ALERT FROM THE SETTLEMENT ADMINISTRATOR			
SUBJECT	DPP POINT DOLLAR VALUE AND DPP POINT-BASED AWARD AND MSA I EIF AWARD PAYMENTS		
DATE	10/1/25	ALERT NUMBER	25-0008

I. INTRODUCTION

On 2/19/25, we issued Alert No. 25-0002 on the planning for the processing and payment of MSA I DPP Point-Based Awards and MSA I EIF Applications. Much has happened since then. This Alert brings everyone current.

II. DISCUSSION

A. The DPP Point Dollar Value.

The DPP Point Dollar Value as of 10/1/25, which is Point Dollar Value Calculation Date One set by the DPP Allocation Methodology, is $933.50033. That PDV applies to the first round of payments we will make on DPP Point-Based Awards. We discuss in Section II.C below the possible cumulative Point Dollar Value after all deposits by Defendants and the payments we will be able to make on DPP Point-Based Awards from those deposits through 2029.

The Calculation Date One Point Dollar Value comes from dividing the $234,874,240 in the QSF that we can apply to DPP Point-Based Awards by the 251,605.952431569 total Final Points assigned to eligible DPP claimants after all DPP reviews and Reconsiderations. The money in the QSF we can use now is what we have left from the $600,000,000 deposit made on 4/15/25 from which we paid the last group of EPP claimants in FIFO VI and the $1,000 Registration Payments to qualifying DPP claimants.

It required considerable work by the Allocation Special Master and us here to get us all to this stage in the Settlement Program. There were 18,235 claimants who elected the DPP. Of them, 978 are Ugandan nationals whose claim files are under further investigation pursuant to the Court's 6/26/25 Order (ECF 4159). Another 173 had no audiograms and did not qualify for either the $1,000 Registration Payment or Points. In the Points allocation review process, 507 claimants were not eligible for any Points, while 16,577 claimants were assigned some Points after claim review, initial Notices, 1,582 Requests for Reconsideration, re-reviews on those Requests, and then issuance of Notices After Reconsideration. After those final outcomes, we received—and continue to receive—requests from some claimants and counsel for a third review, which is not a step in the Allocation Methodology process but has delayed getting us to the Final Points total. Also, some claimants and counsel asked to be allowed to add new documents long after the 2/26/24 DPP Supplementation Deadline. Nonetheless, we met the timetable set by the Allocation

Methodology in 2023 to permit us to calculate the DPP Point Dollar Value for the first time on 10/1/25.

B. What Happens Next for DPP Claimants With Points.

We will send each DPP claimant a Notice showing the claimant's final Points, the 10/1/25 Point Dollar Value, and resulting Point-Based Award payment amount in this first DPP payment cycle. Because Notices to claimants represented by In-Ledgering Firms must show deductions for the attorneys' fees and expenses charged to this payment by the claimant's CAE counsel, we cannot issue payment amount Notices to In-Ledgering claimants until we have current, refreshed Ledgering Data from those firms and we know that the claimant's share of the payment complies with the 50% Rule. Then, we cannot pay In-Ledgering claimants until they sign their Notice as accepted and elect how we are to pay them their share. We can issue payment amount Notices to claimants represented by Non-Ledgering Firms before we have their current Ledgering Data but cannot pay the DPP amounts until we have their Ledgering Data and confirm compliance with the 50% Rule. CMO 98 (In-Ledgering Firms must send Notices to clients within 10 days; Non-Ledgering Firms must pay clients within 20 days and report dates of payment to us) applies to all these payments as well.

C. Payments on DPP Point-Based Awards in Future Years.

We will calculate a DPP Point Dollar Value every October 1 from 2026 through 2029 based upon the money we have in the QSF at the time that can be applied to DPP Point-Based Awards (resulting from the deposits made by the Defendants over time on the schedule set by the Master Settlement Agreement, less the funds needed each year for payments on EIF Awards and for administrative costs). We will send new Notices and issue payments on DPP Point-Based Awards after each PDV Calculation Date. We will not know the actual Point Dollar Value each year until the applicable Calculation Date.

However, we have run preliminary estimates on what the cumulative DPP Point Dollar Value might be after all DPP payments through 2029. Anything we can say this far out about that is extremely tentative because of the many variables affecting these numbers. Nonetheless, to give DPP claimants and their counsel some idea of what this could be, we tentatively project a cumulative 2029 DPP Point Dollar Value ranging from $9,500 up to maybe $10,100. That assumes the Defendants make in full all the deposits into the QSF on the schedule contemplated by the MSA.

This long-term Point Dollar Value estimate also assumes there will be no "1:5 Ratio Governor" payments to EPP claimants on Levels 3A to 5, which was mentioned as a possibility in the Allocation Methodology and in our Alert No. 25-0002 in February 2025. The Allocation Special Master and we have reported to the Court that the circumstances this provision was intended to govern have not arisen. The possibility of added payments to any EPP Levels was included in the Allocation Methodology as a safety device to control the risk of wild and outlandish results between DPP Point-Based Awards and EPP Awards if relatively few claimants were to elect the DPP, which would have pushed the value of a DPP claim with mild hearing loss to many multiples of the value of an EPP claim with identical hearing loss. DPP Point-Based Awards will be justifiably higher for those who qualified for more Points—meaning they were more injured—than the sampling of available data by the statistician in 2023 had indicated. But now that we know the numbers of DPP and EPP elections and their outcomes, we can tell that the emergency safety device provided by the 1:5 Ratio Governor will not be needed or used.

D. The Processing of MSA I EIF Applications.

We received 22,361 Applications for an Extraordinary Injury Fund Award, asserting 26,394 claims in the six Injury Categories defined by the Extraordinary Injury Fund Allocation Methodology. Of them, 17,025 Applications were from EPP claimants and 5,336 were made by DPP claimants.

The Allocation Special Master and his team reviewed them all, with input from an expert audiologist. We used those results to issue 22,361 Initial Notices to applicants on their outcomes, starting on 6/11/25. We then received 3,794 Requests for Reconsideration, each requiring individual re-review. All that work pushed us beyond our target date of 9/15/25 to send out all Post Reconsideration Notices on EIF Awards, but we are close to finishing them all now. Just as with the final DPP Notices, we have been receiving continued requests to add claims, add documents, and to re-do some claims after final outcomes, all of which has slowed up finishing EIF allocations.

E. The Amount of the Extraordinary Injury Fund.

The EIF Allocation Methodology provides:

> For MSA I, the total proceeds for the Extraordinary Injury Fund shall be limited to a maximum of up to ten percent (10%) of the Total Settlement Funds paid by 3M into the Settlement Trust, less the funds required to compensate all Expedited Pay Settlement Program claimants, Registration Payments, and Costs of Administration.

As we explained in Alert No. 25-0002, the Total Settlement Fund, assuming the Defendants make all the deposits required under the MSA, less the funds required to compensate all Expedited Pay Settlement Program claimants, Registration Payments, and Costs of Administration comes out to $2,851,907,600. The Extraordinary Injury Fund thus could be up to 10% of that, or a maximum of $285,190,760.

The Allocation Special Master, with the Court's approval, has determined that the Extraordinary Injury Fund will be that maximum allowed under the Allocation Methodology, in light of the significant number of EIF Applications made and how many claimants were found to qualify for an EIF Award. Also, with the cumulative DPP Point Dollar Value 2029 likely to exceed the $7,000 top end suggested in the EIF Allocation Methodology, there is no justification for "saving" any of the EIF money to be added to DPP Point-Based Awards. As the EIF Applications were processed and results announced, we had to maintain a reserve to cover potential increases in EIF Awards after Reconsideration and to ensure that all EIF Awards could be fully paid after they became final. We now know that we can safely assign the unallocated residual proportionately to all EIF Awards, which will increase the gross amount of everyone's Award by a small percentage. Before we make any payments on EIF Awards, we will issue new Notices to all EIF awardees showing their final EIF Award Amount. We have to do that for all In-Ledgering EIF claimants to have a signed Notice and payment election, so we will provide them to all EIF awardees each time we will make any EIF payment.

F. Payments on EIF Awards Will Be Funded from the January 15, 2026 Deposit by Defendants.

As we described in Alert No. 25-0002, EIF Awards will be paid in five installments of 20% of the claimant's gross EIF Award. Our original thinking was that we could begin those EIF payments along with the first payments on DPP Point-Based Awards in October 2025. We now know that we need to move the first 20% installment payment on EIF Awards until after the Defendants make the $75,000,000 deposit into the QSF that MSA I requires of them on 1/15/26. Apart from the volume of EIF Reconsideration requests and on-going queries about adding claims and documents that slowed things up, we need to do this because:

1. **The Money Available This October:** The funds the QSF has on hand to pay out in October 2025 will be smaller than those available in 2026 and 2027. Spreading it out over the 16,577 DPP claimants with Point-Based Awards as well as to all the over 17,400 claimants with EIF Awards would depress the 10/1/25 Point Dollar Value and the first payments possible to DPP claimants who have been waiting on their Award payments since the fall of 2023. Also, nearly 73% of the EIF awardees are EPP claimants who already have been paid something, while the rest of the EIF claimants will be getting their first DPP Point-Based Award payment now.

2. **Using the $75,000,000 Deposit:** This money coming in from the Defendants on 1/15/26 will be enough to pay 20% of all the EIF Awards. If we do not use it for that purpose, it would sit in the QSF and not in any claimants' hands until the next payment round in October 2026.

As a result, claimants with EIF Awards will get two payments in 2026—20% of their gross amount in January 2026 and then another 20% in October 2026.

G. Healthcare Liens Addressed by BrownGreer as the Lien Resolution Administrator on DPP Point-Based Awards and EIF Awards.

1. Healthcare Liens Against DPP Point-Based Awards.

If we determined from the required inquiry to CMS that a claimant was a Medicare beneficiary, we deducted $17.58 from that claimant's $1,000 DPP Registration Payment to satisfy Medicare's reimbursement claim. Where a claimant self-reported TRICARE coverage, we deducted $54 from the DPP Registration Payment ($49 to TRICARE and a $5 administrative fee). CHAMPVA and Indian Health Service waived their recovery interest in all DPP Awards. With Medicare and TRICARE covered by the DPP Registration Payment and waivers by CHAMPVA and Indian Health Service, state Medicaid is the only potential Healthcare Lien that may apply to a claimant's DPP Point-Based Award, if the claimant self-reported by telling us "YES" to the question about Medicaid coverage. Because DPP Point-Based Awards will be paid out in five installments over five years and the 2026 payment will be larger than the October 2025 one, we have determined we can postpone Medicaid satisfaction until the October 2026 installment. As a result, no holdback or deduction will be made for Medicaid from a claimant's October 2025 DPP Point-Based payment. We will deal with that in October 2026.

2. Healthcare Liens Against EIF Awards.

This table shows how Healthcare Liens affect EIF Awards under the agreements and arrangements we have made with these agencies. Healthcare Liens on EIF Awards to MSA III Wave Cases claimants were handled in this same manner:

HANDLING HEALTHCARE LIENS AGAINST EIF AWARDS		
	AGENCY	**HOW HANDLED**
1.	**MEDICARE (PARTS A AND B)** (entitlement query to CMS)	▪ **Injury Category 5 Award:** Waived; no deduction ▪ **Injury Category 1, 2, 3, and/or 6 Award and No Injury Category 4 Award:** One $7.08 deduction for payment to Medicare ▪ **Injury Category 4 Award:** Deduct specific dollar amount to pay Medicare as determined through expenditure-based resolution
2.	**CIVILIAN HEALTH AND MEDICAL PROGRAM (CHAMPVA)** (self-reported)	▪ **Military Claimants:** Waived; no deduction ▪ **Civilian Claimants:** Only six civilian claimants self-reported CHAMPVA coverage, and the VA confirmed that they were not entitled to healthcare benefits; no deduction for CHAMPVA
3.	**TRICARE** (self-reported)	▪ **Injury Category 5 Award:** Waived; no deduction ▪ **Injury Category 1, 2, 3, 4, and/or 6 Award:** Deduct specific dollar amount to pay TRICARE as determined through expenditure-based resolution; repayment is the lesser of (a) 50% of the claimant's Net EIF Award (Gross EIF Award, less EIF Application Fee, CBF Deduction, and Attorney Fees/Expenses) (the capped amount) OR (b) injury related care with 32% Offset reduction applied
4.	**INDIAN HEALTH SERVICE** (self-reported)	Deduct specific dollar amount to pay Indian Health Service as determined through expenditure-based resolution
5.	**STATE MEDICAID** (self-reported)	Determine specific dollar amount to pay Medicaid through expenditure-based resolution

The Department of Veterans Affairs (VA) waived its recovery interest in all EIF Awards. In the table, "expenditure-based resolution" means that we must address each claimant's situation individually with the agency. In that process: (a) the agency opens a file on the claimant; (b) the agency tells us what medical expenses they paid that they think are related to hearing loss and the Award; (c) we audit those claimed charges to sort out the ones that really seem connected; (d) we go back to the agency to explain that to them; and (e) we reach an agreement with the agency on which charges really apply. That reduces the deduction and often eliminates it entirely.

If all the claimant's Healthcare Liens are final when that claimant's first EIF Award payment is made, what is needed to pay them will be deducted at that time. If there is an unresolved Healthcare Lien when the claimant's first EIF Award payment occurs, no holdback or deduction will be taken from that first payment. As we are doing on the DPP Point-Based Award installments, any Lien repayment obligation will be addressed on the claimant's second EIF Award payment.

3. Reminder On How You May Keep Up With Healthcare Liens Affecting Awards.

Primary Counsel may go to the Reporting section of their Portal with us. Look at these Reports there:

(a) **Entitlement and Lien Details Report (CAE 8720):** Provides governmental healthcare entitlement information, Healthcare Liens resolution statuses, finalized Healthcare Lien amounts, and other Healthcare Liens related data for all the Participating claimants represented by the Primary Counsel firm.

(b) **Composite Payment Allocation Report (CAE 8060):** Shows Healthcare Lien holdbacks and final repayment values.

A *pro se* claimant may, after logging into their Portal with us, select claimant Details from the menu on the left side of the Portal homepage, scroll to the bottom of the screen to find the Medical Lien Status tab, and click the Medical Lien Status Report button.