

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

IN RE AUTOMOTIVE PARTS
ANTITRUST LITIGATION

Master File No. 12-md-02311
Honorable Sean F. Cox

IN RE: BEARINGS CASES

2:12-cv-00501-SFC-RSW
2:15-cv-12068-SFC-RSW
2:15-cv-13932-SFC-RSW
2:15-cv-13945-SFC-RSW

THIS DOCUMENT RELATES TO:
ALL DIRECT PURCHASER CASES

NOTICE OF A PROPOSED \$37.5 MILLION SETTLEMENT OF A DIRECT PURCHASER CLASS ACTION WITH JTEKT, NACHI, NSK, NTN, AND SKF DEFENDANTS, AND OF A HEARING BY THE COURT TO CONSIDER:

- (1) APPROVAL OF THE SETTLEMENT;**
- (2) APPROVAL OF A PRO RATA PLAN OF DISTRIBUTION OF THE NET SETTLEMENT FUND; AND**
- (3) GRANTING THE MOTION OF SETTLEMENT CLASS COUNSEL FOR AN AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION COSTS AND EXPENSES.**

THIS NOTICE IS DIRECTED TO: ALL DISTRIBUTORS THAT PURCHASED BEARINGS IN THE UNITED STATES DIRECTLY FROM DEFENDANTS (OR THEIR SUBSIDIARIES OR AFFILIATES) FROM JANUARY 1, 2000 THROUGH DECEMBER 31, 2014.

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 "Court"). The purpose of this Notice is to inform you of a hearing before the Court to consider:

- (1) A settlement (the "Settlement") with Defendants JTEKT Corporation, JTEKT North America Corporation (formerly Koyo Corporation of U.S.A.), Koyo France SA, and Koyo Deutschland GmbH (collectively, the "JTEKT Defendants"); Nachi-Fujikoshi Corp., Nachi America Inc., Nachi Technology, Inc., and Nachi Europe GmbH (collectively, the "Nachi Defendants"); NSK Ltd., NSK Americas, Inc., NSK Europe Ltd., and NSK Corporation (collectively, the "NSK Defendants"); AB SKF, SKF GmbH, and SKF USA Inc. (collectively, the "SKF Defendants"); and NTN Corporation, NTN USA Corporation, NTN Wälzlager GmbH, and NTN-SNR Roulements SA (collectively the "NTN Defendants") (all Defendants referenced in this paragraph are collectively referred to as the "Settling Defendants");
- (2) A proposed plan of distribution of the settlement proceeds to Settlement Class members; and
- (3) Settlement Class Counsel's motion for an award of attorneys' fees and reimbursement of litigation costs and expenses.

This Notice provides information concerning the Settlement, the proposed plan of distribution, and the motion for attorneys' fees and reimbursement of litigation costs and expenses. The Notice also advises you of your rights to: participate in the settlement claims process; exclude yourself from the Settlement Class; or object to the terms of the Settlement, the plan of distribution, or the requests for fees or litigation costs and expenses.

BACKGROUND

Plaintiffs have reached a settlement with the Settling Defendants. Under the terms of the Settlement, Settling Defendants will pay \$37,500,000 (the “Settlement Fund”). The Court has preliminarily approved the Settlement.

This litigation, and the Settlement, are part of coordinated legal proceedings involving Bearings. The term “Bearings” refers to friction-reducing devices used in both automotive and industrial machinery that allow one moving part to glide past another moving part. Examples include, but are not limited to, the following products: ball bearings, tapered roller bearings, needle roller bearings, roller bearings, and mounted bearings of any size. This litigation and the Settlement relate solely to Bearings purchased by distributors in the United States **directly** from a Defendant, or its subsidiaries or affiliates.

The Settlement does not relate to, and has no effect upon, cases involving any product other than Bearings.

If you are a member of the Settlement Class (defined below), you have the rights and options summarized here:

- You may remain in the Settlement Class and be eligible to share in the proceeds of, and be bound by the terms of, the settlement, if you do not exclude yourself from the Settlement Class;
- You may exclude yourself from the Settlement Class, in which case you will **not** be bound by the settlement and will **not** be eligible to share in the proceeds of the settlement;
- If you remain in the Settlement Class, you may object to the Settlement, to the proposed plan of distribution of the Settlement Fund, or to Settlement Class Counsel’s requests for an award of attorneys’ fees and reimbursement of litigation costs and expenses. You may also appear at the hearing where the Court will consider these matters;
- You may enter an appearance in the litigation through your own counsel at your own expense; and
- Any Settlement Class member that wishes to participate in the distribution of the Settlement Fund must complete and submit a copy of the Claim Form on or before June 28, 2021.

WHO IS IN THE SETTLEMENT CLASS?

The Court has provisionally certified the Settlement Class for the purpose of disseminating notice of the Settlement.

The Settlement Class is defined as follows:

All distributors that purchased bearings in the United States directly from one or more Defendant in the Bearings Actions (or their subsidiaries or affiliates) from and including January 1, 2000 through December 31, 2014 (the “Settlement Class Period”). Excluded from the class are the Defendants in the Bearings Actions and their present and former parents, subsidiaries, affiliates, and joint ventures.

For purposes of the Settlement Class, the following entities are Defendants: JTEKT Corporation; JTEKT North America Corporation (formerly 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; NTN Corporation; NTN USA Corporation; NTN Wälzlager GmbH; NTN-SNR Roulements SA; Schaeffler Group USA Inc.; Schaeffler Technologies AG & Co. KG (formerly Schaeffler Technologies GmbH & Co. KG); FAG Kugelfischer GmbH; AB SKF; SKF GmbH; and SKF USA Inc.

Plaintiffs DALC Gear & Bearing Supply Corp., McGuire Bearing Company, Sherman Bearings, Inc., and Bearing Service, Inc. have been appointed by the Court to serve as “Class Representatives” for the 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 Cera LLP and Cohen Milstein Sellers & Toll, which worked extensively with Co-Lead Settlement Class Counsel on this case, are referred to collectively as “Settlement Class Counsel.”

WHAT IS THIS LITIGATION ABOUT?

The Settlement described in this notice is only on behalf of Bearings distributors that purchased Bearings directly from the Defendants. Beginning in 2012, Plaintiffs filed class action complaints against Defendants on behalf of all direct purchasers of Bearings. Plaintiffs alleged that Defendants conspired to raise, fix, maintain, and/or stabilize prices, rig bids, and/or allocate the supply of Bearings sold in the United States in violation of federal antitrust laws. Plaintiffs further alleged that because of the conspiracy, they and other purchasers of Bearings directly from Defendants were injured by paying more for those Bearings than they would have paid in the absence of the alleged illegal conduct.

After a significant amount of discovery was taken in this litigation, Plaintiffs filed a motion for class certification on behalf of all direct Bearings purchasers from Defendants during the period from April 1, 2004 through December 31, 2014. On January 7, 2019, the Court denied Plaintiffs' class certification motion, which meant that Plaintiffs could not proceed with their claims as initially alleged on behalf of a nationwide class of all entities and individuals who directly purchased Bearings from the Defendants. Plaintiffs sought leave to appeal that decision, but their petition was denied.

Subsequently, Plaintiffs filed a renewed motion for certification of a class limited to Bearings distributors. The Settlement with the Settling Defendants that is the subject of this Notice was reached on behalf of a Settlement Class consisting only of Bearings distributors. To receive a share of this Settlement Fund, you must complete and timely submit the Claim Form that is included with this Notice.

Defendants in all the Bearings antitrust litigation deny Plaintiffs' allegations and liability and have asserted defenses to Plaintiffs' claims. Defendants have agreed to settle this matter to avoid the expense and burden of further litigation. The Court has not issued any findings or rulings with respect to the merits of Plaintiffs' claims or Defendants' defenses. The Settlement, if approved by the Court, will conclude the Bearings litigation.

WHAT RELIEF DOES THE SETTLEMENT PROVIDE?

Plaintiffs, on behalf of the Settlement Class, entered into a settlement agreement with the Settling Defendants on November 23, 2020 (the "Settlement Agreement"), under which the Settling Defendants agreed to pay \$37,500,000.

This Notice is only a summary of the terms of the Settlement. The Settlement Agreement contains other important provisions, including the release of certain claims against the Settling Defendants (and companies and people affiliated with them). For the complete terms of the Settlement, you are referred to the Settlement Agreement, which is on file with the Clerk of Court and is available online at www.AutoPartsAntitrustLitigation.com/BearingsDistributor. The Settlement must receive final approval by the Court to become effective.

If you wish to object to the approval of the Settlement, you may do so, but only in accordance with the procedures set forth below. If you do not object to the Settlement, you do not need to take any action to indicate your support for, or lack of objection to, the settlement.

HOW DO I REMAIN IN THE SETTLEMENT CLASS AND WHAT HAPPENS IF I DO?

If you are a member of the Settlement Class as defined above, you will automatically remain in the Settlement Class unless you elect to be excluded. If you wish to remain in the Settlement Class, you do not need to take any action at this time with respect to the Settlement Class and your interests will be represented by the Class Representatives and by Settlement Class Counsel. If you remain in the Settlement Class and the Settlement is approved and becomes effective, you will be bound by its terms, including the release provisions, whether or not you receive a share of the Settlement Fund.

You will have no responsibility to individually pay attorneys' fees or expenses. Any such fees and expenses will be paid solely from the amounts obtained from the Defendants and must be approved by the Court after notice to you and a hearing. If you choose, you may also have your own attorney enter an appearance on your behalf and at your expense.

HOW WILL THE SETTLEMENT FUND BE DISTRIBUTED?

The Settlement Fund, with accrued interest, less any amounts approved by the Court for payment of attorneys' fees and litigation and settlement administration costs and expenses (the "Net Settlement Fund"), will be distributed among the members of the Settlement Class that complete and timely submit a copy of the Claim Form that is included with this Notice, **postmarked on or before June 28, 2021**.

The Net Settlement Fund will be distributed *pro rata* to all claimants based upon their **direct** purchases of Bearings in the United States from Defendants during the Settlement Class Period. The distribution will take place as soon as practicable after review, determination, and audit of the 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.

Do not dispose of any document that reflects your purchases of Bearings of any size in the United States directly from any Defendant (or its subsidiaries or affiliates) during the period from January 1, 2000 through December 31, 2014. You may need those documents to complete and substantiate your Claim Form, which will be subject to inquiry and verification.

WHAT IF I DO NOT WANT TO REMAIN IN THE SETTLEMENT CLASS?

You may exclude yourself from the Settlement Class. If you wish to exclude yourself from the Settlement Class, you must send a request for exclusion, in writing, by certified mail, return receipt requested, **postmarked no later than May 5, 2021**, to Settlement Class Counsel, and to counsel for the Settling Defendants, at the addresses set forth below, and to the following address:

Settlement Administrator
Bearings Direct Purchaser Distributor Antitrust Litigation
P.O. Box 2939
Portland, OR 97208-2939

Your request for exclusion must specify that you are seeking exclusion from the Settlement Class and must include the full name and address of the purchaser (including any predecessor or successor entities and any trade names). You are also requested to identify the Defendant(s) (or subsidiary or affiliate) from which you purchased Bearings during the Class Period, the Bearings purchased during the Class Period, and the dollar amount of your purchases. If you validly exclude yourself from the Settlement Class, you will not be bound by any decision concerning the Settlement Class, and you may pursue individually any claims you may have against the Settling Defendants (at your own expense), but you will not be eligible to share in the distribution of the Settlement Fund.

REQUEST FOR ATTORNEYS' FEES AND EXPENSES

Settlement Class Counsel, together with other law firms that have worked on this litigation, will file a petition for an award of attorneys' fees and reimbursement of their costs and expenses in prosecuting the case. The request of Settlement Class Counsel for attorneys' fees will not exceed one-third (33 1/3%) of the Settlement Fund.

The application for attorneys' fees and litigation costs and expenses will be filed on or before April 16, 2021. After that date, the application for attorneys' fees will be available for your review on the settlement website at www.AutoPartsAntitrustLitigation.com/BearingsDistributor. If you remain a member of the Settlement Class and you wish to object to the request for fees or expenses, you must do so in writing in accordance with the procedures for objections set forth below. If you do not oppose either 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 ABOUT THE SETTLEMENT?

The Court will hold a hearing on June 10, 2021, at 10:30 a.m., at the Theodore Levin United States Courthouse, 231 West Lafayette Boulevard, Detroit, MI 48226, Courtroom 817 (or such other courtroom as may be assigned for the hearing), to determine whether to approve: the Settlement; the proposed plan of distribution of the Settlement Fund; and Settlement Class Counsel's requests for an award of attorneys' fees and reimbursement of litigation costs and expenses. If the Court determines that it is appropriate, the hearing may

be conducted remotely by telephone or other electronic means. If the Court decides to hold the hearing remotely, Settlement Class Counsel shall post that information on the website devoted to the direct purchaser litigation (www.AutoPartsAntitrustLitigation.com/BearingsDistributor) and provide any Settlement 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, or the courtroom assigned for the hearing may be changed, without further notice to you.

If you remain a member of the Settlement Class and you wish to object to the Settlement, to the proposed plan of distribution of the Settlement Fund, or to Settlement Class Counsel's request for an award of attorneys' fees or reimbursement of litigation costs and expenses, you must do so in writing. Any such objection must include the caption of this litigation and specify precisely what is being objected to, must be signed, and must be **filed no later than May 5, 2021**, 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 May 5, 2021**:

Steven A. Kanner
FREED KANNER LONDON
& MILLEN LLC
2201 Waukegan Road, Suite 130
Bannockburn, IL 60015
Telephone: (224) 632-4500

Joseph C. Kohn
KOHN, SWIFT & GRAF, P.C.
1600 Market Street, Suite 2500
Philadelphia, PA 19103
Telephone: (215) 238-1700

Gregory P. Hansel
PRETI, FLAHERTY, BELIVEAU
& PACHIOS LLP
One City Center, P.O. Box 9546
Portland, ME 04112-9546
Telephone: (207) 791-3000

Eugene A. Spector
SPECTOR ROSEMAN & KODROFF, P.C.
Two Commerce Square
2001 Market Street, Suite 3420
Philadelphia, PA 19103
Telephone: (215) 496-0300

Co-Lead Counsel for the Direct Purchaser Settlement Class

Heather Lamberg
WINSTON & STRAWN LLP
1901 L Street NW
Washington, D.C. 20036
(202) 282-5000

Counsel for the JTEKT Defendants

Kenneth R. Davis
LANE POWELL PC
Moda Tower
601 SW Second Avenue, Suite 2100
Portland, OR 97204
Telephone: (503) 778-2100

Counsel for the Nachi Defendants

Jeremy Calsyn
CLEARY GOTTLIEB STEEN & HAMILTON LLP
2112 Pennsylvania Avenue, N.W.
Washington, D.C. 20037
Telephone: (202) 974-1500

Counsel for the NSK Defendants

Jeffrey Kessler
WINSTON & STRAWN LLP
200 Park Avenue
New York, NY 10166
(212) 294-6700

Counsel for the NTN Defendants

Debra H. Dermody
REED SMITH LLP
225 Fifth Avenue
Pittsburgh, PA 15222
(412) 288-3131

Counsel for the SKF Defendants

If you do not object to the Settlement, or to the related matters set forth above, you do not need to appear at the hearing or take any other action at this time. **However, if you wish to share in the distribution of the Settlement Fund, you must complete and timely submit a Claim Form.**

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 Distributor Antitrust Litigation, P.O. Box 2939, Portland, OR 97208-2939.

The Settlement Agreement, and other documents filed of public record 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 Agreement and other documents relevant to this litigation are available at www.AutoPartsAntitrustLitigation.com/BearingsDistributor.

Questions concerning the Settlement, this Notice, or the litigation may be directed to any of the Co-Lead Settlement Class Counsel identified above.

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

Dated: March 11, 2021

BY ORDER OF:

The United States District Court for the Eastern
District of Michigan, Southern Division