

**UNITED STATES DISTRICT COURT
DISTRICT OF MARYLAND**

JUDY JIEN, et al.,

Plaintiffs,

v.

PERDUE FARMS, INC., et al.,

Defendants.

C.A. No. 1:19-cv-02521-SAG

**DECLARATION OF SHANA E. SCARLETT IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT WITH
CARGILL MEAT SOLUTIONS CORPORATION, SANDERSON FARMS, INC., AND
WAYNE FARMS LLC, CERTIFICATION OF SETTLEMENT CLASS, AND
APPOINTMENT OF SETTLEMENT CLASS COUNSEL**

I, Shana E. Scarlett, declare 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.

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 Settlement with Cargill Meat Solutions Corporation, Sanderson Farms, Inc., and Wayne Farms LLC, 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 Cargill Meat Solutions Corporation, Sanderson Farms, Inc., and Wayne Farms LLC (collectively "Settling Defendants") over the course of multiple months.

a. Plaintiffs and Cargill Meat Solutions Corporation ("Cargill") executed a Settlement Agreement on May 2, 2022. Attached as **Exhibit A** is a true and accurate copy of the Settlement Agreement between Plaintiffs and Cargill.

b. Plaintiffs and Sanderson Farms, Inc. ("Sanderson") executed a Settlement Agreement on July 21, 2022. Attached as **Exhibit B** is a true and accurate copy of the Settlement Agreement between Plaintiffs and Sanderson.

c. Plaintiffs and Wayne Farms LLC (“Wayne”) executed a Settlement Agreement on July 21, 2022. Attached as Exhibit C is a true and accurate copy of the Settlement Agreement between Plaintiffs and Wayne.

5. 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.

6. In the Settlement Agreement with Cargill, Cargill commits to pay \$15,000,000 (fifteen million U.S. dollars) to a settlement fund within fourteen (14) business days of the grant of preliminary approval. In the Settlement Agreement with Sanderson, Sanderson commits to pay \$38,300,000 (thirty-eight million three hundred thousand U.S. dollars) to a settlement fund within fourteen (14) business days of the grant of preliminary approval. In the Settlement Agreement with Wayne, Wayne commits to pay \$31,500,000 (thirty-one million five hundred thousand U.S. dollars) to a settlement fund within fourteen (14) business days of the grant of preliminary approval.

7. All Settling Defendants also agree in their respective Settlement Agreements to cooperate with Plaintiffs in prosecuting their claims against the remaining Defendants. The cooperation provided by Settling Defendants will include document production, authentication of documents, deposition of seven current 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 Settling Defendants' required cooperation in the litigation against the remaining Defendants. The parties exchanged multiple proposals and drafts prior to executing Settlement Agreements on May 2, 2022 (the Settlement Agreement with Cargill), and on July 21, 2022 (the Settlement Agreements with Sanderson and Wayne).

8. 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 Settling Defendants. Furthermore, there was no discussion or agreement at any time regarding the amount of attorneys' fees that Interim Co-Lead Counsel would ask the Court to award in this case.

9. 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' collaboration in setting compensation for their plant 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 plant workers that comprise the Settlement Class. Additionally, Interim Co-Lead Counsel retained an expert economist to conduct a preliminary analysis of compensation in the poultry processing industry, as compared to other food processing industries.

10. The Settlement Agreements were reached after many months of adversarial and informative litigation: after 33 months in the case of Cargill, and after 35 months for both

Sanderson and Wayne. 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 five other Defendants had been reached.

11. 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 are currently in the midst of meet-and-confers to identify document custodians and search terms for electronic records. During this litigation, Interim Co-Lead Counsel researched, analyzed, and evaluated many contested legal and factual issues.

12. More recently, 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 Agreements.

13. 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, these settlements represent a significant recovery for the class while still allowing claims against the remaining Defendants to proceed.

14. Plaintiffs request that the Court agree to defer formal notice of the Settlement Agreements to the Settlement Class until a later date. Plaintiffs are still in the process of negotiating the production of names and contact information of Settlement Class members. Plaintiffs sought this information from Defendants during the pendency of the motions to dismiss the TAC, but Defendants declined to produce it absent a court order. After the production of this information, Plaintiffs will file a motion to direct notice with the Court.

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

Executed September 9, 2022 in Berkeley, California.

/s/ Shana E. Scarlett

SHANA E. SCARLETT

CERTIFICATE OF SERVICE

I hereby certify that on September 9, 2022, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notice to counsel for all parties that have appeared in this case.

/s/ Shana E. Scarlett _____