

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

**IN RE AUTOMOTIVE PARTS ANTITRUST
LITIGATION**

**CASE NO. 12-MD-02311
HON. MARIANNE O. BATTANI**

In Re: BEARINGS CASES

**THIS RELATES TO:
ALL DIRECT PURCHASER ACTIONS**

**2:12-cv-00501-MOB-MKM
2:15-cv-12068-MOB-MKM**

NOTICE

**NOTICE OF HEARING ON PROPOSED PLAN OF DISTRIBUTION OF THE SETTLEMENT FUND
AND SETTLEMENT CLASS COUNSEL'S REQUESTS FOR REIMBURSEMENT OF LITIGATION
EXPENSES AND SERVICE AWARDS TO THE CLASS REPRESENTATIVES**

TO: ALL DIRECT PURCHASERS OF BEARINGS IN THE UNITED STATES DIRECTLY FROM ANY OF THE DEFENDANTS FROM JANUARY 1, 2000 THROUGH MARCH 21, 2017.

PLEASE READ THIS NOTICE CAREFULLY. YOUR LEGAL RIGHTS MAY BE AFFECTED BY LITIGATION NOW PENDING IN THIS COURT.

WHAT IS THE PURPOSE OF THIS NOTICE AND WHY WAS IT SENT TO ME?

This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Eastern District of Michigan, Southern Division. The purpose of this Notice is to inform you of a hearing before the Court to consider:

- (1) A proposed pro rata plan of distribution of the Schaeffler settlement proceeds to Settlement Class members; and
- (2) Settlement Class Counsel's requests for reimbursement of their litigation expenses, and service awards to the Class Representatives.

This Notice provides information concerning the proposed pro rata plan of distribution, and the requests for reimbursement of litigation expenses and service awards to the Class Representatives. The Notice also advises you of your rights to participate in the settlement claims process and to object to the plan of distribution, or the requests for reimbursement of litigation expenses or service awards to the Class Representatives in connection with the Court hearing on these matters.

BACKGROUND

Plaintiffs brought antitrust claims against bearings manufacturers. The litigation and the settlement with the Schaeffler Defendants relate to both automotive and industrial machinery Bearings purchased **directly** from a Defendant.

You were previously notified of the existence of this litigation, the nature of the Plaintiffs' claims, and a settlement with Defendants Schaeffler Group USA Inc., Schaeffler Technologies GmbH & Co. KG (formerly Schaeffler Technologies GmbH & Co. KG), and FAG Kugelfischer GmbH (collectively, "Schaeffler"). The settlement was approved by the Court by Order dated November 15, 2017. The amount of the settlement approved by the Court was \$16,538,888 (the "Settlement Fund").

Plaintiffs did not seek an award of fees in connection with the settlement approval process, but did ask the Court to permit them to use up to 20 percent of the Schaeffler settlement proceeds to pay litigation expenses, which included costs for expert witnesses, depositions, document reproduction and review, and other costs incurred in prosecuting the case. The Court granted Plaintiffs' motion by Order dated November 27, 2017.

Plaintiffs continued to prosecute the litigation against the remaining Defendants. Plaintiffs alleged that the Defendants engaged in anti-competitive conduct including coordinated price increases to recover increased steel costs from all of their customers. Plaintiffs reviewed millions of pages of documents, took and defended scores of depositions both in the United States and overseas, and worked extensively with their experts in support of their motion for certification of a class of all direct purchasers of Bearings from the Defendants in the United States from April 1, 2004 through December 31, 2014.

Following extensive motion practice, depositions of the parties' experts, and hearings, the Court denied Defendants' motions to exclude the reports and testimony of Plaintiffs' experts. Subsequently, the Court denied Plaintiffs' class certification motion. Plaintiffs' sought leave to appeal the Court's class decision, but that petition was denied.

WHO IS IN THE SCHAEFFLER SETTLEMENT CLASS?

The Direct Purchaser Schaeffler Settlement Class is defined as follows:

All individuals and entities (excluding any Defendant and its present and former parents, subsidiaries, and affiliates) that purchased Bearings in the United States directly from one or more Defendant from January 1, 2000 through March 21, 2017.

For purposes of the Schaeffler Settlement Class definition, the Defendants are: Schaeffler Group USA Inc.; Schaeffler Technologies GmbH & Co. KG (now Schaeffler Technologies AG & Co. KG); FAG Kugelfischer GmbH; JTEKT Corporation; Koyo Corporation of U.S.A.; Koyo France SA.; Koyo Deutschland GmbH; Nachi-Fujikoshi Corp.; Nachi America Inc.; Nachi Technology, Inc.; Nachi Europe GmbH; NSK Ltd.; NSK Americas, Inc.; NSK Europe Ltd.; NSK Corporation; AB SKF; SKF GmbH; SKF USA Inc.; NTN Corporation; NTN USA Corporation; NTN Walzlager GmbH; and NTN-SNR Roulements SA.

HOW WILL THE SETTLEMENT FUNDS BE DISTRIBUTED?

If you did not request exclusion from the Schaeffler Settlement Class and you wish to share in the Schaeffler settlement proceeds, you must complete and timely return a copy of the Claim Form that is included with this Notice, **postmarked on or before August 21, 2020**, to the following address:

Bearings Direct Purchaser Antitrust Litigation
P.O. Box 4230
Portland, OR 97208-4320

Any Settlement Class member who does not complete and submit a valid and timely Claim Form will not be entitled to share in the Settlement Fund proceeds. The Settlement Fund, with accrued interest, less any amounts approved by the Court for payment of attorneys' fees, litigation and settlement administration costs and expenses, and service awards to the Class Representatives, will be distributed among Settlement Class members who file a timely and valid Claim Form ("Claimants"). The distribution will be made pro rata to all Claimants based upon their **direct** purchases of Bearings in the United States from Defendants during the period from January 1, 2000 through March 21, 2017. The distribution will take place after review, verification, and audit of Claim Forms by the Settlement Administrator and approval by the Court of the Settlement Administrator's recommendations as to the amounts to be paid to the Claimants.

Please do not dispose of any document that reflects payments for your direct purchases of Bearings in the United States from any Defendant during the period from January 1, 2000 through March 21, 2017. You may need those documents to complete and substantiate your Claim Form, which will be subject to inquiry and verification.

REQUESTS FOR REIMBURSEMENT OF LITIGATION EXPENSES AND SERVICE AWARDS

Plaintiffs DALC Gear & Bearing Supply Corp., McGuire Bearing Company, and Sherman Bearings, Inc. were appointed by the Court to serve as Class Representatives for the Schaeffler Settlement Class. The Court has appointed the law firms of Freed Kanner London & Millen LLC, Kohn, Swift & Graf, P.C., Preti, Flaherty, Beliveau & Pachios LLP, and Spector Roseman & Kodroff, P.C. to serve as "Co-Lead Settlement Class Counsel" for the Settlement Class. These firms, together with other firms including Cera LLP and Cohen Milstein Sellers & Toll PLLC, which worked extensively with Co-Lead Settlement Class Counsel on this case, are referred to collectively as "Settlement Class Counsel." These law firms are not seeking an award of attorneys' fees at this time but will be seeking reimbursement from the Settlement Fund of the costs and expenses they have incurred in prosecuting the case, in an amount not to exceed \$6,500,000. Settlement Class Counsel will also request service awards to the three Class Representatives in the amount of \$50,000 each.

The application for reimbursement of litigation expenses and service awards will be filed on or before June 15, 2020. If you remained a member of the Schaeffler Settlement Class and you wish to object to the requests for reimbursement of litigation expenses or the request for service awards to the Class Representatives, you must do so in writing in accordance with the procedures for objections set forth below. If you do not oppose any of these requests, you do not need to take any action in that regard.

WHEN WILL THE COURT CONSIDER THESE MATTERS AND HOW CAN I TELL THE COURT WHAT I THINK?

The Court will hold a hearing on July 23, 2020, at 11:00 a.m., at the Theodore Levin United States Courthouse, 231 West Lafayette Boulevard, Detroit, MI 48226, Courtroom 250 (or such other courtroom as may be assigned for the hearing), to determine whether to approve the proposed plan of distribution of the Settlement Fund and Settlement Class Counsel's requests for reimbursement of litigation expenses and service awards to the Class Representatives. If the Court believes that it is appropriate, the hearing may be conducted remotely by telephone or other electronic means. If the Court determines to hold the hearing remotely, Settlement Class Counsel shall post that information on the website devoted to the direct purchaser litigation (www.AutoPartsAntitrustLitigation.com/Bearings) and provide any class member that has informed the Court that it intends to participate at the hearing the information required to do so remotely. The hearing may be rescheduled, continued or adjourned, and the courtroom assigned for the hearing may be changed, without further notice to you. If no objections are timely filed, and the hearing is adjourned, the Court may rule on the papers.

If you remained a member of the Schaeffler Settlement Class and you wish to object to the proposed plan of distribution of the Settlement Fund or to Settlement Class Counsel's requests for reimbursement of litigation expenses or service awards to the Class Representatives, you must do so in writing and at your own expense. Any such objection must include the caption of this litigation, must be signed, and must be **filed no later than June 25, 2020**, with the Clerk of Court, United States District Court for the Eastern District of Michigan, Southern Division, Theodore Levin United States Courthouse, 231 West Lafayette Boulevard, Detroit, MI 48226, and mailed to the following counsel, **postmarked no later than June 25, 2020**:

Steven A. Kanner
FREED KANNER LONDON
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Philadelphia, PA 19103
Telephone: (215) 496-0300

Co-Lead Settlement Class Counsel

If you do not object to the proposed plan of distribution of the Settlement Fund, or to Settlement Class Counsel's request for reimbursement of litigation expenses or the service awards, you do not need to appear at the hearing or take any other action at this time. **You must, however, complete and timely submit a Claim Form if you wish to share in the distribution of the Settlement Fund.**

WHAT SHOULD I DO IF I WANT ADDITIONAL INFORMATION OR IF MY ADDRESS CHANGES?

If this Notice reached you at an address other than the one on the mailing label, or if your address changes, please send your correct address to: Bearings Direct Purchaser Antitrust Litigation, P.O. Box 4230, Portland, OR 97208-4230.

The Settlement Agreement, Complaint, and other public documents filed in this litigation are available for review during normal business hours at the offices of the Clerk of Court, United States District Court for the Eastern District of Michigan, Southern Division, Theodore Levin United States Courthouse, 231 West Lafayette Boulevard, Detroit, MI 48226, and through the Court's Public Access to Court Electronic Records (PACER) system after registration and payment of a modest fee. Copies of the Settlement Agreements and certain other documents relevant to this litigation are available at www.AutoPartsAntitrustLitigation.com/Bearings. Questions concerning the Schaeffler settlement, the proposed plan of distribution, or the other matters discussed in this Notice may be directed to any of the Settlement Class Counsel identified above.

Please do not contact the Clerk of the Court or the Judge.

Dated: May 26, 2020

BY ORDER OF:

Honorable Marianne O. Battani
The United States District Court for the Eastern District
of Michigan, Southern Division