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**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION**

*In re Mattel, Inc. Securities
Litigation*

Case No. 2:19-cv-10860-MCS (PLAx)

**DECLARATION OF LUIGGY
SEGURA IN SUPPORT OF LEAD
PLAINTIFFS’ MOTION FOR
APPROVAL OF DISTRIBUTION
PLAN**

Judge: Hon. Mark C. Scarsi
Courtroom: 7C, 7th Floor
Date: November 20, 2023
Time: 9:00 a.m.

1 I, Luiggy Segura, declare as follows:

2 1. I am the Vice President of Securities Operations at JND Legal
3 Administration (“JND”). I am over 21 years of age and am not a party to the above-
4 captioned action (“Action”).¹ I have personal knowledge of the facts set forth in this
5 declaration and, if called as a witness, could and would testify competently thereto.

6 2. Pursuant to the Court’s January 18, 2022 Order re: Motion for
7 Preliminary Approval of Class Action Settlement (ECF No. 146) (“Preliminary
8 Approval Order”), JND was retained by Lead Counsel to serve as the Claims
9 Administrator in connection with the Settlement of the Action. As Claims
10 Administrator, JND has, among other things: (i) mailed the Notice and Claim Form
11 (together, the “Notice Packet”) to potential Class Members, brokers, and other
12 nominees; (ii) created and continues to maintain a toll-free helpline for inquiries
13 during the course of the administration; (iii) created and continues to maintain a
14 website for the Settlement (“Settlement Website”) and posted case-specific
15 documents on it; (iv) caused the Summary Notice to be published; (v) provided, upon
16 request, additional copies of the Notice Packet to potential Class Members, brokers,
17 and other nominees; and (vi) received and processed each Claim Form received by
18 the Claims Administrator (a “Claim”).

19 3. On May 18, 2022, the Court entered its Judgment Approving Class
20 Action Settlement (ECF No. 161) and entered the Order (1) Granting Motion for
21 Final Approval of Settlement and Plan of Allocation (ECF No. 147); (2) Granting in
22 Part and Denying in Part Motion for Attorneys’ Fees and Litigation Expenses (ECF
23 No. 148); and (3) Granting in Part and Denying in Part Motion for Leave to File
24 Supplemental Authority (ECF No. 156). ECF No. 160. JND has completed

25
26 ¹ All terms with initial capitalization not otherwise defined herein shall have the
27 meanings ascribed to them in the Stipulation and Agreement of Settlement dated
28 November 23, 2021 (ECF 143-1) (“Stipulation”) or the Notice of (I) Pendency of
Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for
Attorneys’ Fees and Litigation Expenses (ECF No. 149-3, Ex. A) (“Notice”).

1 processing all Claims received through October 10, 2023, in accordance with the
2 terms of the Stipulation and the Court-approved Plan of Allocation set forth in the
3 Notice, and hereby submits its administrative determinations accepting and rejecting
4 the Claims in preparation for a distribution of the Net Settlement Fund to Authorized
5 Claimants. JND also presents this declaration in support of Lead Plaintiffs' Motion
6 for Approval of Distribution Plan.

7 **DISSEMINATION OF NOTICE**

8 4. As more fully described in the Declaration of Luiggy Segura
9 Regarding: (A) Mailing of the Notice and Claim Form; (B) Publication of the
10 Summary Notice; and (C) Report on Requests for Exclusion Received to Date (ECF
11 No. 149-3) ("Mailing Decl.") and the Supplemental Declaration of Luiggy Segura
12 Regarding: (A) Mailing of the Notice and Claim Form; and (B) Report on Requests
13 for Exclusion Received (ECF No. 153-1) ("Supp. Mailing Decl."), through April 22,
14 2022, JND had mailed 194,424 Notice Packets to potential Class Members, brokers,
15 and other nominees. Supp. Mailing Decl. ¶ 2. Since that date, 22,036 additional
16 Notice Packets have been disseminated in response to late requests for Notices from
17 the brokers and nominees. In total, JND has disseminated 216,460 Notice Packets to
18 potential Class Members, brokers, and other nominees. In addition, in accordance
19 with paragraph 4(d) of the Preliminary Approval Order, JND caused the Summary
20 Notice to be published in *The Wall Street Journal* and released via *PR Newswire* on
21 February 15, 2022. Mailing Decl. ¶ 10.

22 5. JND also established and continues to maintain the Settlement Website
23 (www.MattelSecuritiesLitigation.com) and a toll-free telephone helpline (877-379-
24 5987) to assist potential Class Members. The Settlement Website, which provides
25 access to important documents relevant to the Settlement, and the telephone helpline
26 enable Class Members to obtain information about the Settlement. In connection
27 with establishing and maintaining the Settlement Website and toll-free telephone
28 helpline, JND, among other things, formulated a system to ensure that proper

1 responses were provided to all telephone and electronic inquiries. That work
2 included training telephone agents to respond to inquiries specific to the Settlement;
3 developing a series of common questions and the answers thereto known as
4 Frequently Asked Questions or “FAQs”; loading key documents onto the Settlement
5 Website; and programming the Settlement Website to permit the viewing and
6 downloading of those documents.

7 **PROCEDURES FOLLOWED IN PROCESSING CLAIMS**

8 6. Under the terms of the Preliminary Approval Order and as set forth in
9 the Notice, each Class Member who wished to be eligible to receive a distribution
10 from the Net Settlement Fund was required to complete and submit to JND a
11 properly executed Claim Form postmarked (if mailed) or online no later than June
12 8, 2022, together with adequate supporting documentation for the transactions and
13 holdings reported in the Claim Form. Through October 10, 2023, JND has received
14 and fully processed 59,253 Claims (“Presented Claims”).

15 7. In preparation for receiving and processing Claims, JND: (i) conferred
16 with Lead Counsel to define the guidelines for processing Claims; (ii) created a
17 unique database to store Claim details, images of Claims, and supporting
18 documentation (“Settlement Database”); (iii) trained staff in the specifics of the
19 Settlement so that Claims would be properly processed; (iv) formulated a system so
20 that telephone and email inquiries would be properly responded to; (v) developed
21 various computer programs and screens for entry of Class Members’ identifying
22 information and their transactional information; and (vi) developed a calculation
23 module that would calculate Recognized Claims pursuant to the Court-approved
24 Plan of Allocation for the Net Settlement Fund set forth in the Notice.

25 8. Class Members seeking to share in the Net Settlement Fund were
26 directed in the Notice to submit their Claims to a post office box address specifically
27 designated for the Settlement or to submit their Claims online through the Settlement
28 Website. Notice Packets returned by the United States Postal Service as

1 undeliverable were reviewed for updated addresses and, where available, updated
2 addresses were entered into the database and Notice Packets were mailed to the
3 updated addresses. Any correspondence received at the post office box was reviewed
4 and, when necessary, appropriate responses were provided to the senders.

5 **PROCESSING CLAIMS**

6 **A. Paper Claims and Claim Forms Submitted Via the Settlement**
7 **Website**

8 9. Of the 59,253 Presented Claims, 3,314 Claims were submitted on paper
9 and 1,385 Claims were submitted via the online filing component of the Settlement
10 Website provided for individual investors, totaling 4,699 Claims. Once received,
11 paper Claims were opened and prepared for scanning. This manual task of preparing
12 the paper Claims is very laborious and time intensive. This manual process included
13 unfolding documents, removing staples, copying nonconforming-sized documents,
14 and sorting documents. Once prepared, paper Claims were scanned into the
15 Settlement Database together with all submitted documentation. Subsequently, each
16 Claim was assigned a unique Claim number. Once scanned, the information from
17 each Claim Form, including the Claimant's name, address, and account
18 number/information from the supporting documentation, and the Claimant's
19 purchase/acquisition transactions, sale transactions, and holdings listed on the Claim
20 Form, was entered into the Settlement Database. Once entered into the Settlement
21 Database, each Claim was reviewed to verify that all required information had been
22 provided. The documentation provided by the Claimant in support of the Claim was
23 reviewed for authenticity and compared to the information provided in the Claim to
24 verify the Claimant's identity and the purchase/acquisition transactions, sale
25 transactions, and holdings listed on the Claim Form.

26 10. To process the transactions detailed in the Claims, JND utilized internal
27 messages to identify and classify deficiency or ineligibility conditions existing
28 within those Claims. Appropriate messages were assigned to the Claims as they were

1 processed. For example, where a Claim was submitted by a Claimant who did not
2 have any eligible transactions in Mattel common stock during the Class Period (e.g.,
3 the Claimant purchased Mattel common stock only before or after the Class Period),
4 that Claim would receive a “Claim-level” message that denoted ineligibility. Similar
5 Claim-level ineligible messages were used to denote other ineligible conditions,
6 such as duplicate Claims. These messages would indicate to JND that the Claimant
7 was not eligible to receive any payment from the Net Settlement Fund with respect
8 to that Claim unless the deficiency was cured in its entirety. Examples of Claim-
9 level messages are as follows:

- 10 • “Inadequate Documentation Submitted for Entire Claim”;
- 11 • “No Supporting Documentation Submitted for Entire Claim”; and
- 12 • “No Purchase Transactions in the Class Period”.

13 11. Because a Claim may be deficient only in part, but otherwise
14 acceptable, JND utilized messages that were applied only to specific transactions
15 within a Claim. For example, if a Claimant submitted a Claim with supporting
16 documentation for all but one purchase transaction, that one transaction would
17 receive a “transaction-level” message. The message indicated that although the
18 transaction was deficient, the Claim was otherwise eligible for payment if other
19 transactions in the Claim calculated to a Mattel Recognized Claim or PwC
20 Recognized Claim pursuant to the Court-approved Plan of Allocation. Thus, even if
21 the transaction-level deficiency were never cured, the Claim could still be partially
22 accepted. Examples of transaction-level messages are as follows:

- 23 • “No Supporting Documentation for Specific Transaction/Position”;
 - 24 • “Inadequate Documentation for Specific Transaction/Position”;
25 and
 - 26 • “Illegible Documentation for Specific Transaction/Position.”
- 27
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1 **B. Electronic Claims**

2 12. Of the 59,253 Presented Claims, 54,554 were submitted electronically
3 (“Electronic Claims”). Electronic Claims are typically submitted by institutional
4 investors who may have hundreds or thousands of transactions during the Class
5 Period or by filers submitting Claims on behalf of multiple beneficial owners
6 (“Electronic Claim Filers” or “E-Claim Filers”). Rather than provide reams of paper
7 requiring data entry, the E-Claim Filers either mail a computer disc or electronically
8 submit a file to JND so that JND can upload all transactions to the Settlement
9 Database.

10 13. JND maintains an electronic filing operations team (“Electronic Filing
11 Team”) to coordinate and supervise the receipt and handling of all Electronic
12 Claims. In this case, the Electronic Filing Team reviewed and analyzed each
13 electronic file to ensure that it was formatted in accordance with JND’s required
14 format and to identify any potential data issues or inconsistencies within the file. If
15 any issues or inconsistencies arose, JND notified the filer. If the electronic file was
16 deemed to be in an acceptable format, it was then loaded into the Settlement
17 Database.

18 14. Once each electronic file was loaded, the Electronic Claims were coded
19 with messages to denote any deficient or ineligible conditions that existed within
20 them. These messages are similar to those applied to paper Claims. In lieu of
21 manually applying messages, the Electronic Filing Team performed programmatic
22 reviews on Electronic Claims to identify deficient and ineligible conditions (such as,
23 but not limited to, price out-of-range issues, out-of-balance conditions, transactions
24 outside the Class Period, etc.). The output was thoroughly verified and confirmed as
25 accurate.

26 15. The review process also included message coding any Electronic
27 Claims that were not accompanied by a signed Claim Form, which serves as a
28 “Master Proof of Claim Form” for all Claims referenced on the electronic file

1 submitted. This process was reviewed by JND’s Electronic Filing Team and, when
2 appropriate, JND contacted the E-Claim Filers whose submissions were missing
3 information. This ensured that only fully completed Claims, submitted by properly
4 authorized representatives of the Claimants, were considered eligible to participate
5 in the Settlement.

6 16. Finally, at the end of the process, JND performed various targeted
7 reviews of Electronic Claims. Specifically, JND used criteria such as the calculated
8 Recognized Claims and other identified criteria to message code and reach out to a
9 selection of E-Claim Filers and request that various sample purchases, sales, and
10 holdings selected by JND be documented by providing confirmation slips or other
11 transaction-specific supporting documentation. These targeted reviews help to
12 ensure that electronic data supplied by Claimants does not contain inaccurate
13 information.

14 **EXCLUDED PERSONS**

15 17. JND also reviewed all Claims to ensure that they were not submitted
16 by or on behalf of “Excluded Persons” to the extent that the identities of such persons
17 or entities were known to JND through the list of persons who had requested
18 exclusion from the Class set forth in Exhibit 1 to the Judgment (ECF No. 161), the
19 list of Defendants and other excluded persons and entities set forth in the Stipulation,
20 and from the Claimants’ certifications on the Claim Forms.

21 **THE DEFICIENCY PROCESS**

22 **A. Paper Claims and Online Claims**

23 18. For paper claims, the “Deficiency Process” primarily involved mailing
24 letters to Claimants and responding to communications from Claimants by email
25 and/or telephone, was intended to assist Claimants in properly completing their
26 otherwise deficient submissions so that they could be eligible to participate in the
27 Settlement.

1 19. If paper and online Claims were determined to be defective, a Notice
2 of Deficient/Ineligible Claim Submission (“Deficiency Letter”) was sent to the
3 Claimants describing the defect(s) in the Claims and what steps, if any, were
4 necessary to cure the defect(s) in these Claims. The Deficiency Letter advised
5 Claimants that submission of appropriate information and/or documentary evidence
6 to complete the Claim had to be sent within twenty (20) days from the date of the
7 Deficiency Letter or the Claim would be recommended for rejection to the extent
8 that the deficiency or condition of ineligibility was not cured. The Deficiency Letter
9 also advised Claimants of their right to contest these administrative determinations,
10 and that Claimants were required to submit written statements to JND requesting
11 Court review of their Claims and setting forth the basis for such requests. JND sent
12 a total of 3,925 Deficiency Letters to Claimants who submitted paper or online
13 Claims that JND determined to be defective. Attached hereto as Exhibit A is an
14 example of two Deficiency Letters.

15 20. Claimants’ responses to Deficiency Letters were scanned into the
16 Settlement Database and associated with the corresponding Claims. The responses
17 were then carefully reviewed and evaluated by JND’s team of processors. If a
18 Claimant’s response corrected the defect(s) in a Claim, JND manually updated the
19 Settlement Database to reflect the changes in the status of the Claim.

20 **B. Electronic Claims**

21 21. For Electronic Claims, JND used the following process to contact the
22 banks, brokers, nominees, and other E-Claim Filers to confirm receipt of their
23 submissions and to notify the Electronic Claim Filers of any deficiencies or
24 Electronic Claims that were ineligible. Each E-Claim Filer was sent an email to the
25 email address included with the Claim Form(s) (“Deficiency Email”) with an
26 attached report containing detailed information associated with the Claim(s) and
27 indicating which Claim(s) within the filing were deficient and/or rejected
28 (“Deficiency Spreadsheet”).

1 22. The Deficiency Email sent to the email address of record provided with
2 the Claim Form:

3 (a) Notified the filer that any Claims with deficiencies not corrected
4 within twenty (20) days from the date of the Deficiency Email
5 may be rejected;

6 (b) Advised the filer of the right to contest the rejection of the
7 Claim(s) and request this Court's review of JND's administrative
8 determination within twenty (20) days from the date of the
9 Deficiency Email; and

10 (c) Advised the filer of the right to contest the rejection of the
11 Claim(s) and request this Court's review of JND's administrative
12 determination within twenty (20) days from the date of the
13 Deficiency Email.

14 23. The Deficiency Spreadsheet attached to the Deficiency Email identified
15 each of the individual Claims that were found to be deficient or ineligible and the
16 basis for that deficiency or condition of ineligibility.

17 24. JND emailed a Deficiency Email and Deficiency Spreadsheet(s) to 217
18 E-Claim Filers. Examples of a Deficiency Email and Deficiency Spreadsheet are
19 attached hereto as Exhibits B and C, respectively.

20 25. The E-Claim Filers' responses were reviewed by the Electronic Filing
21 Team, scanned and/or loaded into the Settlement Database, and associated with the
22 corresponding Electronic Claims. If a response corrected the defect(s) or affected an
23 Electronic Claim's status, JND manually and/or programmatically updated the
24 database to reflect such change in status of the Electronic Claim.

25 **C. Calling Campaign to Claimants Who Did Not Cure Deficiencies**

26 26. After responses to the Deficiency Letters and Deficiency Emails were
27 received and evaluated, and the Claims updated, JND called Claimants with still-

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1 deficient Claims to provide them with a final opportunity to cure the deficiencies in
2 their Claims.

3 27. During this calling campaign, JND's agents explained to contacted
4 Claimants that their Claims remained deficient, advised Claimants of the steps
5 required to cure the deficiencies, and provided assistance to Claimants where
6 possible, depending on the nature of the deficiency. For example, if a Claimant
7 needed additional supporting documentation, JND explained the types of
8 documentation that would render the Claim eligible and how the Claimant could
9 obtain the necessary documentation. JND also provided some Claimants with direct
10 phone numbers and email addresses so that Claimants could receive continued
11 personalized attention and assistance.

12 28. If JND could not reach a Claimant to speak one-on-one, JND left a
13 voice message, when possible, requesting a return call. JND explained in the voice
14 message that it was calling to assist the Claimant in remedying outstanding
15 deficiencies in the Claim. JND also reached out to Claimants via email if a valid
16 email address was provided in their Claim submission.

17 29. If, in response to a telephone call or email, a Claimant cured the
18 deficiency in a Claim by providing the appropriate information and/or supporting
19 documentation, JND updated the Settlement Database to reflect the change in the
20 status of the Claim.

21 **DISPUTED CLAIMS**

22 30. As noted above, Claimants were advised that they had the right to
23 contest JND's administrative determination of deficiencies or ineligibility within
24 twenty (20) days from the date of notification and that they could request that the
25 dispute be submitted to the Court for review. More specifically, Claimants were
26 advised in the Deficiency Letter or Deficiency Email that, if they disputed JND's
27 determination, they had to provide a statement of reasons indicating the grounds for
28 contesting the determination, along with supporting documentation, and if the

1 dispute concerning the Claim could not otherwise be resolved, Lead Counsel would
2 thereafter present the request for review to the Court for a final determination.

3 31. JND received seventeen (17) requests for Court review. To resolve
4 these disputes without necessitating the Court's intervention, JND reached out to
5 each Claimant requesting Court review and attempted to answer all questions, fully
6 explain JND's administrative determination of the Claim's status, and facilitate the
7 submission of missing information or documentation where applicable. As a result
8 of these efforts, six (6) Claimants resolved their deficiencies and their Claims are
9 recommended for approval, and ten (10) Claimants withdrew their request for Court
10 review after receiving further explanation of the reasons for JND's determination.

11 32. One (1) request for Court review remains outstanding. Attached hereto
12 as Exhibit D is the pending request for Court review, which is also described below:²

- 13 a) Claim ID: DETYR-24FLN – The Claimant submitted a timely Claim
14 Form with supporting documentation. According to the Claim Form and
15 supporting documentation submitted, the Claimant's purchases of Mattel
16 common stock took place prior to the beginning of the Class Period, with
17 no shares of Mattel common stock purchased within the Class Period. As
18 indicated in the Notice, members of the Class must have purchased or
19 otherwise acquired Mattel common stock during the Class Period (from
20 August 2, 2017 to August 8, 2019, inclusive), and have been damaged
21 thereby. On September 8, 2022, JND mailed notification to the Claimant
22 that the Claim was ineligible to participate in the Settlement because no
23 purchases were claimed in the Class Period. On October 3, 2022, JND
24 received the Claimant's mailed response in which the Claimant requested

25 _____
26 ²For privacy reasons, the documents in Exhibit D have been redacted to remove the
27 Disputing Claimant's personal information such as names, street addresses, email
28 addresses, telephone numbers, account numbers, Social Security Numbers, and all
financial and transaction information not related to the Claimant's transactions in
Mattel common stock.

1 review by the Court concerning the determination of the Claim. In the
2 response, the Claimant provided a list of transactions, confirming that the
3 Claim included only a beginning position and sale transaction, with no
4 purchase transactions during the Class Period. On October 25, 2022, after
5 further review of the Claim, JND called the Claimant to further discuss
6 the request for Court review. However, the Claimant stated that they did
7 not know what the call was about and hung up. On November 1, 2022,
8 JND followed up by email, providing a detailed explanation of the
9 determination of the Claim and why it was rejected. JND tried to contact
10 the Claimant several other times by phone or email, but the Claimant did
11 not respond. JND recommends the Disputed Claim be rejected because
12 the Claimant is not a Class Member and the Claim is not eligible for
13 recovery under the terms of the Settlement.

14 **LATE BUT OTHERWISE ELIGIBLE CLAIMS**

15 33. Of the 59,253 Presented Claims, 713 Claims were received or
16 postmarked after June 8, 2022, the Claim submission deadline established by the
17 Court. JND processed all late Claims received through October 10, 2023, and 104
18 late Claims have been found to be otherwise eligible in whole or in part (“Late But
19 Otherwise Eligible Claims”). JND has not rejected any Claim received through
20 October 10, 2023, solely based on its late submission, and JND believes no delay
21 has resulted from the provisional acceptance of these Late But Otherwise Eligible
22 Claims. To the extent they are eligible but for the fact that they were late, they are
23 recommended for payment.

24 34. However, there must be a final cut-off date after which no more Claims
25 will be accepted so that there may be a proportional allocation of the Net Settlement
26 Fund and the distribution may be accomplished. Acceptance of additional Claims or
27 responses received during the finalization of the administration and the preparation
28 of this declaration would necessarily require a delay in the distribution. Accordingly,

1 JND also respectfully requests that this Court order that no Claim received after
2 October 10, 2023, or Claim cured or adjusted after October 10, 2023, be eligible for
3 payment for any reason whatsoever subject only to the provision of paragraph 44 (f)
4 of the proposed distribution plan discussed below. If the Court adopts the proposed
5 distribution plan, then, after Lead Counsel has determined that further distributions
6 are not cost-effective and before any contribution of the residual funds to charity, if
7 sufficient funds remain to warrant the processing of Claims received after October
8 10, 2023, these Claims will be processed and, if any would have been eligible if
9 timely received, these Claimants may be paid their distribution amounts, to the
10 extent permitted by the amount of remaining funds, on a *pro rata* basis that would
11 bring them into parity with other Authorized Claimants who have cashed all their
12 prior distribution checks. *See* ¶ 44(f) below. With respect to previously submitted
13 Claims that are cured or adjusted after October 10, 2023, such Claims will be
14 reevaluated upon receipt of the adjustment and, to the extent that they are found
15 eligible for a distribution or additional distribution, they will be treated in the same
16 manner as Claims received after October 10, 2023. However, should an adjustment
17 result in a lower Recognized Claim amount, the Recognized Claim amount will be
18 reduced accordingly prior to a distribution to that Claimant.

19 **QUALITY ASSURANCE**

20 35. An integral part of the claims administration process is the Quality
21 Assurance review. Throughout the administration process, JND's Quality Assurance
22 personnel worked to verify that Claims were processed properly by ensuring that
23 information was entered correctly into the database, deficiency and/or rejection
24 message codes were assigned accurately, and deficiency and/or rejection
25 notifications were sent appropriately. After all Claims were processed, deficiency
26 and/or rejection notifications were sent, and Claimants' responses to the deficiency
27 and/or rejection notifications were reviewed and processed, JND's Quality
28 Assurance personnel performed additional Quality Assurance reviews. These final

1 Quality Assurance reviews further ensured the correctness and completeness of all
2 Claims processed prior to preparing this declaration and all JND's final documents
3 in support of distribution of the Net Settlement Fund. As part of the Quality
4 Assurance reviews, JND;

- 5 (a) Verified that all Claim Forms had signatures of authorized
6 individuals;
- 7 (b) Verified that true duplicate Claims were identified, verified, and
8 rejected;
- 9 (c) Verified that persons and entities excluded from the Class did not
10 file Claims or their Claims were rejected upon review;
- 11 (d) Performed a final Quality Assurance audit of Claims and all
12 supporting documentation to ensure completeness of Claims;
- 13 (e) Determined that Claimants requiring deficiency and/or rejection
14 notifications were sent such notification;
- 15 (f) Performed an audit of deficient Claims;
- 16 (g) Performed additional review of Claims with high Recognized
17 Claim amounts;
- 18 (h) Audited Claims that were designated invalid;
- 19 (i) Audited Claims with a Recognized Claim amount equal to zero;
- 20 (j) Performed other auditing based on Claims completion
21 requirements and the approved calculation specifications based
22 on the Court-approved Plan of Allocation; and
- 23 (k) Re-tested the accuracy of the Recognized Claim amount
24 calculation program.

25 36. In support of the work described above, JND's computer staff designed
26 and implemented, and the project team tested, the following programs for this
27 administration: (i) data entry screens that store Claim information, including all
28 transactional data included on each Claim, and attach messages and, where

1 necessary, text to denote conditions existing within the Claim; (ii) programs to load
2 and analyze transactional data submitted electronically for all Electronic Claims;
3 (iii) a program to compare the claimed transaction prices against the reported market
4 prices to confirm that the claimed transactions were within an acceptable range of
5 the reported market prices; (iv) a calculation program to analyze the transactional
6 data for all Claims, and calculate each Claimant's Mattel Recognized Claim and
7 PwC Recognized Claim based on the Court-approved Plan of Allocation; and
8 (v) programs to generate various reports throughout and at the conclusion of the
9 administration, including lists of all eligible and ineligible Claims.

10 37. JND also used a variety of fraud protection controls throughout the
11 administration process to identify potential fraudulent Claims. Duplicate Claim
12 searches, high value reviews, spot reviews, and other standard audit reports that
13 examined the information in a variety of ways were used during the Claim review
14 process.

15 38. As part of its due diligence in processing the Claims, JND reviewed and
16 compared the entire Settlement Database against the "watch list" of known
17 questionable filers that JND has developed throughout its years of experience as a
18 claims administrator. JND has worked closely with law enforcement to update that
19 watch list with the latest information available. JND performs searches based on
20 names, aliases, addresses, and city/zip codes. In addition, JND's claim processors
21 are trained to identify any potentially inauthentic documentation when processing
22 claims, including claims submitted by Claimants not previously captured in the
23 "watch list." Processors are instructed to apply internal message codes to any claim
24 that matches to a record on the "watch list" and escalate them to management for
25 review. JND's Fraud Protection procedures did not identify any potentially
26 fraudulent Claims necessitating further review and verification.

1 **RECOMMENDATIONS FOR APPROVAL AND REJECTION**

2 39. As noted above, the number of Presented Claims in this motion is
3 59,253.

4 **A. Timely Submitted and Valid Claims**

5 40. A total of 58,540 Claims were received or postmarked on or before June
6 8, 2022, the Court-approved Claim submission deadline, of which 21,668 Claims
7 were determined by JND to be eligible to participate in the Settlement and are
8 recommended for approval (“Timely Eligible Claims”). The Timely Eligible Claims
9 have a total Mattel Recognized Claim amount of \$427,694,002.01 and a total PwC
10 Recognized Claim amount of \$275,297,553.15.

11 **B. Late But Otherwise Eligible Claims**

12 41. A total of 713 Claims were received or postmarked after June 8, 2022,
13 the Court-approved Claim submission deadline, but received on or before October
14 10, 2023. Of those 713 late Claims, 104 were determined by JND to be otherwise
15 eligible and are recommended for approval (“Late But Otherwise Eligible Claims”).
16 The Late But Otherwise Eligible Claims have a total Mattel Recognized Claim
17 amount of \$4,491,691.99 and a total PwC Recognized Claim amount of
18 \$4,096,246.43.

19 **C. Rejected Claims**

20 42. After the responses to Deficiency Letters and Deficiency Emails were
21 processed, a total of 37,481 Claims (including the Disputed Claim discussed above)
22 remain recommended for rejection by the Court (“Rejected Claims”) for the
23 following reasons:

- 24 (a) 22,035 Claims Did Not Result in a Recognized Claim;
- 25 (b) 10,441 Claims Did Not Fit Definition of the Class;
- 26 (c) 4,662 Deficient Claims Never Cured;
- 27 (d) 54 Duplicate Claims; and
- 28 (e) 289 Claims Withdrawn.

1 expenses for the work performed in conjunction with the initial distribution of the
2 Net Settlement Fund will be \$65,920.24. To date, JND has been reimbursed in the
3 amount of \$635,546.00. Accordingly, there is an outstanding balance of \$281,422.52
4 payable to JND from the Settlement Fund, which includes the estimate for
5 completing the initial distribution.

6 **DISTRIBUTION PLAN FOR THE NET SETTLEMENT FUND**

7 45. Should the Court concur with JND’s determinations concerning the
8 provisionally accepted and rejected Claims, including the Late But Otherwise
9 Eligible Claims, JND recommends the following distribution plan (“Distribution
10 Plan”):

11 (a) JND will conduct an initial distribution (“Initial Distribution”) of
12 the Net Settlement Fund, after deducting all payments approved
13 by the Court, and after payment of any estimated taxes, the costs
14 of preparing appropriate tax returns, and any escrow fees, while
15 maintaining a 5% reserve to address any tax liability and claims
16 administration-related contingencies that may arise, as follows:

17 (1) JND will calculate award amounts for all Authorized
18 Claimants as if the entire Net Settlement Fund were to be
19 distributed now. In accordance with the Court-approved
20 Plan of Allocation, JND will calculate each Authorized
21 Claimant’s (a) *pro rata* share of the Mattel Distribution
22 Fund based on the amount of the Authorized Claimant’s
23 Mattel Recognized Claim in comparison to the total Mattel
24 Recognized Claims of all Authorized Claimants; and
25 (b) *pro rata* share of the PwC Distribution Fund based on
26 the amount of the Authorized Claimant’s PwC Recognized
27 Claim in comparison to the total PwC Recognized Claims
28 of all Authorized Claimants. *See* Notice App. A ¶ 18.

1 (2) JND will, pursuant to the terms of the Plan of Allocation,
2 eliminate from the Initial Distribution any Authorized
3 Claimant whose combined *pro rata* share of the Mattel
4 Distribution Fund and the PwC Distribution Fund
5 calculates to less than \$10.00. *See id.* ¶ 19. These
6 Claimants will not receive any payment from the Net
7 Settlement Fund and will be so notified by JND.

8 (3) After eliminating Claimants who would have received less
9 than \$10.00, JND will then recalculate the *pro rata* share
10 of the Mattel Distribution Fund and PwC Distribution
11 Fund for Authorized Claimants who would have received
12 \$10.00 or more pursuant to the calculations described in
13 subparagraph (a)(1) above. The sum of these *pro rata*
14 shares is the Authorized Claimant’s “Distribution
15 Amount.” *See id.* ¶ 18.

16 (4) Authorized Claimants whose combined Distribution
17 Amount calculates to less than \$200.00 will be paid their
18 full Distribution Amount in the Initial Distribution
19 (“Claims Paid in Full”). These Authorized Claimants will
20 receive no additional funds in subsequent distributions.

21 (5) After deducting the payments to the Claims Paid in Full,
22 95% of the remaining balances of the Mattel Distribution
23 Fund and PwC Distribution Fund will be distributed *pro*
24 *rata* to Authorized Claimants whose Distribution Amount
25 calculates to \$200.00 or more. The remaining 5% of the
26 Net Settlement Fund will be held in reserve (the
27 “Reserve”) to address any tax liability and claims
28 administration-related contingencies that may arise

1 following the Initial Distribution. To the extent the
2 Reserve is not depleted, the remainder will be distributed
3 in the “Second Distribution” described in subparagraph (d)
4 below.

- 5 (b) To encourage Authorized Claimants to deposit their payments
6 promptly, all distribution checks will bear a notation: “CASH
7 PROMPTLY. VOID AND SUBJECT TO REDISTRIBUTION
8 IF NOT CASHED BY [DATE 90 DAYS AFTER ISSUE
9 DATE].” For Authorized Claimants whose checks are returned
10 as undeliverable, JND will endeavor to locate new addresses
11 through reasonable methods. Where a new address is located,
12 JND will update the Settlement Database accordingly and reissue
13 a distribution check to the Authorized Claimant at the new
14 address. In the event a distribution check is lost or damaged or
15 otherwise requires reissuance, JND will issue replacements.
16 Distribution reissues will be undertaken only upon written
17 instructions from the Authorized Claimant, provided that the
18 Authorized Claimant returns the previous check where
19 appropriate. For all checks, JND will void the initial payment
20 prior to reissuing a payment. In order not to delay further
21 distributions to Authorized Claimants who have timely cashed
22 their checks, JND’s outreach program shall end thirty (30) days
23 after the initial void date. Authorized Claimants will be informed
24 that, if they do not cash their Initial Distribution checks within
25 ninety (90) days of the mail date, or they do not cash check
26 reissues within thirty (30) days of the mailing of such reissued
27 check, their check will lapse, their entitlement to recovery will
28 be irrevocably forfeited, and the funds will be reallocated to other

1 Authorized Claimants. Reissue requests for lost or damaged
2 checks will be granted after the void date on the checks as long
3 as the request for the reissue is received no later than forty-five
4 (45) days prior to the next planned distribution. Requests for
5 reissued checks in connection with any subsequent distributions
6 (should such distributions occur) will be handled in the same
7 manner.

8 (c) Authorized Claimants who do not cash their Initial Distribution
9 checks within the time allotted or on the conditions set forth
10 above will irrevocably forfeit all recovery from the Settlement.
11 The funds allocated to all such stale-dated checks will be
12 available for distribution to other Authorized Claimants in the
13 Second Distribution. Similarly, Authorized Claimants who do
14 not cash their second or subsequent distribution checks, should
15 such distributions occur, within the time allotted or on the
16 conditions set forth above will irrevocably forfeit any further
17 recovery from the Net Settlement Fund.

18 (d) Consistent with the Court-approved Plan of Allocation, after
19 JND has made reasonable and diligent efforts to have Authorized
20 Claimants cash their Initial Distribution checks, which efforts
21 shall consist of the follow-up efforts described above, but not
22 earlier than seven (7) months after the Initial Distribution, JND
23 will, after consulting with Lead Counsel, conduct a second
24 distribution of the Net Settlement Fund (“Second Distribution”).
25 *See* Notice ¶ 20. Any amounts remaining in the Net Settlement
26 Fund after the Initial Distribution, including from the Reserve
27 and the funds allocated for all void stale-dated checks, after
28 deducting JND’s unpaid fees and expenses incurred in

1 connection with administering the Settlement, including JND's
2 estimated costs of the Second Distribution, and after deducting
3 the payment of any estimated taxes, the costs of preparing
4 appropriate tax returns, any escrow fees, and appropriate
5 reserves, will be distributed to all Authorized Claimants in the
6 Initial Distribution (other than Claims Paid in Full) who cashed
7 their distribution checks and who would receive at least \$10.00
8 in the Second Distribution based on their *pro rata* share of the
9 funds remaining in the Mattel Distribution Fund and PwC
10 Distribution Fund. *See id.* Additional distributions, after
11 deduction of costs and expenses as described above and subject
12 to the same conditions, may occur thereafter at six-month
13 intervals until Lead Counsel, in consultation with JND,
14 determines that further distribution is not cost-effective. *See id.*

15 (e) At such time as Lead Counsel, in consultation with JND,
16 determines that further distribution of the funds remaining in the
17 Net Settlement Fund is not cost-effective, if sufficient funds
18 remain to warrant the processing of Claims received after
19 October 10, 2023, those Claims will be processed, and any
20 otherwise valid Claims received after October 10, 2023, as well
21 as any earlier-received Claims for which an adjustment was
22 received after October 10, 2023, that resulted in an increased
23 Recognized Claim, will be paid in accordance with subparagraph
24 (f) below. If any funds remain in the Net Settlement Fund after
25 payment of these late or late-adjusted Claims, the remaining
26 balance of the Net Settlement Fund, after payment of any unpaid
27 fees or expenses incurred in connection with administering the
28 Net Settlement Fund and after the payment of any estimated

1 taxes, the costs of preparing appropriate tax returns, and any
2 escrow fees, will be contributed to the Investor Protection Trust
3 (“IPT”) a non-sectarian, not-for-profit 501(c)(3) organization.
4 *See id.*

5 (f) No new Claims may be accepted after October 10, 2023, and no
6 further adjustments to Claims received on or before October 10,
7 2023, that would result in an increased Recognized Claim may
8 be made for any reason after October 10, 2023, subject to the
9 following exception. If Claims are received or modified after
10 October 10, 2023, that would have been eligible for payment or
11 additional payment under the Plan of Allocation if timely
12 received, then at the time that Lead Counsel, in consultation with
13 JND, determines that an additional distribution is not cost-
14 effective as provided in subparagraph (e) above, and after
15 payment of any unpaid fees or expenses incurred in connection
16 with administering the Net Settlement Fund and after deducting
17 the payment of any estimated taxes, the costs of preparing
18 appropriate tax returns, and any escrow fees, such Claimants, at
19 the discretion of Lead Counsel and to the extent possible, may be
20 paid the distribution amounts or additional distribution amounts
21 on a *pro rata* basis that would bring them into parity with other
22 Authorized Claimants who have cashed all their prior
23 distribution checks.

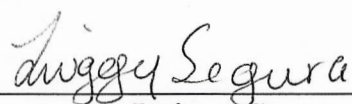
24 (g) Unless otherwise ordered by the Court, JND may destroy the
25 paper copies of the Claims and all supporting documentation one
26 (1) year after the Initial Distribution, and one (1) year after all
27 funds have been distributed may destroy the electronic copies of
28 the same.

CONCLUSION

1
2 46. JND respectfully requests that the Court enter the Class Distribution
3 Order approving its administrative determinations accepting and rejecting the
4 Claims submitted herein and approving the proposed Distribution Plan. JND further
5 respectfully submits that its unpaid fees and expenses and its fees and expenses
6 expected to be incurred in connection with the Initial Distribution, as reflected on
7 the invoices attached hereto as Exhibit H, should be approved for payment from the
8 Settlement Fund.

9 I declare under penalty of perjury under the laws of the United States of
10 America that the foregoing is true and correct to the best of my knowledge.

11
12 Executed on October 13, 2023



Luiggy Segura