

**EXHIBIT B**

**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 FORD DEFENDANTS**

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

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

**1. Supplemental Declaration**

a. This supplemental declaration pertains to the valuation of the Customer Support Program Warranty (CSP Warranty) and Enhanced Rental Car/Loaner Program (ERCL Program) in the Settlement Agreement<sup>1</sup> with Ford Motor Company including Ford, Lincoln and Mercury vehicles (Defendant).<sup>2</sup>

b. Supplemental information is being provided in response to Class Member Angie Elder-Johnson's Motion to Exclude Opinions of Kurt [sic] Kleckner and for Leave to Take Deposition of Kurt [sic] Kleckner, dated November 19, 2018 (Motion to Exclude).

---

<sup>1</sup> SETTLEMENT AGREEMENT Case 1:15-md-02599-FAM Document 2909-1 Entered on FLSD Docket 07/16/2018.

<sup>2</sup> I valued the CSP Warranty and Rental Car/Loaner Program class member benefits for the settlements of Defendants BMW, Mazda, Subaru, Toyota, Honda and Nissan (Previous Settlement Defendants) in this action. The Defendant and Previous Settlement Defendants together are referred to in my declarations as the Settlement Defendants.

c. Plaintiff's Counsel has asked me to provide additional information to my Declaration dated November 2, 2018 (Declaration), to address certain matters raised in the Motion to Exclude.

## **2. Supplemental Information regarding Information Requested from Ford**

a. Declaration Section 5 and Appendix B provide information that I relied upon. I received all requested items except one. For the sake of clarity:

i. I received from Ford:

1. Inflator's various repair and replacement procedures included in the CSP Warranty Program and average per vehicle warranty claim amount for each procedure;
2. Estimated average per vehicle Takata recall remedy cost;
3. Number of Subject Vehicles originally sold by model year and type, including the number of vehicles with original equipment Takata PSAN desiccated inflators;
4. Number of current remedies performed with Non-Takata inflators;
5. New vehicle warranty coverage for the inflator;
6. Number of vehicles sold by model years in the U.S. for pertinent years and vehicle warranty costs paid for such.

ii. I did not receive from Ford the estimated quarterly supply timeline of non-Takata replacement inflators.

b. For purposes of the CSP Warranty Valuation. I supplanted the need for the supply data by interviewing a Ford representative regarding the nature of the shortage, and by applying what I had learned from the Previous Settlement Defendants regarding the nature of inflator replacement supply chain market.

## **3. Supplemental Information Regarding Customer Support Program Warranty (CSP Warranty) – Valuation Methodology and Valuation Conclusion**

a. I derived the relationship between the sales price of vehicles and the price of available extended service contracts using actual market data.

b. Extended service contract prices were derived utilizing price data from C.N.A. National Warranty Corporation, Protective and Allstate. These providers are significant players in the market, sell warranties on Ford vehicles, and their prices are representative of the market as a whole.

c. National sale price ranges for new and pre-owned vehicles are readily available in the on-line public domain by make, model and model years.

#### **4. Supplemental Information Regarding the Enhanced Rental Car/Loaner Program: Calculations**

a. As described in Section 3 of my Declaration, I was asked to “Determine whether the value of the Class Member benefits related to the ERCL Program made available to Class Members exceeds the credit of 20% of the overall Settlement Amount allocated to the ERCL Program.” Based upon the methodology outlined in the Declaration, I am completely confident in that opinion.

b. The primary calculation variables required to calculate the number of potential rental car days were:

- i. the number of vehicles that have not received the Recall Remedy
- ii. timing of future replacement parts availability
- iii. logistical considerations relating to scheduling of and performance of the repair/replacement work

c. Using only two of the three variables (i and iii) and thereby assuming that no rental car days will be attributable to the timing of replacement parts availability (ii), I calculated that the value of the Class Member benefits significantly exceeds the credit of 20% of the overall Settlement Amount allocated to the ERCL program. Therefore, the lack of information on replacement parts availability had no impact my drawing the conclusion; the expected delays in parts availability will only further increase the amount exceeding the credit of 20%.

d. I am providing Exhibit A1 that illustrates the calculations from my files that supported my conclusion:

- i. The estimated value of the available Class Member benefits related to the ERCL Program is \$197,940,000.
- ii. The value of the credit of 20% of the overall Settlement Amount allocated to the ERCL program is \$59,820,000
- iii. The value of the available Class Member benefits exceeds the credit of 20% by \$138,120,000.

e. I am providing Exhibit A2 from my files which provides calculations for the Estimated Number of Rental Days per Covered Vehicle, the result of which is used in Exhibit A1.

#### **5. 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.

e. While I believe my valuation conclusions are valid, I continue to 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.

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 4th day of December 2018, at Blaine, Minnesota.



---

KIRK D. KLECKNER

**Exhibit A1 - Value of ERCL Program Compared to the Settlement Credit of 20%**

	Estimated Number of Qualifying Vehicles	Estimated Value
Estimated Number of Subject Vehicles - Non-Desiccated	3,384,100	
Less: Estimated Number of Such Vehicles No Longer on the Road	(681,300)	
Less: Number of Such Vehicles Already Remedied	(691,800)	
Estimated Number of Non-Desiccated Vehicles Requiring Remedy (A)	2,011,000	
Estimated Number of Subject Vehicles - Desiccated PSDI-X	2,026,900	
Less: Estimated Number of Such Vehicles No Longer on the Road	(55,800)	
	1,971,100	
Assumed Probability That Vehicles Will Require Remedy	25%	
Probability Weighted Estimated Number of PSDI-X Vehicles Requiring Remedy (B)	492,800	
Estimated Number of Subject Vehicles - Desiccated PSDI-5	2,567,200	
Less: Estimated Number of Such Vehicles No Longer on the Road	(538,100)	
	2,029,100	
Assumed Probability That Vehicles Will Require Remedy	80%	
Probability Weighted Estimated Number of PSDI-5 Vehicles Requiring Remedy (C)	1,623,300	
Estimated Number of Vehicles Requiring Remedy (A + B + C)	4,127,100	4,127,100
Estimated Average Rental Days Per Covered Vehicle (See Exhibit A2)		1.090
Estimated Average Per Day Rental Rate		\$44
Estimated Value of Available Class Member Benefits Related to the ERCL Program		\$ 197,940,000
<b>Estimated Value of Available Class Member Benefits Related to the ERCL Program</b>		<b>\$ 197,940,000</b>
<b>20% Credit Amount from Settlement Agreement</b>		<b>\$ 59,820,000</b>
<b>Value of the Available Class Member Benefits Exceeding the 20% Credit</b>		<b>\$ 138,120,000</b>

<b>Exhibit A2 - Estimated Number of Rental Days Per Covered Vehicle</b>			
	<b>Number of Days Rental</b>	<b>% of Total Vehicles</b>	<b>Total Rental Days</b>
Conservative Estimate - Some Vehicle Rentals Will Exceed 7 Days	7	0.50%	144,449
Estimate	6	0.25%	61,907
Estimate	5	0.25%	51,589
Estimate	4	0.25%	41,271
Estimate	3	0.25%	30,953
Estimate	2	2.50%	206,355
All Vehicles Will Have At Minimum Have One Day of Available Rental	1	96.00%	3,962,016
Estimate of Total Rental Days (A)			4,498,540
Estimated Number of Vehicles Requiring Remedy (B)			4,127,100
<b>Estimated Average Rental Days Per Covered Vehicle (A / B)</b>			<b>1.090</b>