

**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: AIR CONDITIONING SYSTEMS

THIS RELATES TO:

ALL DIRECT PURCHASER ACTIONS

2:13-CV-02701-MOB-MKM

NOTICE

NOTICE OF PROPOSED SETTLEMENTS OF DIRECT PURCHASER CLASS ACTION WITH CALSONIC, DENSO, MAHLE BEHR, AND PANASONIC DEFENDANTS, AND HEARING ON:

- (1) APPROVAL OF PROPOSED SETTLEMENTS; AND**
- (2) MOTION OF SETTLEMENT CLASS COUNSEL FOR AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION COSTS AND EXPENSES**

TO: ALL INDIVIDUALS AND ENTITIES THAT PURCHASED AIR CONDITIONING SYSTEMS IN THE UNITED STATES DIRECTLY FROM DEFENDANTS (OR THEIR SUBSIDIARIES, AFFILIATES, OR JOINT VENTURES) FROM JANUARY 1, 2001 THROUGH FEBRUARY 14, 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 "Court"). The purpose of this Notice is to inform you of a hearing before the Court to consider:

- (1) Proposed settlements with (a) Defendants Calsonic Kansei Corporation and CalsonicKansei North America, Inc. (collectively, the "Calsonic Defendants"); (b) Defendants DENSO Corporation, DENSO International America, Inc., DENSO Korea Corporation (f/k/a separately as DENSO International Korea Corporation and DENSO Korea Automotive Corporation), DENSO Automotive Deutschland GmbH, DENSO Products and Services Americas, Inc. (f/k/a DENSO Sales California, Inc.), ASMO Co., Ltd., ASMO North America, LLC, ASMO Greenville of North Carolina, Inc. and ASMO Manufacturing, Inc. (collectively, the "DENSO Defendants"); (c) Defendants MAHLE Behr GmbH & Co. KG and MAHLE Behr USA Inc. (collectively, the "MAHLE Behr Defendants"); and (d) Defendants Panasonic Corporation and Panasonic Corporation of North America (collectively, the "Panasonic Defendants") (all Defendants referenced in this paragraph are collectively referred to as the "Settling Defendants"); and
- (2) Settlement Class Counsel's motion for an award of attorneys' fees and reimbursement of litigation costs and expenses.

This Notice provides information concerning the proposed settlements and the motion for attorneys' fees and reimbursement of litigation costs and expenses. The Notice also advises you of your rights to exclude yourself from any or all of the Settlement Classes, and to object to the terms of the proposed settlements and the request for fees, costs, and expenses in connection with the Court hearing on these matters.

BACKGROUND

You were previously notified of the existence of this class action, the nature of the Plaintiff's claims, and a settlement with Defendants Valeo Japan Co., Ltd., Valeo Inc., Valeo Electrical Systems, Inc., and Valeo Climate Control Corp. (collectively, "VALEO") in the amount of \$8,750,000. That settlement was approved by the Court in an Order dated November 21, 2018.

Plaintiff has reached settlements with the Calsonic Defendants, the DENSO Defendants, the MAHLE Behr Defendants, and the Panasonic Defendants totaling \$14,170,000. Under the terms of the proposed settlements, Calsonic will pay a total of \$7,920,000 (the "Calsonic Settlement Fund"), DENSO will pay a total of \$100,000 (the "DENSO Settlement Fund"), MAHLE Behr will pay a total of \$5,500,000 (the "MAHLE Behr Settlement Fund"), and Panasonic Corp. will pay a total of \$650,000 (the "Panasonic Settlement Fund") (the four settlement funds are collectively referred to as the "Air Conditioning Systems Settlement Fund"). As discussed below, the Calsonic Settlement Agreement is subject to rescission, and the MAHLE Behr settlement amount is subject to reduction, based upon valid and timely requests for exclusion by Settlement Class Members.

This litigation, and the proposed settlements, are part of coordinated legal proceedings involving a number of parts used in motor vehicles. This litigation and the proposed settlements relate solely to Air Conditioning Systems purchased in the United States **directly** from a Defendant, or depending on the specific settlement agreement, its parents, subsidiaries, affiliates, or joint ventures. The meaning of the term "Air Conditioning Systems" is defined in each settlement agreement, but generally includes systems that cool the interior environment of a vehicle and are part of the thermal segment of the automotive market. Air Conditioning Systems, whether sold together or separately, are defined to include one or more of the following: automotive compressors, condensers, control panels, HVAC units (typically consisting of a blower motor, actuators, flaps, evaporator, heater core, and filter embedded in a plastic housing), sensors, and associated hoses and pipes. These proposed settlements do not relate to, and have no effect upon, cases involving any product other than Air Conditioning Systems.

If you are a member of any of the Calsonic, DENSO, MAHLE Behr, and Panasonic Settlement Classes (defined below), you have the rights and options summarized here:

- You may remain in any or all of the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Classes and be eligible to share in the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Funds under a claims procedure that will be instituted in the future;
- You may exclude yourself from any or all of the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Classes, in which case you will **not** be bound by any settlement from which you exclude yourself and will **not** be eligible to share in the proceeds of that settlement;
- If you remain in any of the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Classes, you may object to that proposed settlement or to Settlement Class Counsel's request 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; and
- You may enter an appearance in the litigation through your own counsel at your own expense.

WHO IS IN THE SETTLEMENT CLASSES?

The Court has provisionally certified a Direct Purchaser Calsonic Settlement Class (the "Calsonic Settlement Class"), a Direct Purchaser MAHLE Behr Settlement Class (the "MAHLE Behr Settlement Class"), a Direct Purchaser Panasonic Settlement Class (the "Panasonic Settlement Class"), and a Direct Purchaser DENSO Settlement Class (the "DENSO Settlement Class") for the purpose of disseminating notice of the proposed Calsonic, DENSO, MAHLE Behr, and Panasonic settlements.

The Calsonic Settlement Class is defined as follows:

All persons and entities (excluding Defendants and their present and former parents, subsidiaries, and affiliates) who or that purchased Air Conditioning Systems in the United States directly from one or more Defendants (or their controlled subsidiaries, affiliates, or joint ventures) from January 1, 2001 through February 14, 2017.

The MAHLE Behr Settlement Class is defined as follows:

All individuals and entities who or that purchased Air Conditioning Systems in the United States directly from one or more Defendants (or their controlled subsidiaries, affiliates, or joint ventures) from January 1, 2001 through February 14, 2017. Excluded from the Settlement Class are Defendants, their present and former parent companies, subsidiaries, and affiliates, federal governmental entities and instrumentalities of the federal government, and states and their subdivisions, agencies, and instrumentalities.

The Panasonic Settlement Class is defined as follows:

All persons and entities (excluding Defendants and their present and former parents, subsidiaries, and affiliates) who or that purchased Air Conditioning Systems in the United States directly from one or more Defendants (or their controlled subsidiaries, affiliates, or joint ventures) from January 1, 2001 through February 14, 2017.

For purposes of the Calsonic, MAHLE Behr, and Panasonic Settlement Class definitions set forth above, the Defendants are: Valeo Japan Co., Ltd., Valeo, Inc., Valeo Electrical Systems, Inc., and Valeo Climate Control Corp.; Mitsubishi Heavy Industries, Ltd., Mitsubishi Heavy Industries America, Inc., and Mitsubishi Heavy Industries Climate Control, Inc.; Denso Corporation and Denso International America, Inc.; MAHLE Behr GmbH & Co. KG and MAHLE Behr USA Inc.; Sanden Corp., Sanden International (U.S.A.), Inc., Sanden Automotive Climate Systems Corp., and Sanden Automotive Components Corp.; Calsonic Kansei Corp. and CalsonicKansei North America, Inc.; and Panasonic Corp. and Panasonic Corporation of North America.

The DENSO Settlement Class is defined as follows:

All individuals and entities who purchased Air Conditioning Systems in the United States directly from one or more Defendant(s) (or their subsidiaries, affiliates, or joint ventures) from January 1, 2001 through February 14, 2017. Excluded from the Settlement Class are Defendants, their present and former parent companies, subsidiaries, and affiliates, federal governmental entities and instrumentalities of the federal government, and states and their subdivisions, agencies, and instrumentalities.

For purposes of the DENSO Settlement Class definition, the following entities are Defendants: Calsonic Kansei Corp. and CalsonicKansei North America, Inc.; DENSO Corporation and DENSO International America, Inc.; Mahle Behr GmbH & Co. KG and MAHLE Behr USA Inc.; Mitsubishi Heavy Industries America, Inc., Mitsubishi Heavy Industries Climate Control, Inc., and Mitsubishi Heavy Industries, Ltd.; Panasonic Corp. and Panasonic Corp. of North America; Sanden Automotive Climate Systems Corp., Sanden Automotive Components Corp., Sanden Corp., and Sanden International (U.S.A.) Inc.; Showa Aluminum Corp. of America and Showa Denko K.K.; Valeo Climate Control Corp, Valeo Electrical Systems, Inc., Valeo Inc., Valeo Japan Co., Ltd., and Valeo S.A.; Behr GmbH; Keihin Corp.; Nichirin Co., Ltd.; and their parents, subsidiaries, and affiliates.

Plaintiff Tiffin Motor Homes, Inc. has been appointed by the Court to serve as “Class Representative” for the Calsonic, DENSO, MAHLE Behr, and Panasonic Settlement Classes.

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 “Settlement Class Counsel” for the Settlement Classes.

WHAT IS THIS LITIGATION ABOUT?

In December 2013, Plaintiff filed a class action lawsuit against Defendants on behalf of direct purchasers of Air Conditioning Systems, alleging that they conspired to suppress and eliminate competition for Air Conditioning Systems by agreeing to raise, fix, maintain, and stabilize prices, rig bids, and allocate markets and customers for Air Conditioning Systems sold in the United States, in violation of federal antitrust laws. Plaintiff further alleges that as a result of the conspiracy, it and other direct purchasers of Air Conditioning Systems were injured by paying more than they would have paid in the absence of the alleged illegal conduct.

The Settling Defendants all deny Plaintiff’s allegations and liability and have asserted defenses to Plaintiff’s claims. The Settling 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 Plaintiff’s claims or the Settling Defendants’ defenses. These settlements are with the Calsonic, DENSO, MAHLE Behr, and Panasonic Defendants only. Plaintiff is continuing to prosecute the case against the remaining non-settling Defendants.

WHAT RELIEF DO THE PROPOSED SETTLEMENTS PROVIDE?

Plaintiff, on behalf of the Calsonic Settlement Class, entered into a settlement agreement with the Calsonic Defendants on February 28, 2019 (the “Calsonic Settlement Agreement”), in which the Calsonic Defendants have agreed to pay \$7,920,000. The Calsonic Settlement Agreement gives Calsonic the right to withdraw from the settlement based upon valid and timely requests for exclusion by Calsonic Settlement Class members.

Plaintiff, on behalf of the DENSO Settlement Class, entered into a settlement agreement with the DENSO Defendants on February 4, 2019 (the “DENSO Settlement Agreement”), in which the DENSO Defendants agreed to pay \$100,000.

Plaintiff, on behalf of the MAHLE Behr Settlement Class, entered into a settlement with the MAHLE Behr Defendants on May 15, 2019 (the “MAHLE Behr Settlement Agreement”), in which the MAHLE Behr Defendants agreed to pay \$5,500,000. The Settlement Agreement gives MAHLE Behr the right to reduce the amount of the MAHLE Behr settlement, but under no circumstances to an amount less than \$5,250,000, in the event of valid and timely requests for exclusion by members of the MAHLE Behr Settlement Class.

Plaintiff, on behalf of the Panasonic Settlement Class, entered into a settlement with the Panasonic Defendants on May 30, 2019 (the “Panasonic Settlement Agreement”), in which the Panasonic Defendants agreed to pay \$650,000.

As part of the settlement agreements described above, the Calsonic, DENSO, MAHLE Behr, and Panasonic Defendants have each agreed to cooperate with Settlement Class Counsel in the prosecution of claims against any remaining, non-settling Defendants.

This Notice is only a summary of the terms of the proposed settlements. The Calsonic, DENSO, MAHLE Behr, and Panasonic Settlement Agreements contain other important provisions, including the release of certain claims against the Calsonic, DENSO, MAHLE Behr, and Panasonic Defendants (and companies and people affiliated with them). For the complete terms of the settlements, you are referred to the settlement agreements, which are on file with the Clerk of Court and are available online at www.AutoPartsAntitrustLitigation.com/ac. The proposed settlements must receive final approval by the Court to become effective.

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

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

You were previously asked to decide whether you wanted to remain in the VALEO Settlement Class. With respect to that Settlement Class, you are bound by whatever decision you previously made.

If you are a member of any of the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Classes as defined above, you will automatically remain in that Settlement Class unless you elect to be excluded. If you wish to remain in a Settlement Class, you do not need to take any action at this time with respect to that Settlement Class, and your interests will be represented by the Class Representative and by Settlement Class Counsel. If you remain in any of the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Classes and the proposed settlement with that Defendant 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 proceeds attributable to that settlement.

You will have no responsibility to individually pay attorneys’ fees or expenses. Any such fees and expenses will be paid solely from amounts obtained from the Defendants, whether by settlement or judgment, 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.

As a member of the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Classes, you will be eligible to share in the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Funds pursuant to a claims procedure that will begin at a later date. Settlement Class Counsel are not presently asking the Court to distribute any proceeds from the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Funds. If you remain a member of the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Classes (or if you remained a member of the VALEO Settlement Class) you will be sent additional notice at a later date and you will have an opportunity to object and be heard in connection with the proposed plan of distribution at that time.

Do not dispose of any document that reflects your purchases of Air Conditioning Systems in the United States directly from any Defendant (or its parents, affiliates, subsidiaries, or joint ventures) during the period from January 1, 2001 through February 14, 2017. You may need those documents to complete and substantiate a claim form in the future, which would be subject to inquiry and verification.

WHAT IF I DO NOT WANT TO REMAIN IN ONE OR MORE OF THE SETTLEMENT CLASSES?

You may exclude yourself from any or all of the Settlement Classes. If you wish to exclude yourself from any or all of the Settlement Classes, you must send a request for exclusion, in writing, by certified mail, return receipt requested, **postmarked no later than September 27, 2019**, to Settlement Class Counsel, and to counsel for the Settling Defendants, at the addresses set forth below, and to the following address:

Air Conditioning Systems Direct Purchaser Antitrust Litigation
P.O. Box 2530
Portland, OR 97208-2530

Your request for exclusion must identify the Settlement Class or Classes from which you are seeking exclusion 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 parent, affiliate, subsidiary, or joint venture) from which you purchased Air Conditioning Systems during the Class Period for the Settlement Class from which you seek exclusion, the Air Conditioning Systems purchased during the Class Period, and the dollar amount of your purchases. If you validly exclude yourself from any or all of the Settlement Classes, you will not be bound by any decision concerning the Settlement Class or Classes from which you exclude yourself and you may pursue individually any claims you may have against that Defendant (at your own expense), but you will not be eligible to share in the settlement proceeds attributable to that Defendant.

REQUEST FOR ATTORNEYS' FEES AND EXPENSES

The Court has appointed the law firms identified above as Settlement Class Counsel. These law firms, together with other 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 30 percent (30%) of the Air Conditioning Systems Settlement Fund.

The application for attorneys' fees and litigation costs and expenses will be filed on or before September 6, 2019. After that date, the petition for attorneys' fees will be available for your review on the settlement website at www.AutoPartsAntitrustLitigation.com/ac. If you remain a member of any of the four Settlement Classes and you wish to object to the request for fees and expenses, you must do so in writing in accordance with the procedures for objections set forth below. If you do not oppose this request, 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 SETTLEMENTS?

The Court will hold a hearing on November 5, 2019, at 2:00 p.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 Calsonic, DENSO, MAHLE Behr, and Panasonic settlements and Settlement Class Counsel's request for an award of attorneys' fees and reimbursement of litigation costs and expenses. The hearing may be rescheduled, continued, or adjourned, and the courtroom assigned for the hearing may be changed, without further notice to you.

If you remain a member of the Calsonic, DENSO, MAHLE Behr, or Panasonic Settlement Classes and you wish to object to that proposed settlement or to Settlement Class Counsel's request for an award of attorneys' fees and reimbursement of litigation costs and expenses, 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 September 27, 2019**, 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 September 27, 2019**:

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Co-Lead Counsel for the Direct Purchaser Settlement Classes

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Counsel for the Panasonic Defendants

If you do not object to any of the proposed settlements, 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.

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 Air Conditioning Systems Direct Purchaser Antitrust Litigation, P.O. Box 2530, Portland, OR 97208-2530.

The Settlement Agreements, Complaints, 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/ac. Questions concerning the proposed Calsonic, DENSO, MAHLE Behr, or Panasonic settlements, this Notice, or the litigation 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: AUGUST 8, 2019

BY ORDER OF:

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