**UNITED STATES DISTRICT COURT**
**EASTERN DISTRICT OF MICHIGAN**
**SOUTHERN DIVISION**

***In re* Flint Water Cases.**

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**Judith E. Levy**
**United States District Judge**

**This Report and Recommendation Relates To:**

**ALL CASES**

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**REPORT OF THE SPECIAL MASTER REGARDING THE STATUS OF PAYMENTS TO APPROVED CLAIMANTS IN THE ASA AS OF JULY 8, 2026**

On July 31, 2018, under Federal Rule of Civil Procedure 53, the Court appointed Deborah E. Greenspan to serve as a Special Master. Amended Order Appointing Special Master ("Special Master Appointment Order"), ECF No. 544, PageID.16581-16590. The Special Master Appointment Order specified various assigned duties and noted additional tasks that could be performed by the Special Master, as directed by the Court.

On November 10, 2021, the Court issued its *Opinion and Order Granting Final Approval of a Partial Settlement, Granting Certification of a Settlement Class, Granting Appointment of Settlement Class Counsel [1794], Denying Objections, and Adopting the Report and Recommendation [2006]* ("Opinion and Final Approval

Order"), 571 F. Supp. 3d 746 (E.D. Mich. 2021) (ECF No. 2008, PageID.69537-69714).

The Opinion and Final Approval Order approved the settlement reached between Plaintiffs and the Settling Defendants in the Amended Settlement Agreement ("ASA"), ECF No. 1394-2, PageID.54120-54211 (dated January 15, 2021).[1] The ASA specified various duties of the Special Master and defined the Special Master as Deborah Greenspan. ASA, at §1.77, ECF No. 1394-2, PageID.54136. As set forth in the Opinion and Final Approval Order, pursuant to the ASA, the Special Master oversees various aspects of the settlement and her duties include: "(1) consulting with the Claims Administrator and making decisions regarding registration and participation; (2) considering and deciding, in a timely fashion, any appeals taken by participants …; and (3) handling any disputes that arise involving the ASA." Opinion and Final Approval Order, 571 F. Supp. 3d at 761, ECF No. 2008 at PageID.69554 (citing ASA at PageID.54163–54174).

On January 20, 2022, the Court issued its *Order Regarding Settlement-Related Duties Of The Special Master*, ECF No. 2096, PageID.71973-71977 ("January 2022 Order"). By this Order, the Court amended its previous Special Master Appointment Order and directed Deborah E. Greenspan to fulfill all of the duties of Special Master

[1] Unless otherwise defined herein, all capitalized terms herein have the same meaning set forth in the ASA.

set forth in the ASA. *See* January 2022 Order, PageID.71975. The January 2022 Order further provided:

> Under the provisions of the Special Master Appointment Order, the Court further directs the Special Master to assist the Court in its oversight role by supervising the implementation of the ASA, including, without limitation, supervision and audit of the claims administration process and the entities engaged to provide services in connection with the review, evaluation, and administration of claims and the distribution of settlement assets.

*Id.*

The Amended Settlement Agreement was approved by the federal district court, and all federal court orders necessary for full approval of the settlement had been entered as of March 3, 2022. *See Amended Final Judgment and Order of Dismissal with Prejudice Implementing Partial Settlement Pursuant to Fed. R. Civ. P. 54(b) and 58(a) [2077]*, ECF No. 2128, PageID.72313-72397 (Mar. 3, 2022). Approximately 30 individuals filed three separate appeals related to the settlement. Those appeals were resolved on March 17, 2023, when the United States Court of Appeals for the Sixth Circuit affirmed the district court's decisions. *In re Flint Water Cases*, 63 F.3d 486 (6th Cir. 2023). On March 20, 2023, the state court entered its judgment addressing the state court cases that were resolved by the settlement. *See In re Flint Water Litigation, Final Judgment and Order of Dismissal with Prejudice*

*Implementing Partial Settlement Pursuant to MCR 2.420, 2.504(A)(2) and 2.602(A)*, Case No. 17-108646 (Genesee County, MI) (Mar. 20, 2023).[2]

The current claims administrator began to review claims in March of 2023. During 2023 and 2024, the claims administrator expanded and revised its operations on multiple occasions to include third-party data obtained by the Special Master to facilitate the evaluation of claims. (The third-party data and revisions to the operations of the claims administrator were initiated to address the very high deficiency rate in claims: over 85% of the claims processed to that point had been found deficient, meaning that claims were missing required information and/or supporting documentation necessary to determine whether they were eligible.) This third-party data enabled thousands of claimants to qualify for the settlement. As previously reported, that data included thousands of birth certificates obtained by the Special Master's office to enable minor children to qualify for the settlement, thousands of school records again obtained by the Special Master's office for the benefit of individuals who were minors at the time of the water crisis – to provide the proof of exposure to Flint water required by the settlement, thousands of blood lead test reports provided by the Michigan Department of Health and Human Services (MDHHS) in response to requests of the Special Master's office, thousands

[2] Three additional settlements were reached and approved after this date as explained below. Two of those settlements incorporate terms that require a separate distribution of these additional funds to class members.

of records on lead or galvanized steel service lines in the City of Flint to support claimants who qualify for compensation based on their presence in residences with such service lines, and millions of water customer billing records that were used to help claimants confirm exposure and residential property claims for thousands of claimants. *See Report and Recommendation of the Special Master Requesting Authorization to Finalize the Terms of Distribution of the Settlement Fund, for Implementation of Payment Process, and to Establish the Allocation Methodology in Accordance with the ASA for Distribution of Funds Pursuant to the ASA* (the "November 21 Report and Recommendation") (ECF No. 3359, at PageID.111505-111508). We also assisted thousands of claimants seeking to qualify for property damage claims by instituting a process to verify property ownership – which lessened the burden on claimants by eliminating the obligation to locate relevant ownership, tax, or mortgage documents. *Id.* at PageID.111507.

The November 21 Report and Recommendation requested authorization to begin distribution of payments for claimants eligible to receive compensation for a residential property damage claim and further recommended that those payments be issued at the maximum amount allowed under the terms of the ASA.

On December 5, 2025, the Court entered an Order Adopting the *Report and Recommendation of the Special Master Requesting Authorization to Finalize the Terms of Distribution of the Settlement Fund, for Implementation of Payment*

*Process, and to Establish the Allocation Methodology in Accordance with the ASA for Distribution of Funds Pursuant to the ASA [3359]* (ECF No. 3377).

The Distribution Vendor[3] began distribution of payments for property damage claims on December 12, 2025. On March 21, 2026, I filed the *Report and Recommendation of the Special Master Requesting Authorization to Begin the Process of Distributing Partial Payments for Eligible Adult Injury Claims in Accordance with the ASA* (ECF No. 3502) (the "March 21 Report").[4] On March 23, 2026, the Court entered an *Order Authorizing the Special Master to Begin the Process of Distributing Partial Payments for Eligible Adult Injury Claims as Set Forth in the Report and Recommendation* [3502] (ECF No. 3503) (the "March 23 Order").

This Report follows up on the March 21 Report. On June 24, 2026, the Distribution Vendor issued award letters to eligible adult injury claimants providing the partial payment amount (which varies according to the approved category) along

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[3] The Court approved the engagement of the Distribution Vendor – Epiq Class Action & Claims Solutions, Inc. d/b/a Epiq Class Action & Mass Tort Solutions ("Epiq") ("Distribution Vendor") – on September 3, 2024. *See Order Authorizing Engagement of Epiq Class Action & Claims Solutions, Inc. as Distribution Vendor to Distribute Payments to Eligible Claimants in the* Partial Settlement [3136], ECF No. 3137, PageID.107384-107385 (Sept. 3, 2024).

[4] Adult injury claims as referenced herein refer to claimants with approved Adult claims in Categories 22 to 27A under the ASA. These claimants include those with a qualifying injury or a qualifying lead level. *See* ASA, Exhibit 8 (ECF No. 1319-2).

with instructions for obtaining access to the funds. The payment portal includes a process so that approved claimants who might be eligible for the Special Needs Trust can seek information before making a payment decision. (As explained previously and again below, if a person eligible for the Special Needs Trust receives a cash payment, that payment could affect their eligibility to receive their needs-based benefits.)

Over half of the approved adult injury claimants are not eligible to receive awards at this time because Medicare and, in some cases, private insurers have asserted liens on their payments. Having a lien means that Medicare or a private health insurance company is seeking to collect money from the claimant's recovery for services that were paid for by Medicare or the insurer. The Medicare liens cannot be finally resolved until we are able to provide Medicare with a complete list of accurate Social Security Numbers (SSNs) for approved claimants. The ongoing issue of missing, invalid, or duplicative SSNs will be the subject of a separate recommendation to the Court. (As the Court knows, we were able to resolve all Medicaid liens with no payment to the Medicaid provider, which is a significant benefit to the claimants.) Valid, legal liens that are asserted will reduce the recovery to claimants and the goal of the lien resolution process is either to get agreement to waive liens or, if that is not possible, to obtain a significant reduction of liens. Medicare has to date declined to waive their liens.

The Court's March 23 Order further authorized the Special Master to direct the claims administrator and the Distribution Vendor to begin the process of distributing payments to eligible minor injury claimants after payments of the first installments payable to eligible adult injury claimants commenced. March 23 Order, ECF No. 3503, PageID.114538. Consistent with the Court's March 23 Order, I have instructed the administrator to prepare a file of eligible claimants who qualified in the "teen" categories to the extent that those claimants are now over 18 years old. The teen category applies to those who were between the ages of 12 and 17 at the time of their exposure to Flint water during the eligible exposure period.[5] These claimants who are now legal adults are eligible (but not required) to participate in the two trusts established by the Court or, in some cases, in the structured settlement option. The trust and structure options provide a mechanism to preserve and protect individual claimants' settlement funds and to generate earnings on those funds for claimants' benefit. A structured settlement provides tax free guaranteed earnings to the eligible claimant. Because these claimants are over 18, they also have the option to receive their award in a cash payment. The payment portal will outline the options and claimants will select the option they prefer. The FAQs have extensive information about these options and how they work. The lawyer for the Special

[5] Specifically, teen claims as referenced herein refer to claimants with approved claims in Categories 15 to 21 under the ASA. *See* ASA, Exhibit 8 (ECF No. 1319-2).

Needs Trust will meet with every claimant who would like to understand whether that trust option is appropriate for them. (The Special Needs Trust allows claimants who are disabled and receive needs-based benefits (generally SSI) to preserve those benefits while still receiving money from the settlement. If such individuals do not elect the Special Needs Trust, then their benefits are at risk of being cut off or reduced because the settlement money will be considered income that could make them ineligible for benefits.)

Consistent with the protocol for payment of adult injury claims, the teens who elect a cash payment or a trust option will receive a partial payment. They will receive a second installment with the final award amount at a later date. Those who elect the structure option will not receive a partial payment because the structure cannot be funded in installments. The structure will be funded when final payments are issued.

As with the adult claimants, there are some claimants in the "teen" category who are not currently eligible for payment. Specifically, 278 claims in the "teen" category are not eligible for payment due to liens asserted by Medicare or private insurers and 49 teens cannot be paid because they have not provided a valid SSN. Additional claims are currently not eligible for payment because their claim was submitted by a third party and the actual claimant has not yet confirmed the claim and provided the requisite signatures. All such claim filers have received notice of the need to obtain signatures from the actual claimant.

At my instruction, the claims administrator has prepared a payment file for approved business claims. I recommend that these claims be paid at this time. The ASA caps the payment for business claims at $5,000 for each eligible business or business property. There are 102 business claims currently eligible for payment.

I anticipate that the total number of payments to be issued for teens, businesses, and additional residential property claims that have become eligible for payment since the last payment file was generated to be approximately 2,180. We anticipate these award letters to be issued on or around July 23.[6]

In total, approximately 12,500 payment awards have been issued as of the date of this Report and when the next batch of award letters is distributed in July, approximately 14,600 payment awards will have been issued. The total amount authorized for payments is over $26.5 million. I note that some claimants who received awards have not yet accessed the funds. I have instructed the administrator to notify the law firms of their clients who have not accessed funds. Unrepresented claimants will receive additional notices.

[6] The Distribution Administrator requires a minimum of two weeks to set up the system with each payment batch. The "set up" process includes modifications to the payment portal to accommodate new claim characteristics, ingesting new letter templates, establishing the infrastructure for the electronic payments, and training the telephone staff on the requirements for the different categories of claims.

I anticipate that the payment group to be issued next, after the group scheduled for approximately July 23, will include any claims in the above groups that have become eligible since the last payment file was prepared (additional residential property, business or adult injury claims receiving payments, and additional teen claims receiving partial payments) *plus* partial payments for those claimants who are approved in the Minor Child and Minor Adolescent categories and who are now over 18 and eligible to be paid.[7]

Those claimants who are still minors cannot receive a cash payment for their entire claim award. The ASA prohibits cash payments in excess of $5,000 (which must be used for the minor's benefit) – in accordance with Michigan law, which imposes legal restrictions to protect minors' financial interests by limiting cash payments to minors. The law requires that awards to minors must be protected and preserved for the benefit of the minors under mechanisms that prevent others (including guardians and parents who have been appointed as Next Friends) from dissipating the funds. Ordinarily, where there is a single minor plaintiff, the court will appoint a conservator who will control the use and management of the settlement funds until the minor reaches the age of majority. In this case, because of

[7] Specifically, Child claims as referenced herein refer to claimants with approved claims in Categories 1 to 7 under the ASA, and Adolescent claims as referenced herein refer to claimants with approved claims in Categories 8 to 16 under the ASA. *See* ASA, Exhibit 8 (ECF No. 1319-2).

the large number of minor claimants, the ASA provides, and the Court approved, a less costly and more efficient process that aligns with Michigan law for protecting minors' settlement funds: payment to minors must be made either to one of the Court-approved, Court-supervised trusts or through a structured settlement. These mechanisms were established by court order to protect the funds. *See* MCR 2.420 and MCL 700.5102; [8] *Second Corrected Order Adopting the Report and Recommendation of the Special Master and Master Guardian ad Litem Regarding Settlement Planning Administrator Proposal [3260]*, ECF No. 3270, PageID.108678-108681 (Aug. 4, 2025); *Order Granting Motion to Approve the Flint Water Cases Special Needs Pooled Trust Agreement, Joinder Agreement, Investment Policy Statement, Trust Management Fee Schedule, and For Appointment of Elder Law of Michigan, Inc. As Trustee [2659]*, ECF No. 2729, PageID.90188-90190 (Dec. 8, 2023); *Order Granting Petition to Approve the Flint Water Cases Special Needs Pooled Trust Agreement, Joinder Agreement, Investment Policy Statement, Trust Management Fee Schedule, and For Appointment of Elder Law of Michigan, Inc. as Trustee* (Probate Court for the County of Genesee, MI, Dec. 8, 2023*); Order Granting Petition to Approve the Flint Water Cases Special Needs Pooled Trust Agreement Dated September 5, 2025* (Probate Court for the County of Genesee, MI,

[8] The ASA adopts the monetary threshold of MCL 700.5102 that was in effect when the ASA was executed by the Settling Parties.

Oct. 29, 2025); *Order Granting Motion to Approve the Settlement Preservation Minors Pooled Trust Agreement, Joinder Agreement, Investment Policy Statement, and Trustee Fee Schedule, and For Appointment of Huntington Bank, N.A. as Trustee [2169, 2170]*, ECF No. 2171, PageID.72934-72936 (June 3, 2022); *Order Granting Petition to Approve the Settlement Preservation Minors Pooled Trust Agreement, Joinder Agreement, Investment Policy Statement, and Trustee Fee Schedule, and Appointing Huntington Bank N.A. as Trustee* (Probate Court for the County of Genesee, MI, July 1, 2022).

To enable this mandatory process on such a large scale, the Court appointed a Settlement Planning Administrator who coordinated with an annuity company (all subject to Court oversight) that will provide structured settlement quotes for thousands of minor claimants. (To accommodate the large number of claimants, the annuity company will freeze interest rates for a period of 90 days and thereby allow the legal representatives sufficient time to evaluate the options.) This is a complex process under which the annuity company will receive a massive amount of data for thousands of approved minor claimants, will compute six separate structure options for *each* approved claimant and then distribute the quotes to the Next Friend of the claimants. The minor claimant's adult representative will select from among the six options and once that occurs, the structure will be funded. The mechanics of this process (both substantively and technically) are complex. The annuity company and the Distribution Vendor have developed the data exchange mechanism and the process is ready to be implemented. Under applicable federal law, the money invested in a structure for a personal injury claim is tax free until paid to the claimant.

The overall settlement funds continue to be invested in the most advantageous instruments consistent with the Court's guidelines. As the Court knows, and as I have reported in the past, the fund is required to pay taxes on its earnings. The amount of taxes owed is offset by administrative expenses – which are paid *solely* out of earnings.

As the Court knows, it has taken longer than expected to complete the process of evaluating all claims and finalizing payment amounts. I note that the process is complicated by several factors: the settlement provides the right for *each* claim to be reviewed a minimum of 3 times[9]; many claimants could not obtain the documents necessary to meet the requirements of the settlement and, consequently, with the permission of the parties and the approval of the Court, I embarked on an effort to assist claimants in obtaining documentation required to approve their claims as described above – resulting in thousands of claim "re-reviews"; and I proposed and implemented a process of individual hearings to enable such individuals to

[9] Many claims are reviewed more than three times because at each stage of the process there is a quality assurance or audit step.

demonstrate their eligibility through that mechanism. We conducted approximately 900 hearings over a period of 19 months.

Tens of thousands of claim submissions did not contain the information necessary for approval (or even for review in some cases)– which resulted in a very large number of reconsideration and appeal requests. Thousands of claims submitted information incorrectly, which complicated the review process that relies on data matching to streamline the evaluation of claims. Many claims included inaccurate information – including invalid Social Security numbers, misspelled names, incomplete addresses, no addresses showing any presence in Flint, and incorrect dates of birth (such as transposed numbers) – as well as contradictory information – all of which resulted in additional review and verification procedures. Significantly, the large number of minor claimants resulted in additional and more complex claim evaluation – including primarily the need to validate the "Next Friend" (qualified representative) of the minor. This process included identification of successor guardians, changes in custody, review of orders of filiation, and verification of relationships. We have identified over 1,200 claims that have to date required significant, multiple procedures to identify the appropriately qualified adult.

Currently, my office and the office of the Master Guardian ad Litem, are working to address hundreds of additional claims of minors that involve significant issues regarding the authority of a parent to serve as legal Next Friend. With the assistance of the MDHHS, we have identified hundreds of claims of minors whose parents have had their parental rights terminated. These parents have no legal authority to represent the child or bring a claim, and certainly have no legal authority to manage the funds awarded to the child. In many cases, the same child (with different name and Social Security Number) has a separate claim filed by an adoptive parent. After completing the investigation, any claim filed by an unauthorized individual purporting to be a Next Friend will be denied. Any such child who is not otherwise represented in the settlement will retain the right to file in the Future Minor Sub-Qualified Settlement Fund.

Our review of the claims data shows that the claims administrator, Special Master and Master Guardian ad Litem have undertaken approximately 100,000 claim reviews. This number includes re-reviews necessitated when new information was submitted either through the third-party data process or by claimants as well as the property review process that was instituted to relieve claimants of the need to locate documentation proving ownership. The claims administrator also reports that it has sent over 23,600 notice mailings to unrepresented claimants (notices on claims represented by counsel are provided directly to claimant's counsel). This does not include award notices issued on approved claims by the Distribution Vendor. The

Distribution Vendor has issued approximately 12,500 award letters and responded to approximately 17,000 phone calls since mid-December 2025.[10]

I have continued to receive appeals, and I continue to receive a large number of inquiries from individuals seeking assistance with their claims. Many inquiries come from individuals who did not file a claim and many come from individuals who did not realize that their claim was deficient and now seek assistance to resolve those deficiencies. At this point, including a large number of new (but timely) appeals and inquiries that require follow-up decisions, I believe that there are approximately 800-900 claims currently pending an appellate-level review. (The claims administrator recently issued a number of reconsideration determinations and that resulted in a significant increase in the number of appeals.)

I will continue to provide updates as the process progresses. As noted in previous submissions, there will be a final report at the end of the process explaining all aspects of the program, including fees and costs required to undertake all of this work to ensure that qualified claimants receive their compensation.

Respectfully submitted,

Dated: July 9, 2026

/s/ Deborah E. Greenspan
Deborah E. Greenspan
Special Master

[10] The Distribution Administrator has also addressed an additional 2,000 calls through its automated system.

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## CERTIFICATE OF SERVICE

I certify that on July 9, 2026, I electronically filed the foregoing document with the Clerk of the Court using the Court's ECF system, which will send notification of such filing to attorneys of record.

Dated: July 9, 2026

*/s/ Deborah E. Greenspan*
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