

**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 LORRI STAAL REGARDING
THE FIRST DISTRIBUTION OF NET SETTLEMENT PROCEEDS**

I, Lorri Staal, declare as follows:

1. I am a Vice President of Operations of JND Legal Administration (“JND”), the Settlement Administrator appointed by the Court to administer the Settlements with Defendants Fieldale Farms, Peco, George’s, Amick, Pilgrim’s Pride, and Tyson.¹ (See ECF Nos. 980 (Fieldale Farms), 3394 (Peco, George’s and Amick), 4259-2 (Pilgrim’s Pride and Tyson)). As Vice President, I help to oversee settlement administrations handled by JND, including this matter.

2. This Declaration describes the distribution of the Net Settlement Fund, pursuant to the Court’s Order Granting Direct Purchaser Plaintiffs’ Motion for First Distribution of Net Settlement Proceeds, dated February 11, 2022 (ECF No. 5434) (the “Distribution Order”).

3. Summarized below are JND’s extensive efforts to ensure the accurate distribution of the Net Settlement Fund, as well as our multi-faceted post-distribution work to encourage the negotiation of as many payments as possible. As detailed below, these efforts were highly successful, as 99.7% of the issued funds has been successfully negotiated.

Preparation for the Distribution

4. Calculation of Payments. The Distribution Order authorized the distribution of the Net Settlement Fund to all qualified claimants, including those who filed late claims. JND validated and Co-Lead Counsel for the Direct Purchaser Plaintiffs (“Class Counsel”) approved 1,222 claims. On March 1, 2022, the Escrow Agent transferred to JND the Net Settlement Fund, which totaled \$108,723,999.79.

¹ All capitalized terms not defined herein have the meanings given to them in the Long Form Notice approved by the Court.

5. As the Net Settlement Fund was comprised of six funds, one for each settling Defendant identified in Paragraph No. 1 above, and each fund had a different balance, the calculations for each payment were complex.

6. The first step in the calculation was to establish each fund's distributable amount. For each of the six settlement funds, the distributable amounts were as follows: The Fieldale Farms settlement fund totaled \$1,198,012.63, the Amick settlement fund totaled \$2,388,587.06, the George's settlement fund totaled \$2,482,783.89, the Peco settlement fund totaled \$3,041,609.51, the Tyson settlement fund totaled \$51,214,163.44, and the Pilgrim's Pride settlement fund totaled \$48,398,843.26.

7. The next step was to determine the *pro rata* amount for each fund. Because each settlement fund had a different balance, number of opt outs, and varying claims, each had a different *pro rata* percentage of the Net Settlement Fund. The *pro rata* amounts for each qualifying claimant's payment were based on the dollar value of their approved Broiler purchases during the settlement class periods,² as set forth in the Long Form Notice and Claim Form.

8. One complexity in this process was that certain Class Members opted out of some, but not all, Settlements. For these Class Members, JND ensured that they did not receive a distribution from the settlement funds from which they opted out. Their payments were comprised only of payments from the Settlements in which they participated.

9. Finally, JND applied each of the six settlement funds' respective *pro rata* percentages to each approved claimant's validated purchases. The resulting six amounts were added together to determine the aggregate payment amount for each claimant.

² The Class Period for all Settlements other than Fieldale Farms is January 1, 2008 through December 20, 2019; the class period for the Fieldale Farms settlement is January 1, 2008 through August 18, 2017.

10. Every calculation of Class Members' payments received several rounds of review to ensure the accuracy of the award amounts. The calculations were initially reviewed by our Operations team and were reviewed again by the senior member of JND's Quality Assurance team, who has over 30 years of auditing experience in this industry.

11. A list with each payment amount was sent to, and approved by, Class Counsel.

12. Pre-Distribution Outreach for Claims over \$500,000. After the completion of the payment calculations, JND contacted 40 Class Members and third-party claim filers whose aggregate payments were at least \$500,000; this outreach covered 251 claims. JND called and/or emailed each such claimant to advise them of their upcoming payment and to request wire instructions. Where claimants confirmed they wanted wire payments, JND required written wire instructions.

13. In certain cases, these high-dollar claimants requested payment via check rather than wire.

14. All checks greater than \$250,000 were to be sent via Federal Express or USPS Priority Mail Express, with signature required.

15. An additional type of outreach was made to certain third-party claim filers. Where a claim was submitted by a third party, such as a claim preparer, that requested to receive a Class Member's payment, JND confirmed we had received proper written authorization from the Class Member. For any authorizations that were not complete or valid, JND reached out to the Class Member or third party filer to obtain the necessary documentation before issuing the payment.

The Distribution

16. Once the payment calculations were finalized, JND prepared the checks and wires for the distribution.

17. Every printed check was reviewed to ensure the accuracy of the data printed on it. Checks were physically examined to ensure they were formatted and printed correctly.

18. For wires, the Class Members' wire instructions were manually reviewed by JND's banking team. Further, JND's Vice President of Banking personally verbally confirmed every set of wire instructions with the Class Member before issuing a wire; in many cases, he had to make several attempts to reach the Class Member in order to confirm the instructions by phone.

19. On March 31, 2022, JND commenced the distribution to the 1,222 eligible Class Members. JND sent 95 checks by Federal Express or USPS Priority Mail Express and mailed 935 checks via USPS first-class mail. One check was withheld from the distribution, at the Class Member's request, due to a dispute between the Class Member and a claim preparer.³ In addition, 191 Class Members were issued payments by wire transfer. Class Members' checks included the notation "Non-Negotiable After 90 Days," and no check was negotiable more than 120 days after the date of the check.

Post-Distribution Efforts

20. Following the distribution, JND took several different avenues to ensure that as many payments as possible were negotiated. As detailed below, JND responded to many inquiries from claimants about the distribution, and we conducted several different calling and email campaigns

³ The disputed payment, totaling \$170,819.82, is the subject of a lawsuit between the Class Member and claim preparer. JND has been advised that the parties are in the process of settling the lawsuit, but it has not been resolved yet.

to obtain updated contact information for undeliverable checks and to urge claimants with uncashed checks to cash them.

21. Assistance to Claimants. Throughout the post-distribution period, JND continued to answer claimants' inquiries. Many of the questions after the distribution concerned the calculation of claimants' payments. In each such case, JND promptly provided a detailed breakout of the six *pro rated* payment amounts from each settlement fund that comprised their aggregate payment and answered any other questions the claimants asked.

22. JND also worked extensively with several Class Members who initially asked JND either to return or to hold their payment. For example, one Class Member erroneously believed they were not entitled to their \$270,105.66 payment on the ground that they had assigned all of their Broiler purchases to a third party. After JND made several phone calls and sent emails explaining the situation, the Class Member confirmed that the payment was based on Broiler purchases that had never been assigned away and that the payment was correctly made.

23. Three Class Members initially asked JND to hold their payments due to a dispute with a claim preparer that filed a claim on their behalf. JND followed up with each Class Member and claim preparer to try to facilitate a resolution. Ultimately, with JND's help, two of these Class Members resolved their dispute and JND issued their payments. The third dispute is still unresolved, and the payment of \$170,819.82 is the subject of a lawsuit between the Class Member and a claim preparer, as explained above in Footnote 3.

24. In addition, one Class Member contacted JND to withdraw its claim. They returned a payment of \$6,266.77.

25. Finally, we placed a stop payment on a check in the amount of \$5,260,601.71 upon recognizing that the claimant had properly filed a claim for all Settlements, but had effectively

opted out of the Tyson and Pilgrim's Pride Settlements. We reissued a check to that claimant in the amount of \$309,431.85, for payment in the Fieldale Farms, Amick, George's and Peco Settlements. Therefore, another \$4,951,169.86 remained in the Net Settlement Fund and is available for redistribution.

26. Resending Undeliverable Checks. Of the 1,030 checks distributed, 13 were returned as undeliverable. JND undertook extensive efforts to identify updated address information for Class Members whose payments were returned to JND as undeliverable, including multiple telephone calls and/or emails to Class Members and, where necessary, internet research. To the extent updated addresses were obtained, payments were promptly reissued. JND was able to update nine addresses and reissued those checks. Four checks totaling \$2,328.82 remain undeliverable, as JND was not able to locate updated contact information for those claimants.

27. With respect to checks sent via Federal Express or USPS Priority Mail Express, JND tracked every package to ensure it was signed for and received. If we could not initially verify receipt, we contacted the claimant to provide tracking information and followed up until receipt of the payment was confirmed.

28. Outreach for Uncashed Checks over \$10,000. With respect to uncashed high dollar checks, JND attempted to personally call or email each Class Member with an uncashed check over \$10,000. For calls, at least two attempts were made to speak with the Class Member. JND answered Class Member questions and reminded them to cash their checks. When requested, JND promptly reissued Class Members' payments.

29. All payments over \$10,000 have been negotiated, with the exception of one payment of \$159,950.87 to Southeast Frozen Food, which appears to be out of business.⁴

30. Reminder Email Campaigns for All Uncashed Checks. In addition to the above outreach, on June 17, 2022, JND sent reminder emails to 79 Class Members whose payments totaled \$1,338,120.24 and were uncashed. The emails urged claimants to cash their checks promptly and provided instructions for requesting a replacement check if they needed one.

31. JND subsequently sent a second round of reminder emails and/or outreach phone calls to all 52 Class Members who still had uncashed checks, which totaled \$185,905.06. One class member cashed their check after the reminder outreach. Five Class Members whose payments totaled \$3,676.73 contacted JND to request a check reissuance and those reissues have been sent with a 30-day void date. One Class Member whose payment totaled \$1,220.64 requested that their payment be reissued via wire, as they could not deposit the check internationally, and JND is in the process of confirming their wire instructions. The remaining Class Members did not contact JND and their checks remain uncashed.

32. Reissued Payments. In total, JND has reissued 36 checks to Class Members who requested a replacement check, and one wire to a Class Member who requested a wire in lieu of a check. The reissued payments total \$4,136,147.37.

33. Seventeen checks were reissued with a 90-day void date ending on May 26, 2022. In June 2022, the void string for reissued checks was shortened; 9 checks were reissued with a 45-day void and subsequently 10 checks were reissued with a 30-day void date. As of August 19,

⁴ JND attempted to communicate with this Class Member using the contact information it provided when it filed its claim, and we conducted internet research to try to locate updated information, but no successor entity was identified.

2022, there are 8 reissued checks that are uncashed and still valid. The last reissued check has a 30-day void date of September 18, 2022.⁵

34. In sum, as of August 19, 2022, \$103,409,885.42 of the Net Settlement Fund has been successfully paid to qualified claimants. Only \$185,857.77 of issued payments remains uncashed. This amount is comprised primarily of the \$159,950.87 payment to the defunct company referenced above. Putting aside the \$159,950.87 payment, the balance of the uncashed checks totals \$25,906.90, or 0.024% of the Net Settlement Fund.

35. Weekly Reporting to Class Counsel. Following the distribution, JND provided Class Counsel with a weekly report detailing the status of the distribution, including the number and dollar amounts of wires issued, checks cashed and checks uncashed. The report also indicated any unresolved issues with respect to the distribution that existed at the time of each week's report.

Net Settlement Fund

36. As summarized above, as of August 19, 2022, the funds available for redistribution in the Net Settlement Fund total \$5,143,294.40 and are comprised of the following: The returned payment of \$6,266.77; uncashed checks that currently total \$185,857.77;⁶ and \$4,951,169.86 relating to the stop payment discussed above. These funds are available for redistribution.

37. Upon approval by the Court, any uncashed and unclaimed funds will be sent to the Escrow Agent or as otherwise ordered by the Court.

38. As set forth in the Distribution Order, JND was previously paid \$1,165,597.10 for fees and expenses in administering the Settlements. JND's final invoice in the amount of \$200,000 for

⁵ JND will advise Class Counsel if any Class Members request a new reissuance of their check.

⁶ The amount of uncashed funds is likely to decrease, as payments continue to be reissued, per claimants' requests, and checks continue to be cashed.

work relating to the distribution has been approved by Class Counsel. The Court found this amount to be reasonable, as set forth in the Distribution Order. JND respectfully requests approval of this invoice.

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

Executed August 23, 2022 at Seattle, Washington.

Lorri Staal

LORRI STAAL