SOUTHERN DISTRICT OF NEW YORK	v	
	:	
In re:	:	Chapter 11
MOTORS LIQUIDATION COMPANY, et al.,	:	Case No.: 09-50026 (MG)
f/k/a General Motors Corp., et al.,	•	
	:	
Debtors.	:	(Jointly Administered)
	X	

### **DECLARATION OF STEVE W. BERMAN**

I, Steve W. Berman, declare under penalty of perjury as follows:

UNITED STATES BANKRUPTCY COURT

- 1. I am an attorney duly admitted *pro hac vice* in this proceeding and am the managing partner of the law firm of Hagens Berman Sobol Shapiro LLP.
- 2. Pursuant to Order No. 8, *In re Gen. Motors LLC Ignition Switch Litig.*, Case No. 14-md-02543-JMF (S.D.N.Y. 2014) (the "<u>MDL Action</u>"), I serve as Plaintiffs' Co-Lead Counsel with particular responsibility for economic loss claims. I respectfully submit this declaration in support of *The Economic Loss Plaintiffs' Reply in Support of Rule 23(e) Motion* (the "<u>Reply</u>"). <sup>1</sup>
- 3. Except as otherwise stated, all facts set forth in this declaration are based on my personal knowledge and review of relevant documents.

### I. Economic Loss Class Claims.

4. The Settlement Agreement resolves issues arising from the proposed class claims of the Ignition Switch and Non-Ignition Switch Plaintiffs, attached as Exhibits A and B, respectively, to the *Notice of Filing of Amended Exhibits to Motion for an Order Granting Authority to File Late Class Proofs of Claim*, dated Apr. 25, 2018 [ECF No. 14280].<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Reply.

<sup>&</sup>lt;sup>2</sup> Except as otherwise indicated, references to "ECF No. \_" are to docket entries in the Bankruptcy Court proceedings: *In re Motors Liquidation Co.*, Case No. 09-50026 (MG).

#### A. Prospective Class Representatives.

5. The prospective class representatives for the Ignition Switch Plaintiffs are the claimants listed in Section II of the proposed ignition switch class claim. The prospective class representatives for the Non-Ignition Switch Plaintiffs are the claimants listed in Section II of the proposed non-ignition switch class claim.

### B. The Proffered Evidence And The Amount Of The Proposed Class Claims.

- 6. Counsel for the Ignition Switch and certain Non-Ignition Switch Plaintiffs provided the GUC Trust with the Updated Economic Loss Plaintiffs' Summary of Support for Claim in the Bankruptcy Court attached hereto as **Exhibit A**, describing in detail the factual background for the proposed class claims, the alleged viability of the asserted claims and the alleged amount of damages.
- 7. In addition, counsel for the Ignition Switch and certain Non-Ignition Switch Plaintiffs provided a report by Stefan Boedeker, an expert on surveys and statistical sampling, analyzing the amount of alleged damages for the proposed class claims based on a conjoint analysis conducted by Mr. Boedeker and the Berkeley Research Group, attached hereto as **Exhibit B**.
- 8. Following rulings by Judge Furman in the MDL Action regarding the viability of claims in certain states, counsel for the Ignition Switch and certain Non-Ignition Switch Plaintiffs provided the GUC Trust with refined estimates of the amount of damages. Counsel started with median estimates of damages per vehicle based on the conjoint analysis, and multiplied that by the number of defective Old GM vehicles in each state without a manifestation requirement. Depending on which estimate was used (*i.e.*, the estimate based on a defect causing physical harm and death, or the estimate based on time-to-recall), the estimated damages could

equal or exceed \$77 billion. The spreadsheets setting forth the updated estimates are attached hereto as **Exhibit C**.

#### II. Personal Injury And Wrongful Death Claims.

- 9. The Settlement Agreement also resolves issues arising from the claims of the 442 Pre-Closing Accident Plaintiffs asserting claims or who suffered an injury or death involving an Old GM vehicle subject to Recall Nos. 14v-047, 14v-540, 14v-355, 14v-394, 14v-400, 14v-118, and 14v-153 who are signatories to the Settlement Agreement—439 Pre-Closing Accident Plaintiffs represented by Andrews Myers, P.C. and 3 Pre-Closing Accident Plaintiffs represented by Cole Schotz P.C.
- 10. On February 28, 2019, New GM informed the Court that 254 of the Pre-Closing Accident Plaintiffs who are signatories to the Settlement Agreement are eligible for various aggregate settlements with New GM. *See* Letter, dated Feb. 28, 2019 [ECF No. 14444].
- 11. 549 Pre-Closing Accident Plaintiffs were signatories to the prior settlement agreement entered into by certain plaintiffs and the GUC Trust on April 24, 2018 (and amended on May 22, 2018)—352 Pre-Closing Accident Plaintiffs represented by Andrews Myers, P.C. and 197 Pre-Closing Accident Plaintiffs represented by Hilliard Martinez Gonzales, LLP and the Law Offices of Thomas J. Henry.
- 12. On February 1, 2019, New GM reached an agreement in principle to settle 237 claims of certain plaintiffs represented by Hilliard Martinez Gonzales, LLP and the Law Offices of Thomas J. Henry, including (i) 163 filed both as late claims in this Court and as claims in the MDL court; (ii) 26 pending only as late claims in this Court; (iii) 34 pending only in the MDL Court; and (iv) 14 unfiled. *See* Letter, dated Feb. 2, 2019 [ECF No. 14411].

13. As counsel for New GM stated at the March 1, 2019 status conference in the MDL, 282 claims related to persons alleged to have suffered a personal injury or wrongful death remain pending in the MDL Action, including 110 claims arising from motor vehicle accidents that occurred prior to July 10, 2009. New GM anticipates that most of these claims will be resolved in the near future. *See* Mar. 1, 2019 MDL Status Conference Hr'g Tr. attached hereto as **Exhibit D**.

#### III. Status Of Discovery In The MDL Action.

- 14. Discovery in the MDL Action includes information on Old GM's knowledge of the various defects and is not limited to information in the post-Sale period. New GM has produced more than 4.7 million documents (totaling more than 23.4 million pages) and the parties have conducted 759 depositions, including 454 depositions of case-specific witnesses, 102 depositions of current or former General Motors' employees, 126 depositions of experts related to bellwether cases, and 96 depositions of named plaintiffs in the Fifth Amended Consolidated Complaint. *See* Joint Letter, *In re Gen. Motors LLC Ignition Switch Litig.*, Case No. 14-md-02543-JMF (S.D.N.Y. Feb. 22, 2019), ECF No. 6501.
- Action, the MDL plaintiffs constructed a detailed, comprehensive record of Old and New GM's liability, as revealed in Plaintiffs' Opposition to General Motors LLC's Motion for Summary Judgment Against the Bellwether Economic Loss Plaintiffs, attached hereto as **Exhibit E**, its associated Statement of Undisputed Material Facts [unredacted form at MDL Dkt. No. 6061], attached hereto as **Exhibit F**, and the Economic Loss Plaintiffs Offer of Proof in support of bellwether class certification [unredacted form at MDL Dkt. No. 5847], attached hereto as **Exhibit G**.

09-50026-mg Doc 14466 Filed 03/08/19 Entered 03/08/19 17:02:26 Main Document Pg 5 of 5

16. Plaintiffs' Opposition to New GM's *Daubert* Motion to Exclude the Opinions of Stefan Boedeker filed in the MDL Action is attached hereto as **Exhibit H**.

I declare that the foregoing is true and correct under penalty of perjury under the laws of the United States.

Executed this 8th day of March 2019 at Seattle, Washington.

Steve W. Berman

# **EXHIBIT A**

## FILED UNDER SEAL

# **EXHIBIT B**

## FILED UNDER SEAL

# **EXHIBIT C**

## FILED UNDER SEAL

# **EXHIBIT D**

09-	$50\overline{026}$ $\frac{1}{100}$ Doc 14466-4 Filed 03/08/19 Entered 03/08/19 17:02:26 Exhibit D $^{1}$
1	Pg 2 of 41 UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK
2	X
3	IN RE: GENERAL MOTORS LLC IGNITION SWITCH LITIGATION,
4	
5	14 MD 2543 (JMF)
6	X
7	New York, N.Y. March 1, 2019
8	9:35 a.m.
9	Before:
10	HON. JESSE M. FURMAN,
11	District Judge
12	APPEARANCES
13	
14	HILLIARD MUNOZ GONZALES LLP BY: ROBERT HILLIARD
15	-AND- LIEFF CABRASER HEIMANN AND BERNSTEIN LLP
16	BY: ELIZABETH JOAN CABRASER
17	-AND- HAGENS BERMAN SOBOL SHAPIRO LLP (Seattle)
18	BY: STEVE W. BERMAN Attorneys for Plaintiffs
19	KIRKLAND & ELLIS LLP
20	Attorneys for Defendants BY: RICHARD CARTIER GODFREY WENDY BLOOM
21	ANDREW B. BLOOMER
22	RENEE SMITH
23	DEREK POTTS Attorney for Plaintiffs
24	
25	

team ignoring my questions like why are we going to La Guardia.

MR. GODFREY: I'm not sure how I could describe my

24

2.3

THE COURT: Welcome. I'm glad you readied the ship, so to speak, and everyone is here. A reminder to speak into the microphone so that anyone on CourtCall can hear us. Let's get into it.

The first item is the bankruptcy proceedings which have become a little more involved. I know the motion to withdraw the reference has been filed. I accepted it as related, and it is now assigned to me.

I confess that I have not read the submissions with care at this point. I have skimmed them, and I did notice, I think, if I'm not mistaken, that New GM is arguing that the motion to withdraw the reference would be unnecessary if Judge Glenn were to grant a stay. So it raises in my mind the question of what order these things should be addressed in and briefing schedules and what have you.

Any thoughts on these issues?

MR. GODFREY: Yes, your Honor. Rick Godfrey on behalf of New GM.

The way the schedule is currently set in the bankruptcy court is that the plaintiffs' proposed settlement is scheduled to be presented and heard on March 11. Unless there is a change in that schedule, we have no time to await a stay resolution and then brief withdrawal. Withdrawal briefing should take place now. We filed an opening brief. We think it's mandatory. We also think in the alternative, it's

09-	0.0026-ที่เก็บ Doc 14466-4 Filed 03/08/19 Entered 03/08/19 17:02:26 Exhibit D 5
1	Pg 6 of 41  MR. GODFREY: I think it's automatic, your Honor.
2	THE COURT: But he hasn't altered the default
3	schedule?
4	MR. GODFREY: Mr. Bloomer is reminding me of
5	something. If I might have a second, your Honor?
6	THE COURT: Sure.
7	(Defense counsel conferred)
8	MR. GODFREY: It's automatic, your Honor. We had
9	asked for a scheduling conference, but that did not take place.
LO	So it's automatic in terms of briefing.
L1	THE COURT: And is it a two-week/one-week briefing
L2	schedule?
L3	MR. BERMAN: Our brief in opposition to the motion to
L4	stay is due on Monday.
L5	THE COURT: Okay. Do you have thoughts of how we
L6	should be proceeding, what I should be doing?
L7	MR. BERMAN: Yes, I do have thoughts, your Honor.
L8	THE COURT: I would expect so.
L9	MR. BERMAN: Our thoughts, Ms. Cabraser's and I, are
20	as follows: In its brief I just had a chance to skim it,
21	but at page 2, New GM says there is a stay motion before
22	Judge Glenn. In the absence of a stay, this Court should
23	withdraw the reference to the Rule 23 motion from the
24	bankruptcy court.
25	So our position is let's let this play out because if
-	

Between the date he approves the preliminary approval and the

one thing at a time, but I hear you.

2.3

Mr. Godfrey, there seems some wisdom in letting things play out. Let me put it this way: I don't think I would be in a position to decide the withdrawal motion by March 11. It's not fully briefed, and I haven't started looking at it. It's a big issue to decide in that timeframe. It's essentially a week from now.

So I don't see much choice in letting things play out and seeing what Judge Glenn does with both the settlement and the stay application. And then we can assess where there's urgency and what the schedule should be. No?

MR. GODFREY: Well, first, this is driven by the plaintiffs' insistence of having a March 11 preliminary approval date. If they change the date, this Court has plenty of time to consider the withdrawal matter.

Second, withdrawal is mandatory. We don't think on the issues at hand, Judge Glenn has jurisdiction or should be deciding them. Third --

THE COURT: So why did you wait until February 22 to file the motion then?

MR. GODFREY: They filed their papers on February 1 or February 2. We filed our motion to stay --

THE COURT: Right. But you've been threatening a motion to withdraw the reference for literally six months, if I remember correctly. Certainly this is not the first time I heard it.

calendar operates.

2.3

24

25

What leads us to believe that he actually is going to rule on the settlement on March 11?

MR. GODFREY: That's what plaintiffs have asked for.

2.3

MR. GODFREY: I think we'd have an ability to appeal that ruling, but at that point, I think it would merge as a practical matter in the withdrawal papers. They are slightly different standards, but it comes to the same outcome eventually.

THE COURT: All right. Very good.

And then taking a step back, more broadly, I take it -- well, what are your respective views -- and they may differ -- on how this intersects with the motions that are pending before me in terms of what order they should be.

I take it GM's position is that I should decide the motions pending before me, and then that would have a bearing, if not resolve, the motions.

MR. GODFREY: It's not just GM's position, your Honor. The settlement agreement itself, in comments made by bankruptcy counsel for the plaintiffs, are that this Court's decisions will have impacts.

In fact, there is a provision in the proposed settlement agreement that depending upon how this Court rules, they may have to re-do the notice. They may have to re-do various terms of the agreement. There are provisions in the agreement which recognize this.

In our papers, we outline all the statements they've made over the past three months indicating that they are dependent upon -- and this Court's rulings have an ultimate

motions in the event that I do withdraw the reference.

I think before any issues on the proposed settlement can be decided, this Court needs to rule on various issues. I cannot disagree more with Mr. Berman about his characterization of the class issues, but that's for another day. So I'm not sure --

22

2.3

24

of the district court and opened as a new case. So that's why

So for that group of 68 claims, post-sale claims, it may not be until summer now that we can resolve those or attempt to resolve them in light of that additional information that we have learned. So you may see new claims filed, and I would anticipate they'll all be from that one firm.

THE COURT: Which firm is that?

22

2.3

24

THE COURT: I think you indicated in the letter reporting on the settlement with Mr. Hilliard's presale docket a similar intention. Correct?

22

2.3

24

25

MS. BLOOM: That's exactly right. He will be one of

THE COURT: All right. Great.

2.3

is the same firm that we settled with this week, an aggregate settlement of their presale docket. So it is also the same firm that earlier -- I don't remember if it was before we met with you or sort of in the interim, but we also sort of did an aggregate settlement with them for one set of their post-sale claims that were affiliated with one referring counsel. Now we're dealing with what's left of their post-sale docket. So that's sort of the last big push I think that's here really after the Potts firm.

THE COURT: All right. Very good.

Now, Mr. Potts, I know you came all this way. If there's anything you want to say, you're welcome to.

MR. POTTS: If you will give me just one minute, your Honor.

When we talk about post-sale claims, we have a group of claims that are not ignition switch I submit in that bucket. We have 23 of those. Those are ESC or EPS claims. As the Court knows, those cases have not been worked up. There has been virtually no discovery.

I read your order a couple days ago saying you were inclined to remand those. I just want to let you know we wholeheartedly support that. Those people have waited for years and have years more to wait because there has been no discovery done. So as soon as that could be done, we would ask the Court to do that.

MS. SMITH: Thank you, your Honor. That is correct.

not agree that there has been no discovery related to those cases, but we don't need to address that now. But I just wanted to respond briefly to that.

2.3

THE COURT: Mr. Potts, you can tell me if you think otherwise, but it sounds like we should take that up after the end of that 60-day period, if you will.

I think the inclination that I shared in my endorsement on the agenda letter, suffice it to say, I would probably have the same inclination with respect to non ignition switch claims that remain after that 60-day period, which is to say my gut at the moment is that those should probably be remanded sooner rather than later if they're not resolved.

MR. POTTS: I would agree. GM just recently agreed to mediate those. So we were going to attempt to mediate those with the rest of our docket on March 21.

THE COURT: All right.

MR. POTTS: Thank you.

THE COURT: Good luck to you all on that.

So sticking to the agenda letter, we've more or less moved into item number 5. But wave one and wave two, wave one, there are just the two remaining plaintiffs and a fully submitted summary judgment motion that I will rule on relatively soon I hope.

Is there anything to discuss as to wave two or the

who are pro se I think excluded from the process which would be ones that are in what we call the order 137 process where counsel has moved to withdraw and we don't know where they're

24

25

Another option would be to sort of have a separate

25

order that would lay it out in more clear, understandable ways for an unrepresented party. In either case, I would think it would make sense to sort of settle on that before the list of wave three plaintiffs is nailed down or maybe even before March 20 when I think order number 160 requires GM to serve those plaintiffs with its notice. It might make sense to have something done before then so that you could serve along with that notice whatever we come up with.

Thoughts.

2.3

MR. HILLIARD: A separate order makes sense to me,

Judge. It could be the deadlines would be almost identical to
those who are represented, but we might be able to be fairly
flexible to something that may come up, and separate orders
might keep it cleaner in regards to how we handle pro se
plaintiffs. We'll confer with GM this afternoon and tomorrow
to try to get it started quickly.

THE COURT: So you why don't you report back let's say within a week so that we hopefully can have something resolved before that March 20 deadline.

Does that make sense?

MR. HILLIARD: Yes, sir.

THE COURT: I recognize, Mr. Hilliard, you don't actually represent these people, but if I could task you with on behalf of the Court, I suppose, representing their interest in terms of me figuring out a good way of handling this, that

25

to remand them.

2.3

By contrast, to the extent that New GM thinks that my December 2017 opinion with respect to airbag deployment would dispose of any cases in that group, I think there is a stronger argument that, given my familiarity with those issues and what have you, that New GM should at least have an opportunity to make that argument.

So I've got an agreed upon joint proposal I take it for timing and procedures for remand. I don't know if that means that you've accepted my inclination.

MR. HILLIARD: We've learned that your inclinations are usually best accepted.

THE COURT: Sometimes I change my mind.

MR. HILLIARD: Sometimes you do. We've spent time together and have come up to this agreement, subject to the Court's approval, on our suggested next step for remand.

THE COURT: All right. Ms. Smith.

MS. SMITH: Yes, your Honor. We also took your inclination to heart. Although we passionately -- and I mean passionately -- believe these claims would be served by remaining here, at the same time that this agreed process is going on, we will be working on settling these claims as well. So we're, again, cautiously optimistic that at least some of these will resolve before we ever get through the process.

But taking the Court's inclination to heart and kind of wanting to get peace and having these at least 18 procedures

09-	0026-mg Doc 14466-4 Filed 03/08/19 Entered 03/08/19 17:02:26 Exhibit D 34
1	Pg 35 of 41 resolved, we did work out an agreement with lead counsel last
2	night on this. But to make clear, for the next steps on the
3	next 60 claims, this is of course without prejudice to
4	maintaining our position on whether they should be remanded or
5	not.
6	THE COURT: Understood. So this proposal looks good
7	to me. So I'm happy to bless it. I would think it would make
8	sense to memorialize this in a stand-alone order separate and
9	apart from the post status conference order. So why don't you
LO	convert this into a proposed order and let's say submit it
L1	within the next week as well.
L2	Does that make sense?
L3	MS. SMITH: Yes, your Honor.
L4	MR. HILLIARD: Yes, sir.
L5	THE COURT: As I said before, I think we can defer
L6	discussion of the 23 cases or however many other order 153
L7	cases there may be until the 60-day period is over.
L8	Mr. Potts, is that good with you?
L9	MR. POTTS: It is.
20	THE COURT: Excellent. Are there other cases in the
21	mix that wouldn't fall in one of the buckets that we just
22	discussed? Anything else to discuss?
23	MS. SMITH: I believe from New GM's perspective on the
24	personal injury cases, that covers it.
2.5	THE COURT: What about the 110 presale order claims?

Since I think it makes sense to raise it now, my suggestion about a tracking spreadsheet of some sort. I take it from the last line of your letter from yesterday that you're okay with that and agree it would be a good idea, and you're all nodding.

22

2.3

24

25

MR. GODFREY: From New GM's perspective, I think at

plaintiff and that we're aware of who the plaintiffs are; two,

number one, is that we're aware of the status of every

that they're all subject to something, not just sort of

2.3

24

25

09-	0026-ที่เป็น Doc 14466-4 Filed 03/08/19 Entered 03/08/19 17:02:26 Exhibit D 40
1	Pg 41 of 41 17th, but I could do the 18th, your Honor.
2	THE COURT: I'm relieved to hear that you take
3	vacation, Mr. Godfrey.
4	MR. GODFREY: I hit a certain age, and my wife is
5	enforcing the rule, at least occasionally.
6	THE COURT: Which day are you flying back?
7	MR. GODFREY: The 17th. So I could be here on the
8	18th.
9	THE COURT: Does the 18th work for everybody?
10	MS. CABRASER: I think it works for plaintiff,
1,1	your Honor.
12	MR. HILLIARD: It works.
13	THE COURT: So let's do the 18th at 9:30. I will look
14	for your proposed order memorializing what we've done today in
15	the next few days. As discussed, you should submit a separate
16	order with respect to the remand issues and the pro se issues
17	and what have you.
18	Anything else?
19	MR. GODFREY: No, your Honor. Thank you.
20	THE COURT: Great.
21	MR. HILLIARD: Thank you, your Honor.
22	THE COURT: Depending on how many people are coming
23	into the robing room, we may need a few extra chairs. So if
24	you could help my staff carry some in, that would be great, and
25	I'll see you in there in a few moments. Thanks.

### **EXHIBIT E**

# **EXHIBIT F**

## **EXHIBIT G**

### EXHIBIT H