

EXHIBIT 1

6. The SF-DCT has the obligation under the SFA and Annex A to the SFA to implement procedures to ensure distribution of Settlement Fund assets only in accordance with the terms of the SFA and applicable Orders.
7. To that end, the SF-DCT has maintained procedures for several years to track claimant addresses to assure that eligible claimants receive their payments.
8. The SF-DCT sends award letters to claimants when a payment is issued to that claimant. The purpose of the award letter is to inform the unrepresented claimant that they should be receiving a check in the mail so that they can look for it and to inform represented claimants that they can contact their attorney to make arrangements to receive the payment if the check is issued to the attorney.
9. When the award letter is returned as undeliverable the SF-DCT seeks to determine whether the claimant in fact received the check. If the SF-DCT cannot identify a current address for the claimant and cannot reach the claimant, the SF-DCT will contact the attorney for that claimant and direct the attorney to refund the money to the SF-DCT. There are two request for current address sent to the attorney of record before the request to return the funds is made.
10. The SF-DCT is not always successful in recovering funds in cases where a claimant cannot be located after a check has been issued.
11. Closing Order 2 requires the SF-DCT to verify addresses before checks are issued. This procedure helps the SF-DCT to assure that claimants receive their payments and reduces the number of instances where the SF-DCT learns that the address on file is not current only after the check is mailed.
12. On April 4, 2019, after Closing Order 2 was entered, the SF-DCT sent a mailing to all claimants eligible at that time to receive a Premium Payment requesting confirmation of the claimant's current address. The letter to the claimant provides a space for the claimant to confirm or update her address. The claimant is then supposed to return the document to the SF-DCT. Where applicable, the attorneys of record for those claimants were also sent a separate mailing that requested

confirmation of the attorney's address and included a form listing the attorney's claimants that the attorney could complete to either confirm the claimant's address or provide a current address or indicate if counsel no longer represented the claimant. These address verification letters were sent to the addresses that the SF-DCT had on file.

13. Since the April 4, 2019 mailing, the SF-DCT has continued to send address verification letters to attorneys and claimants. The SF-DCT conducts these address verifications when a claim is eligible for payment and the SF-DCT has not received address information for the claimant within the prior 90 days.
14. All payments remain on hold until the SF-DCT obtains a verified address.
15. The SF-DCT analyzes the responses received to the address verification requests and determines whether the address information received is reliable and constitutes a proper verification.
16. For example, on occasions where the claimant's attorney of record and the claimant submit different address information, the SF-DCT will accept the address provided by the claimant and notify the attorney so that the attorney can update the relevant records.
17. If the SF-DCT has reason to conclude that address information provided by the attorney is not reliable, the SF-DCT will implement additional verification procedures even if the claimant has not responded.
18. For example, the SF-DCT seeks other forms of verification when the attorney lists an address but prior mailings to that address have been returned as undeliverable.
19. If the SF-DCT verifies an address and then learns after a payment is distributed to the attorney of record that the claimant's address is not valid, the SF-DCT will request the address from the attorney or require the attorney to return the payment.
20. The SF-DCT maintains a comprehensive claims database that contains information about each claimant and the status of each claimant's

submissions. The database contains information that enables me to examine and determine the status of processing, evaluation and payment of the claimants represented by Mr. Kim and the history of mailings to such claimants and to counsel.

21. For several years before the entry of Closing Order 2, the SF-DCT attempted to confirm address information for Korean Claimants represented by Mr. Kim.
22. For example, attached as Exhibit A is a true and correct copy of a May 16, 2017 letter sent to Mr. Kim informing him that address confirmation was required from the claimants on claims for which correspondence had been returned as undeliverable but payments had been made to counsel as attorney of record. The letter also included as enclosures an address update/correction form and a list of 132 claimants. The letter stated that form had to be signed by the claimant or the estate representative, and not by counsel.
23. Mr. Kim responded by letter dated June 8, 2017 stating that most Korean Claimants did not want to receive a letter from the SF-DCT and that he assumed some did not want him to update their address. A true and correct copy of Mr. Kim's June 8, 2017 letter is attached as Exhibit B.
24. On June 21, 2017, I responded to Mr. Kim's June 8 letter and advised that claimants have an affirmative obligation to update their address with the Settlement Facility and that no further processing would occur on those claims for whom Mr. Kim had failed to comply with the SF-DCT's written requests for current address information. A true and correct copy of the June 21, 2017 cover letter is attached as Exhibit C. The letter also included as enclosures an address update/correction form and a list of the same 132 claimants.
25. On July 28, 2017, Mr. Kim responded to my June 21 letter by stating that the claimants did not want to update their addresses and that he could not do so without their permission. A true and correct copy of Mr. Kim's July 28, 2017 letter is attached as Exhibit D.
26. The correspondence described above was the subject of a Motion for Entry of an Order to Show Cause filed by the Finance Committee on


January 10, 2018. As the Motion for Order to Show Cause explains, the Finance Committee sent correspondence to Mr. Kim to follow up on the attempts of the SF-DCT to obtain verified addresses for this group of claimants. Although some additional addresses were provided after the Motion was filed, many of them proved to be invalid.

27. On March 13, 2019, the SF-DCT sent a letter to Mr. Kim advising him, among other things, that updated addresses were required on certain claims and advising of the specific address format as recommended by the United States Postal Service. The letter also included several referenced enclosures. Attached as Exhibit E is a true and correct copy of a March 13, 2019 letter regarding Specific Notice of June 3, 2019 Deadline.
28. As part of the general April 4, 2019 mailing to claimants and attorneys of record, the SF-DCT mailed a letter to Mr. Kim listing 924 claimants for which the SF-DCT needed address verification before distributing Premium Payments. A true and correct copy of the letter sent to Mr. Kim on April 4, 2019 is attached hereto as Exhibit F. The letter included as an enclosure a form listing the 924 claimants. The form was structured so that Mr. Kim could fill in language to confirm whether the identified address for each claimant was correct or to provide an updated address or to indicate if counsel no longer represented the claimant. The address listed on the form for each claimant was the address that the SF-DCT had on file.
29. Mr. Kim did not return the form sent with the April 4, 2019 mailing.
30. As part of the April 2019 mailings, these 924 claimants were also directly sent address verification letters requesting confirmation of the claimant's current address. These letters were sent to the addresses that the SF-DCT had on file.
31. Of the 924 letters sent to these Korean Claimants, 436 have been returned as undeliverable to date.
32. A total of 28 claimants represented by Mr. Kim responded to the April 4, 2019 verification mailing and returned address information to the SF-DCT. The SF-DCT has issued 50% Premium Payments for these 28 claimants represented by Mr. Kim.

33. On June 3, 2019, Mr. Kim provided certain address updates to the SF-DCT. These address updates covered a variety of claims. These address update forms included 190 claimants eligible for Premium Payments. The SF-DCT sent a mailing to these individuals at the updated addresses that were provided. Of those mailings, 43 have been returned as undeliverable to date.
34. A substantial portion of the address verification letters sent to claimants represented by Mr. Kim have been returned as undeliverable. The SF-DCT conducted an audit of mailings to Korean Claimants in early 2020. That audit revealed that of 1,382 claimants represented by Mr. Kim who are eligible for future payments, 600 had correspondence sent directly to the claimants that has been returned as undeliverable. That audit also revealed that 39.2% of mailings to 2,476 claimants with eligible Class 5 and 6 claims were returned as undeliverable. The audit also revealed that 50% of the mailings to updated addresses provided by Mr. Kim in January 2018 were returned as undeliverable.
35. It can take a considerable amount of time for undeliverable mail to be returned from South Korea to the SF-DCT. In some cases, mail has been returned more than a year after the original mailing. The SF-DCT cannot be certain that the address verification mailings noted above that were not returned were actually delivered. In most cases, those addresses had previously been identified as addresses that were invalid because previous mailings had been returned as undeliverable.
36. The SF-DCT has promptly paid any Korean Claimant who is eligible for a payment once the claimant's address is verified as required by Closing Order 2, and remains prepared to continue to do so.
37. All claimants represented by Mr. Kim who are eligible for a Premium Payment for whom the SF-DCT has a verified address have been paid.
38. The percentage of returned mail from mailings to claimants represented by Mr. Kim is much higher than the general rate of returned mail that the SF-DCT has experienced. Several mailings have resulted in a 40 to 50 percent return rate.

39. These rates of undeliverable mail far exceed the rate of undeliverable mail that the SF-DCT has experienced with other counsel.
40. In light of this history, the SF-DCT sent a letter to Mr. Kim on March 3, 2020 advising him that pursuant to Closing Order 2, the SF-DCT would not issue payments without a confirmed current address that has been verified directly by the Claimant as a current mailing address where the Claimant is receiving mail. The letter stated that payments would be sent to his office for distribution to the Claimant after the Claimant directly confirms that they currently reside at the address. A true and correct copy of the March 3, 2020 letter is attached as Exhibit G. The letter also included as enclosures a copy of Closing Order 2 and a list of 1,259 claimants represented by Mr. Kim who may be eligible for payments but for whom the SF-DCT did not have a confirmed address.
41. The SF-DCT has not received any additional address information for Korean Claimants since the notification was sent to Mr. Kim in March.

Pursuant to 28 U.S.C. Section 1746, I declare under penalty of perjury that the foregoing is true and correct. Executed this 20th day of July 2020.



Ann M. Phillips