

**UNITED STATES DISTRICT COURT
THE DISTRICT OF MARYLAND**

JUDY JIEN, *et al.*,

Plaintiffs,

v.

PERDUE FARMS, INC., *et al.*,

Defendants.

Civil Action No. SAG-19-2521

**DECLARATION OF SHANA E. SCARLETT IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF THE SETTLEMENTS BETWEEN PLAINTIFFS AND
DEFENDANTS CASE FOODS, INC., CASE FARMS, LLC, AND MOUNTAIRE FARMS
INC., CERTIFICATION OF SETTLEMENT CLASS, AND APPOINTMENT OF
SETTLEMENT CLASS COUNSEL**

I, Shana E. Scarlett, state under oath, as follows:

1. I am a partner at Hagens Berman Sobol Shapiro LLP. This Court has appointed my firm, together with Cohen Milstein Sellers & Toll PLLC and Handley Farah & Anderson PLLC as Interim Co-Lead Counsel in this litigation. I have full knowledge of the matters stated herein and would testify to these facts if called upon.

2. I specialize in antitrust class action law and have prosecuted numerous antitrust class actions as lead counsel. I have negotiated many settlements during my years of practice. The Court is previously familiar with my and my firm's credentials from Plaintiffs' Unopposed Motion for Consolidation of Related Actions and for Appointment of Interim Co-Lead Counsel. *See* ECF No. 60.

3. I submit this Declaration in support of Plaintiffs' motion for preliminary approval of the settlements with Case Foods, Inc., Case Farms, LLC, and Mountaire Farms Inc., certification of settlement class, and appointment of settlement class counsel.

4. On behalf of Plaintiffs, other Co-Lead Interim Counsel and I personally conducted intensive settlement negotiations with counsel for Case Foods, Inc., Case Farms, LLC, and Mountaire Farms Inc. (collectively Settling Defendants) over the course of multiple months.

5. Plaintiffs and Defendants Case Foods, Inc., and Case Farms, LLC (collectively Case) executed a Settlement Agreement on February 20, 2024. Attached as **Exhibit A** is a true and accurate copy of the Settlement Agreement between Plaintiffs and Case (the Case Settlement Agreement).

6. Plaintiffs and Defendant Mountaire Farms Inc. executed a Settlement Agreement on March 26, 2024. Attached as **Exhibit B** is a true and accurate copy of the Settlement Agreement between Plaintiffs and Mountaire (the Mountaire Settlement Agreement).

7. In my opinion, and in that of highly experienced Interim Co-Lead Counsel, the proposed Settlement Agreements are fair, reasonable, and adequate. They provide substantial monetary and non-monetary benefits to the Settlement Class, and they avoid the risks, costs, and delay of continuing protracted litigation against Settling Defendants.

8. In the Case Settlement Agreement, Case commits to pay \$8,500,000 (eight point five million U.S. dollars) to a settlement fund within fourteen (14) business days after the entry of the preliminary approval order. In the Mountaire Settlement Agreement, Mountaire commits to pay \$13,500,000 (thirteen point five million U.S. dollars) to a settlement fund within fourteen (14) business days after the entry of the preliminary approval order.

9. All Settling Defendants also agree in their respective Settlement Agreements to provide specified cooperation as Plaintiffs continue the prosecution of their claims against the remaining Defendants. The cooperation provided by the Settling Defendants will include document production, authentication of documents, deposition of five then-current Case employees and two then-current Mountaire employees who will participate as witnesses at trial if requested by Plaintiffs, and assistance obtaining phone records from third-party carriers. The Settlement Agreements resulted from extensive arm's-length and hard-fought negotiations. Over the course of multiple months, the parties negotiated and drafted the Settlement Agreements. During that period, the parties continued to vigorously negotiate over the details of the settlement, including the scope and components of the Settling Defendants' required cooperation in the litigation against the remaining Defendants. The parties exchanged multiple proposals and drafts prior to executing Settlement Agreements on February 20, 2024 (the Case Settlement Agreement) and on March 26, 2024 (the Mountaire Settlement Agreement).

10. There was no collusion or preference among counsel for the parties at any time

during these settlement negotiations. To the contrary, the negotiations were contentious, hard fought, and fully informed. Plaintiffs sought to obtain the largest possible monetary recovery and most helpful cooperation from the Settling Defendants. As to the Case Settlement Agreement, Plaintiffs utilized an experienced mediator, the Honorable Daniel Weinstein (Ret.) and participated on a mediation on October 18, 2023. Although an agreement was not reached that day, Plaintiffs and Case later reached an agreement with the assistance of Judge Weinstein. While a mediator was not utilized in negotiating the Mountaire Settlement Agreement, the parties' negotiations were hard fought and adversarial. Furthermore, there was no discussion or agreement at any time regarding the amount of attorney fees that Interim Co-Lead Counsel would ask the Court to award in this case.

11. When the Settlement Agreements were executed, Interim Co-Lead Counsel was fully aware of the strengths and weaknesses of each side's positions. Before filing this case in August 2019, Interim Co-Lead Counsel expended considerable time and resources to conduct an extraordinary investigation of Defendants' conduct in setting compensation for their employees. Interim Co-Lead Counsel conducted interviews of multiple confidential witnesses formerly employed by Defendants and other poultry processors to learn of conspiratorial communications and meetings. Interim Co-Lead Counsel also conducted extensive research of both the poultry labor market and the workers that comprise the Settlement Class. To date, Defendants have produced 6.7 million documents in discovery. Additionally, Interim Co-Lead Counsel has worked with an expert economist to conduct an analysis of the compensation in the poultry-processing industry, and the economist has received 178 gigabytes of class member data. Just ten defendant families remain on the litigation track. Class certification is due in June 2024.

12. The Settlement Agreements were reached after more than four years of

adversarial and informative litigation. The prosecution and defense of the action included the briefing of multiple rounds of motions to dismiss, each of which yielded a lengthy and detailed ruling by the Court regarding the viability of the alleged claims. The Court's resolution of Defendants' motions to dismiss materially narrowed the list of defendants, clarified the applicable law and legal hurdles, and set the stage for the parties' positions in their settlement negotiations, the culmination of which came after settlements with numerous other Defendants had been reached.

13. Since the filing of this case, the parties have engaged in substantive and informative litigation. The parties have served extensive document requests; exchanged and responded to interrogatories; briefed discovery disputes concerning depositions, document requests, and custodians, *see* ECF Nos. 469, 516, and have completed meet-and-confers to identify document custodians and search terms for electronic records. Plaintiffs have taken 20 depositions with more being scheduled each day. During this litigation, Interim Co-Lead Counsel researched, analyzed, and evaluated many contested legal and factual issues.

14. Plaintiffs have had the cooperation of other Defendants such as WMS, who have provided Plaintiffs with an inside window into the conspiracy of the kind rarely provided. These unusually extensive investigative and analytical efforts support a finding of fairness. Based on that analysis, and the factual information obtained from the extensive pre-filing investigation, Interim Co-Lead Counsel were well informed of the value and consequences of the Settlement Agreement.

15. No matter how confident Interim Co-Lead Counsel are in this case, complex antitrust class actions are risky pieces of litigation. The Plaintiffs can never be entirely assured of a finding of liability by a jury. In the opinion of Interim Co-Lead Counsel, the settlement

represents a significant recovery for the class while still allowing claims against the remaining Defendants to proceed.

16. Plaintiffs are concurrently filing a motion to direct notice to the class members.

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

Executed this 1st day of April 2024 in Berkeley, California.

/s/ Shana E. Scarlett
Shana E. Scarlett