Valuation Conclusion

a. To estimate the value of the CSP Warranty, I relied upon information provided by the Settlement Defendants. If particular information I requested was not available for a certain defendant, I made best efforts judgements based on my professional knowledge of the industry

⁶ An extended service contract (ESC), sometimes called an extended warranty or plan, provides a warranty on certain vehicle parts beyond the coverage of the vehicle's original standard manufacturer warranty. Typical ESC levels of coverage vary from "power train only" up to full "bumper to bumper." The ESC is a contractual agreement between the vehicle owner and the ESC obligor (typically an independent insurance company or manufacturer affiliated insurance company). Consumers typically purchase an ESC from a dealer at the point of vehicle purchase.

and data provided by the other Settlement Defendants.

b. To estimate the value of the CSP Warranty, my valuation approach was based on estimating the market price Class Members would pay to purchase a Hypothetical Extended Service Contract (Hypothetical ESC) that is equivalent to the financial protection resulting from the existence of the CSP Warranty.⁷ This approach has been accepted by many courts and was incorporated in my valuations—upon which the courts and parties relied—in the VW/Audi, Toyota-US and Toyota-Canadian class actions mentioned in Section 2 above. Thus, I employed methods and analyses of a type reasonably relied upon by courts and experts in my field in forming opinions or inferences on the subject. In developing the prices of the Hypothetical ESCs, my primary considerations included the following:

i. The CSP Warranty covered services are to repair or replace both the replacement inflators installed as part of a recall and non-recalled Takata PSAN Inflators. Based on Defendant-provided information, I estimated the average retail price to repair/replace the covered inflators for a Class Member.

ii. Based on marketplace retail prices and the specific facts and circumstances of the CSP Warranty, I used a percentage⁸ of the current retail cost to repair/replace the replacement inflator as a reasonable estimate of the retail price of a one-year Hypothetical ESC that is equivalent to the CSP Warranty. To arrive at this reasonable estimate, I derived and considered the following data points:

1. Point of Service Sale (POSS) warranties have, in recent years, become available from some dealership service departments in the marketplace, and are priced at a certain percentage of the service invoice amount for three-year coverage. Dividing this retail price ratio for a three-year warranty provides a price ratio for a one-year warranty.

2. Information provided by the Settlement Defendants indicating a range of ‘per year’ retail costs consumers would pay for repair work if not for the existence of applicable new vehicle warranties, as a percentage of vehicle retail prices.

3. Based on information from a third-party insurance company, I analyzed retail prices for ESCs as a percentage of the retail

⁷ OPINION AND ORDER, JOSEPH A. O’KEEFE Plaintiff v. MERCEDES-BENZ USA, LLC Defendant, Civil Action No. 01-CV-2902, Civil Action No. 03-CV-1480, United States District Court, E.D. Pennsylvania, April 2, 2003, B, 2 – “We believe that the benefits to the class are most accurately measured by making an estimation of the Extended Coverage Program’s market price. We realize that this figure is difficult to estimate because the Extended Coverage Program—or any similar warranty product—is not on the market. Yet, economists, actuaries, investors and businesspeople must estimate and value risk in all types of market transactions. A warranty is simply the ex ante market price of insuring against a foreseeable risk. Any other measure except the market price would over or underestimate the benefit to the class.”

⁸ The Price within this range is dependent on many factors including vehicle miles and remaining life expectancy, and model year estimated coverage years.

price for the underlying pre-owned vehicle. This percentage tended to be higher for purchases of older vehicles than for purchases of newer vehicle, while vehicle prices are lower for older vehicles than for newer vehicle purchases. With the two factors in the percentage moving inversely, the percentage increases significantly for older vehicles. It is also reasonable to assume that fewer older vehicles would be still in service compared to newer models, so the weighted average skews closer to the lower end of the range for the purpose of this valuation.

4. Based on Settlement Defendant-provided information, I analyzed the retail prices of manufacturer ESCs as a percentage of the retail prices of the underlying vehicles.

5. Using these four data points, I arrived at a reasonable estimate of the retail price of one-year of coverage under a Hypothetical ESC that is equivalent to the CSP Warranty, and I used this estimate in my valuation calculations.

c. I considered coverage terms and limitations from the Customer Support Program in the Defendant's Settlement Agreement, including coverage year maximums and minimums, and mileage limitations:

i. "If the Subject Vehicle has been recalled and the Recall Remedy has been completed as of the date of the issuance of the Court's Preliminary Approval Order, then the Customer Support Program will last for 10 years measured from the date the Recall Remedy was performed on the Subject Vehicle or 150,000 miles measured from the date the Subject Vehicle was originally sold or leased ("Date of First Use"), whichever comes first. However, each eligible vehicle will receive coverage for at least 75,000 miles measured from the date the Recall Remedy was performed on the Subject Vehicle, or two years measured from the date of the issuance of the Court's Preliminary Approval Order, whichever is later."

ii. "If the Subject Vehicle has been or will be recalled and the Recall Remedy has not been completed as of the date of the issuance of the Court's Preliminary Approval Order, then the Customer Support Program will last for (a) 10 years from the Date of First Use, or, if the Recall Remedy is subsequently performed on the Subject Vehicle, the date the Recall Remedy is performed, or (b) 150,000 miles measured from the Date of First Use, whichever comes first. However, each eligible vehicle will receive coverage for at least 75,000 miles measured from the date the Recall Remedy was performed on the Subject Vehicle, or two years measured from the date of the issuance of the Court's Preliminary Approval Order (or from the date the Recall Remedy is subsequently performed, if it is), whichever is later."

iii. "If the Subject Vehicle contains a desiccated Takata PSAN inflator in the driver or passenger front airbag as original equipment that has not been

recalled as of the date of the issuance of the Court's Preliminary Approval Order, then the Customer Support Program will last for 10 years, measured from the Date of First Use, or 150,000 miles measured from the Date of First Use, whichever comes first. However, each eligible Subject Vehicle will receive no less than two years of coverage from the date of the issuance of the Court's Preliminary Approval Order.”

iv. “In the event desiccated Takata PSAN inflators in the driver or passenger front airbag modules in any of the Subject Vehicles are recalled in the future, then the Customer Support Program will last for 10 years measured from the date such future Recall Remedy is performed on the Subject Vehicle, or 150,000 miles measured from the Date of First Use, whichever comes first. However, each eligible vehicle will receive coverage for at least 75,000 miles or two years measured from the date the future Recall Remedy is performed on the Subject Vehicle, whichever is later.”

v. “Inoperable vehicles and vehicles with a salvaged, rebuilt or flood-damaged title are not eligible for the Customer Support Program.”

d. My calculations to arrive at a Valuation Conclusion for the Customer Support Program Warranty included:

i. The number of Subject Vehicles originally sold, by model year, that could benefit from the settlement was provided by the Defendants, and adjusted for the declining number on the road over time by utilizing vehicle survivability data from the National Highway Traffic Safety Administration (NHTSA) to derive the number of Estimated Covered Vehicles.

ii. The number of CSP warranty coverage years for each model year, applying estimates for the time and mileage limits and minimum coverage years for each of the categories of Subject Vehicles outlined in the Settlement Agreement and restated in Section 6.c:

1. Vehicles with Remedy Completed
2. Vehicles with Remedy Not Completed
3. Vehicles with desiccated inflator as Original Equipment

iii. The estimated retail price for a Hypothetical ESC for each model year based on:

1. The current estimated retail price to repair or replace the replacement inflator.

2. The estimated retail price of a one-year zero-deductible extended service contract coverage, based on the estimate derived from the methodology outlined in Section 6.b.

- iv. For each model year, I multiplied the resulting Total Coverage Years (after adjustments) by the Estimated Retail Price of a Hypothetical ESC to arrive at the Total Value of the CSP Warranty.
- e. Exhibit D1 provides the CSP Warranty Valuation Summary and Conclusion, displaying the results from my underlying calculations:
 - i. Estimated Covered Vehicles: The estimated number of Covered Vehicles (B) that will benefit from the CSP Warranty was derived by considering NHTSA vehicle survivability data (see Section 6.d.i).
 - ii. Estimated Coverage Years: The Coverage Years (D) is calculated as the number of Estimated Covered Vehicles by model year (B) multiplied by the number of Average Coverage Years that the ESC would cover for each model year (C) (see Section 6.d.ii).
 - iii. Estimated Value of Benefits: The Estimated Value of Benefits by Model Year (F) is calculated as the Coverage Years (D) multiplied by the Estimated Per Year Hypothetical ESC Market Price (E) (see Section 6.d.iii).
- f. My Valuation Conclusion for the Customer Support Program Warranty (CSP Warranty) made available to Class Members for the Defendant is \$73,860,000.

7. Rental Car/Loaner Program – Valuation Methodology and Conclusion.

- a. To determine whether the value of the Rental Car/Loaner Program (RCL) in the settlement exceeds the credit of 10% of the overall Settlement Amount, I relied upon information provided by the Defendant and I made reasonable judgements based on my professional knowledge of the industry.
- b. The relevant terms of the RCL outlined in the Settlement Agreement that I considered in my calculations are summarized as follows:
 - i. Eligibility is limited to Class Members with Priority Group 1 vehicles.
 - ii. Class Members qualify for a rental car/loaner after a 30-day delay.
- c. To estimate the value of the RCL, my valuation approach was based on determining the total aggregate number of weeks that Class Members with Priority Group 1 Vehicles would potentially qualify for Rental Cars/Loaners due to limited availability of replacement parts at dealerships leading to delays in completing the repair/replacement work. This aggregate amount of the available benefit was then compared to the credit of 10% of the overall Settlement Amount for providing the RCL Program.
- d. My analysis to arrive at a Conclusion for the Rental Car/Loaner Program included the following:

i. The Defendant provided the number of Priority Group 1 Class Vehicles originally sold and the estimated number of replacements completed as of the Valuation Effective Date.

ii. Based upon my experience in the industry and information provided by the Defendants about replacement part inventories and the timing of estimated future deliveries, I estimated the number of remedy delay weeks (beyond the initial 30-day delay) until dealers have sufficient supply to remedy all the Priority Group 1 Class Vehicles.

iii. Based upon my experience in the industry and interviews of service department personnel, I estimated the amount of time needed to complete the repair/replacement at the dealership once the replacement part is available.

iv. I analyzed the number of estimated rental weeks based upon the data collected and derived in 7.d.i through 7.d.iii.

v. Based upon my experience in the industry and interviews with dealership personnel regarding the retail price of loaner vehicles, I estimated the average per week retail rental rate to be \$120.

vi. The Estimated Value of Benefit Made Available is calculated as the Estimated Number of Rental Weeks multiplied by the estimated Average Per Week Retail Rental Rate.

vii. I compared the Estimated Value of Benefit Made Available to the credit of 10% of the overall Settlement Amount for providing the Rental Car/Loaner Program.

e. I concluded that the Estimated Value of Benefit Made Available through the RCL in the settlement exceeds the amount of the credit of 10% of the overall Settlement Amount.

8. Certifications and Representations

a. The statements of fact in this declaration are true and correct.

b. These are my personal, impartial, and unbiased professional analyses, opinions, and conclusions, all of which are stated to a reasonable degree of professional certainty.

c. I do not have any bias, present interest, or prospective interest with respect to this matter, or any bias or personal interest with respect to the parties involved with this assignment.

d. My engagement in this assignment and the compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or any direction in value, the amount of the value opinions, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this valuation.

I declare under penalty of perjury that the foregoing is true and correct. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment. Executed this 20th day of December 2017, at Blaine, Minnesota.

A handwritten signature in black ink that reads "Kirk Kleckner". The signature is written in a cursive style with a long horizontal flourish at the end.

KIRK D. KLECKNER

EXHIBIT A – Curriculum Vitae of Kirk D. Kleckner CPA MBA ABV ASA-BV CFF

Kirk is currently:

- President of ValuationUSA, LLC - a valuation and succession planning firm serving closely held businesses and their owners
- President of Automotive Development Group Capital and Consulting, LLC – dealership profitability consulting firm

Kirk's experience includes:

- Seven years as Chief Financial Officer for a well-respected Top 50 dealership group known for its world class customer experiences and business processes
- Nineteen years with an accounting firm including roles as shareholder, Chief Operating Officer, and Director of Business Valuation and Litigation Support Services
- Consulting work for hundreds of companies in an array of industries including but not limited to: retail dealership, casualty insurance, distribution, manufacturing, construction, insurance, reinsurance, service, non-profit, bank, retail, tool and die, technology, trucking and warehouse

Kirk is a CPA, MBA and has professional accreditations including:

- Accredited in Business Valuation (ABV) from the American Institute of Certified Public Accountants (AICPA)
- Accredited Senior Appraiser in Business Valuation (ASA-BV) of the American Society of Appraisers
- Certified in Financial Forensics, AICPA (CFF)

Kirk's expertise leverages both his professional and hands-on industry experience as a Chief Financial Officer for a \$500 million business. Kirk's expertise and experience includes buying, selling and integrating of businesses; managing businesses; succession planning, business and intangible asset valuation for strategic transactions; income, gift and estate tax; owner transactions and litigation purposes.

Kirk is a qualified expert witness with experience in complex business litigation, economic damages calculations, business valuation and intangible asset valuation. Recently, Kirk was a valuation expert in the greater than \$100,000,000 damage award class action cases --- In re Volkswagen & Audi Warranty Extension Litigation (MDL 1790) and In re: Toyota Motor Corp. Unintended Acceleration Marketing, Sales Practices, and Products Liability Litigation (No. 8:10ML2151 JVS).

STATEMENT OF QUALIFICATIONS

Academic and Professional Credentials

- **ABV** - Accredited in Business Valuation, AICPA,
- **ASA-BV** - Accredited Senior Appraiser-Business Valuation, American Society of Appraisers
- **CFF** - Certified in Financial Forensics, AICPA (granted exclusively to CPAs who demonstrate considerable expertise in forensic accounting through knowledge, skills, and experience in areas including: family law; valuations; financial statement misrepresentation; and economic damages calculations.



- **MBA** - Master of Business Administration, Concentration Finance, University of Minnesota
- **CPA** - Certified Public Accountant, State of Minnesota and Iowa
- Bachelor of Arts, Accounting and Business Administration, Wartburg College

Positions and Experience

President – ValuationUSA, LLC (2008) – Professional services consulting firm specializing in the following areas:

- succession planning, owner wealth accumulation, preservation and transfer planning
- business and intangible asset valuation
- gift and estate tax
- strategic acquisition and divestiture transactions
- value enhancement
- expert opinions – litigation, economic loss / damage analysis and independent opinions / expert testimony

President – Automotive Development Group Capital and Consulting, LLC (2009) – Business specializing in helping dealership groups and their owners establish and sustain competitive advantages that lead to performance at extraordinary levels.

Executive Vice President and Chief Financial Officer - Walser Automotive Group, Minneapolis, MN (2000–2007) - Automobile dealership group with related leasing, collision repair, reinsurance and real estate operations (\$500 million of revenues, fourteen locations and 750 employees)

Chief Operating Officer, Director of Valuation and Consulting Department, and Shareholder - Wilkerson, Guthmann + Johnson, Ltd., St. Paul, MN (1981 – 2000) - Public accounting firm with 40 members and offices in St. Paul, Blaine and Minneapolis. *Industries Served:* Auto dealership, casualty insurance, manufacturing, construction, insurance, service, non-profit, bank, retail, trucking and warehouse.

Professional Affiliations

American Society of Appraisers, a Member and an Accredited Senior Appraiser- Business Valuation (ASA-BV) - ASA is an organization of appraisal professionals. The ASA promotes the exchange of ideas and experiences among its members; maintains the Principles of Appraisal Practice and Code of Ethics for the guidance of its members; maintains universal recognition that members of the Society are objective, unbiased appraisers and consultants, and awards professional designations to qualified members.

American Institute of Certified Public Accountants, a Member and an Accredited in Business Valuation Member (ABV), Certified in Financial Forensics (CFF)

Minnesota Society of Certified Public Accountants, a Member

Twin Cities Estate Planning Council, a Member

Select Presentations

- *Business Value: What Leads to a High Performance Manufacturing Business?* 2016 Minnesota Manufacturing Executives, Minneapolis, MN
- *Eight Characteristics of High Value Dealerships*, 2014 Michigan Automotive Dealers Conference, Livonia, MI
- *Eminent Domain Asset Identification, Classification and Valuation*, Eminent Domain 2011: Essential Updates and Issues, Hennepin County Bar Association, Minneapolis, MN
- *Eight Characteristics of High Value Dealerships (And Why Dealers Should Care About Them)*, 2010 AICPA Auto Dealership Conference, Phoenix, AZ
- *AICPA / ASA Business Conference Review*, American Society of Appraisers, Minneapolis, MN
- *Fourteen Evolving Dealership Strategies*, Chicago Automobile Trade Association / Compli, Chicago; Dealer Driving Force Group, Charlotte, NC
- *Integrating Business Value Creation and Tax Planning*, 2010 Management & Business Advisers Conference, MN Society of CPAs, Minneapolis, MN
- *Tax Reduction Strategies for Today's Business Environment*, M&I Bank
- *What Leads to Dealership High Performance*, The New Dealership Era Symposium Sponsored by Compli and Wells Fargo, Bloomington, MN
- *Business and Real Estate Valuation Timely Opportunities*, Thrivent Financial Annual Meeting, Roseville, MN
- *Business Valuation for Attorneys*, Various
- *Understanding Financial Statements for Attorneys*, Various

Select Appraisal and Litigation Support Education

- ASA 2015 Advanced Business Valuation Conference, Las Vegas, NV
- How Probability Affects Discounts for Lack of Marketability, 2015
- ASA Annual Business Valuation Conference, 2015, 2014
- MNCPA Business Valuation Conference, 2015, 2013, 2009, 2008
- Price and Value: Discerning the Difference, 2015
- National 7 Hour USPAP for Business Valuation, 2014
- Michigan CPA Automobile Dealers Conference, 2014
- Buying and Selling a Privately Owned Business, 2014
- The NEW Choice of Entity Decision, 2014
- The Best Income Tax, Estate Tax and Financial Planning Ideas of 2013
- Family Law Conference, 2013
- Valuing Early Stage Companies, 2013
- Special Topics in the Valuation of Intangible Assets, 2012
- Using Market Data to Support Real Estate Partnership Discounts, 2012
- Reasonable Compensation: Application and Analysis for Appraisal, Tax and Management Purposes, 2011
- AICPA National Business Valuation Conference, 2011, 2008
- Factors of Comparability: Considerations Affecting Market Royalty Rates and Intangible Property Valuations, 2011
- 20th Annual National Expert Witness Conference, 2011
- Pluris Discount for Lack of Marketability Study Results, 2010
- Business Valuations for SBA Loan Purposes: Important Developments and Perspectives, 2010
- The Exploration, Examination, and Dissection of Reasonable Compensation, 2010
- Valuation Issues in Estate and Gift Tax, 2010
- Advanced Issues in Fairness and Solvency Opinions, 2010
- Real Option Valuation, 2009
- Monte Carlo Simulation, 2009
- Reconciling the Lack of Marketability Discount Theories, 2009
- Reasonable Compensation, 2008
- National Business Valuation Conference (AICPA / ASA), 2008
- Cost of Capital, 2008
- ASA International Appraisal Conference 2008
- Illinois Business Valuation Conference, 2008
- Evaluating Risk Business Valuation Conference, 2008
- Reconciling the Lack of Marketability Discount Theories 2008
- ABV Examination Review Course, 2007
- ABV Examination Review Course and Exam
- Valuation of Family Limited Partnerships and Limited Liability Companies
- S Corporation Valuation Issues
- Employment Damages Workshop
- Tax Issues in Divorce
- Expert Witness in an Untested Litigation Area
- Uniform Standards of Appraisal Practice, Course and Exam
- Selection and Use of an Expert in Litigation
- Income Tax Planning for Estates and Trusts
- Family Limited Partnerships in Minnesota

EXHIBIT B – Primary Materials Considered

In addition to the information data described in Sections 5 above, I considered the following:

- The United States District Court for The Southern District of Florida In Re: Takata Airbag Products Liability Litigation settlement agreements with the Settlement Defendants
- Various interviews with extended service contract professionals' familiar with the U.S. markets.
- Results of research regarding U.S. inoperable vehicles and vehicles with salvaged, rebuilt or flood-damaged titles.
- Results of research regarding U.S. vehicle survivability, age and miles driven.
- *Vehicle Survivability and Travel Mileage Schedules*, January 2006. National Highway Traffic Safety Administration.
- *2016 Official Warranty Guide, JL Warranty*
- *Toyota New Vehicle Warranty*
- Allstate vehicle service agreements
- C.N.A. National Warranty Corporation vehicle service agreements
- *C.N.A. Class Listings for Vehicle Service Contracts*
- Protective vehicle service agreements
- Various warranty insurance company state filings showing rate filings and rate manual guidelines
- Toyota Financial Services extended service contract information
- Lexus Financial Services extended service contract information
- NADA DATA Various Reports

Exhibit C – Valuation Primary Significant Assumptions and Limiting Conditions

- Information provided by the Defendants is accurate and responsive to the information request.
- My calculations assume a Valuation Effective Date of December 20, 2017; if the timing of the final approval date of the Settlement Agreement occurs as expected during the first quarter of 2018, my valuation conclusions will be materially accurate.
- While I believe my valuation conclusions are valid, I reserve the right to submit a revised valuation to correct any inadvertent errors or omissions, given the complexity of this valuation, number of Settlement Defendants involved, and time constraints of the project, including delays in providing information I requested.
- Not all information requested was available, however, I believe that the information made available to me by the Settlement Defendants, taken as a whole, provided sufficient data from which I could draw valid valuation conclusions.
- I applied a 25% probability of the occurrence of the future recall mentioned in paragraph 6.c.iv of this declaration.

Exhibit D1

Nissan CSP Warranty Valuation Summary and Conclusion

Estimated Covered Vehicles		Estimated Coverage Years		Valuation Summary	
Model Year	Number of Vehicles	Average Coverage Years by Model Year	Coverage Years	Estimated One-Year Hypothetical ESC Market Price	Estimated Value of Benefits By Model Year
(A)	(B)	(C)	(D) (B X C = D)	(E)	(F) (D X E = F)
2001	33,500	5.50	184,400	\$2.77	\$ 510,800
2002	89,900	5.50	494,500	\$2.77	\$ 1,369,800
2003	84,800	5.50	466,400	\$2.77	\$ 1,291,900
2004	88,100	5.50	484,300	\$2.77	\$ 1,341,500
2005	80,900	5.50	444,800	\$2.77	\$ 1,232,100
2006	125,500	5.50	690,200	\$2.77	\$ 1,911,900
2007	92,200	5.50	507,100	\$2.77	\$ 1,404,700
2008	87,400	5.50	480,400	\$2.77	\$ 1,330,700
2009	128,300	4.79	615,000	\$2.77	\$ 1,703,600
2010	104,900	4.77	500,800	\$2.77	\$ 1,387,200
2011	120,200	5.09	612,200	\$2.77	\$ 1,695,800
2012	208,600	5.18	1,081,100	\$2.77	\$ 2,994,600
2013	444,200	5.49	2,438,400	\$2.77	\$ 6,754,400
2014	568,700	5.47	3,110,900	\$2.77	\$ 8,617,200
2015	835,500	5.45	4,553,700	\$2.77	\$ 12,613,700
2016	868,200	5.44	4,722,900	\$2.77	\$ 13,082,400
2017	965,500	5.42	5,233,100	\$2.77	\$ 14,495,700
2018	7,900	5.44	43,000	\$2.77	\$ 119,100
	<u>4,934,300</u>		<u>26,663,200</u>		<u>\$ 73,857,100</u>
Valuation Conclusion					\$ 73,860,000