

**IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

IN RE BROILER CHICKEN ANTITRUST
LITIGATION,

Case No.: 1:16-cv-08637

The Honorable Thomas M. Durkin

This Document Relates To:

THE DIRECT PURCHASER PLAINTIFF
ACTION

**DECLARATION OF MICHAEL H. PEARSON IN SUPPORT OF
DIRECT PURCHASER PLAINTIFFS' MOTION FOR FINAL APPROVAL OF
SETTLEMENTS WITH DEFENDANTS FOSTER FARMS, PERDUE, CASE,
CLAXTON, WAYNE FARMS, AGRI STATS, AND SANDERSON FARMS**

I, Michael H. Pearson, declare and state as follows:

1. I am a Partner of the law firm of Pearson Warshaw, LLP. This Court has appointed my firm, together with Lockridge Grindal Nauen P.L.L.P., as Co-Lead Class Counsel for the Direct Purchaser Plaintiff Class (“DPPs”) in this litigation.

2. I submit this Declaration in support of Plaintiffs’ Motion for Final Approval of Settlements with Defendants Foster Farms, Perdue, Case, Claxton, Wayne Farms, Agri Stats, and Sanderson Farms (“Settlements”), filed concurrently herewith.

3. On behalf of DPPs, I, my firm, and my Co-Lead Class Counsel personally conducted separate settlement negotiations with counsel for Foster Farms, Perdue, Case, Claxton, Wayne Farms, Agri Stats, and Sanderson Farms (“Settling Defendants”). In deciding whether to continue post-trial and appellate efforts, DPP Co-Lead Class Counsel considered the strength of Plaintiffs’ claims and the Settling Defendants’ defenses, and the substantial benefits that the Settlements will provide to the Class. The Settling Defendants have provided estimates of their potentially recoverable costs which collectively exceed \$1 million. While the Class would challenge any costs petitions if these Settlements are not approved, the potential sum is substantial and Co-Lead Class Counsel believe that the Settlements are in the best interest of the certified DPP Class.

4. The Settlements were entered into after extensive factual investigation and legal analysis.

5. The Settlements were entered into after DPPs had the opportunity to take dozens of depositions, analyze millions of documents, and engage in extensive written discovery.

6. Prior to the Court’s ruling on Defendants’ motions to dismiss, Plaintiffs reached an “ice-breaker” settlement with Defendant Fieldale. Fieldale, a small producer, agreed to pay \$2.25

million, provide cooperation including attorney and witness proffers, and produce certain documents to DPPs. The Court granted final approval to the Fieldale settlement on November 18, 2018. (*See* ECF No. 1414.) Plaintiffs later reached settlements with Defendants Amick, Peco, and George's. Like Fieldale, these three Defendant groups are small producers. In addition to providing cooperation to DPPs, Peco paid \$4,964,600, George's paid \$4,097,000, and Amick paid \$3,950,000. (*See id.*) The Court granted final approval of the Amick, Peco, and George's settlements on October 27, 2020. (*See* ECF Nos. 3944 (Peco and George's), 3945 (Amick).) DPPs then secured significant settlements with Pilgrim's and Tyson in the amount of \$75 million and \$79,340,000, respectively. The Court granted final approval of the Pilgrim's and Tyson settlements on June 29, 2021. (*See* ECF No. 4789.) DPPs then secured significant settlements with Mar Jac and Harrison Poultry in the amount of \$7,975,000 and \$3,300,000, respectively. The Court granted final approval of the Mar Jac and Harrison settlements on January 27, 2022. (*See* ECF No. 5397.) Next, DPPs secured a settlement with Simmons in the amount of \$8,018,991. The Court granted final approval of the Simmons settlement on December 12, 2023. (*See* ECF No. 7085.) DPPs then settled with Mountaire and O.K. Foods in the amount of \$15,899,826 and \$4,856,333, respectively. The Court granted final approval of the Mountaire and O.K. Foods settlements on December 12, 2023. (*See* ECF Nos. 7087, 7088.) DPPs then settled with HRF and Koch in the amount of \$27,500,000 and \$47,500,000, respectively. The Court granted preliminary approval of the HRF and Koch settlements on December 6, 2023. (*See* ECF Nos. 7070.) The total settlements obtained by DPPs is \$284,650,750.

7. This litigation has been pending for seven years, through summary judgment and a trial, and thus the Parties have had ample opportunity to assess the merits of their respective claims and defenses and to weigh the relative benefits of continued litigation or settlement. In particular

each of the Settlements were entered into after entry of summary judgment or verdict at trial in favor of the Settling Defendants.

8. Each Settlement Agreement was the product of an independent negotiation process that commenced with each Settling Defendant in December 2023. Each of the settlement negotiations involved multiple exchanges between the parties as well as drafts that ultimately resulted in the final settlement agreements.

9. Each of the Settlements come after extensive, confidential, arm's-length negotiations between the parties. The negotiations were kept confidential and necessitated numerous conferences, as well as written exchanges between counsel during which the parties negotiated the material terms of the Settlement, as well as the final Settlement Agreement. Throughout this process, each Settling Defendant has been represented by experienced, sophisticated counsel. In engaging in these settlement discussions, counsel for DPPs were focused on obtaining the best possible result for the Certified Class.

10. There was no collusion or preference among counsel for the parties at any time during these negotiations. To the contrary, the negotiations were contentious, hard fought, and fully informed. Plaintiffs sought to obtain the greatest benefit possible from the Settling Defendants.

11. In sum, the Settlement Agreements: (1) are the result of extensive good-faith and hard-fought negotiations between knowledgeable and skilled counsel; (2) were entered into after extensive factual investigation and legal analysis; and (3) in the opinion of experienced Co-Lead Class Counsel, are fair, reasonable, and adequate.

12. The Settlements are on behalf of the Class previously certified by the Court on May 27, 2022. (ECF No. 5644.)

13. DPPs have enlisted the services of an experienced class action administrator, A.B. Data Ltd., to administer notice to the Certified Class members. The notice plan implemented here was substantially similar to that previously disseminated in this case with prior settlements. Co-Lead Class Counsel and A.B. Data Ltd., the Court-appointed claims administrator, have executed the Notice Plan in accordance with the Court's Preliminary Approval Order.

14. The Settlement Administrator received one objection to the Settlements. However, after Co-Lead Class Counsel investigated the objection and spoke with the person who filed it, it was determined that the objection was invalid because the individual did not purchase Broilers directly from the Defendants and thus is not a member of the DPP Class. The objector agreed to withdraw the objection upon being informed of these facts.

15. I have practiced law since 2011, I specialize in antitrust class action law, and I have prosecuted numerous antitrust class actions as lead counsel or other leadership positions. I have negotiated many settlements during those years. In my opinion, and in that of my Co-Lead Class Counsel, the proposed settlement agreements are fair, reasonable, and adequate.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on this 25th day of June, 2024 at Sherman Oaks, California.

/s/ Michael H. Pearson
Michael H. Pearson