UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

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

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Notice From the Special Master

Judith E. Levy
United States District Judge

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NOTICE FROM THE SPECIAL MASTER REGARDING PRE-SETTLEMENT FUNDING AGREEMENTS

The Special Master has been informed that some claimants have entered or may seek to enter into agreements under which they received a ‘loan’ payment based on their anticipated settlement award. Such agreements often provide high interest rates – and claimants who enter into such agreements might find that their obligation to pay the lender exceeds the amount of their settlement award. In some cases, such agreements might require the lawyer representing the claimant to pay the amount owed to the lender, and in some cases it may be that the lender anticipates receiving payment from the settlement fund directly. As explained below, the settlement payment process and the methodology adopted by the Court for allocating funds prohibit payment to anyone other than the claimant or a legal representative of the claimant approved under the terms of the Court’s orders defining authorized Next Friends. Lawyers representing claimants are paid a separate fee pursuant to Court order.

The ASA Terms/Court Orders

The Amended Settlement Agreement and the Court’s prior orders prohibit payments to anyone other than the approved claimant or their legal representative defined in the ASA. The Amended Settlement Agreement provides:

> No Monetary Award or future payment made as a result of a Monetary Award shall be paid, transferred, alienated, or in any other manner assigned, hypothecated, factored, or pledged to any pre-settlement funding company or post-settlement factoring company. Plaintiffs' interest in the settlement proceeds shall be preserved from any form of assignment, factoring, reduction, offset, garnishment, attachment, liens, and all other claims, legal or equitable process that may be instituted by, or on behalf of a pre-settlement funding company or post-settlement factoring company.

Amended Settlement Agreement, Sections 5.9 and 5.10, ECF No. 1394-2, PageID.54147-54148.

The Court approved and adopted this language via the final approval order and issued a separate order reiterating these terms. Specifically, the Court's Order (ECF No. 1955) reminds all participants in the settlement that paragraphs 5.9 and 5.10 of the Amended Master Settlement Agreement specifically prohibit buying and selling claims. This includes assignment, hypothecation, factoring, or pledging of a Monetary Award to any third parties including pre-settlement funding companies or post-settlement factoring companies.

The Structure of the Payment Process: Funds are Provided Directly to Claimants

The payment process established to distribute settlement awards to claimants is structured to permit claimants to access the funds directly and to choose the account into which the funds are to be transferred. Each claimant has a unique access code and is required to provide two-factor authentication to access the funds. Claimants are advised not to share the code with anyone. The settlement awards are not distributed to counsel for the claimant. Further, as noted above, payments cannot and will not be distributed to third parties – such as lenders.

Notice to Claimants: How to Protect Your Settlement Payment

Protect your settlement award: Do not provide your unique payment code to anyone. Make sure you check your account numbers when you select the payment method. If you were expecting an award letter and did not receive one, contact the Special Master's office. If you believe someone has used your payment code, contact the payment administrator or Special

Master's office using the contact information below. If your address has changed, contact the Special Master's office and provide the updated address.

Contacts:

Website: www.officialflintwaterpayments.com

Phone: 1-888-893-7470

Special Master: (202) 420-2200 or deborah.greenspan@blankrome.com

Dated: August 5, 2026

/s/ Deborah E. Greenspan
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