

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

**If you purchased eggs, including shell eggs and egg products, produced from caged birds in the United States directly from any producer from January 1, 2000 through July 15, 2010, you could be a Class member in a proposed class action settlement.**

**YOUR LEGAL RIGHTS ARE AFFECTED WHETHER OR NOT YOU ACT.  
PLEASE READ THIS NOTICE CAREFULLY.**

The purpose of this notice is to inform you that Plaintiffs in this class action reached a settlement with Defendant Sparboe Farms, Inc. (“Sparboe”). If you fall within the definition of the “Class” as defined herein, you will be bound by the settlement unless you expressly exclude yourself in writing pursuant to the instructions below. This notice is also to inform you of the nature of the action and of your rights in connection with it.

***A federal court authorized this Notice. This is not a solicitation from a lawyer.***

This notice is not an expression by the Court of any opinion as to the merits of any of the claims or defenses asserted by either side in this case. This notice is intended merely to advise you of the settlement with Sparboe (the “Sparboe Settlement”) and of your rights with respect to it, including, but not limited to, the right to remain a member of the Class or to exclude yourself from the Class.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:</b>	
<b>TAKE NO ACTION</b>	You will receive the benefits of the Sparboe Settlement and give up the right to sue Sparboe with respect to the claims asserted in this case.
<b>EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS BY FIRST-CLASS MAIL POSTMARKED BY, OR PRE-PAID DELIVERY SERVICE TO BE HAND-DELIVERED BY, NOVEMBER 16, 2010</b>	This is the only option that allows you to ever be a part of any other lawsuit against Sparboe with respect to the claims asserted in this case.
<b>OBJECT TO THE SETTLEMENT BY FIRST-CLASS MAIL POSTMARKED BY, OR PRE-PAID DELIVERY SERVICE TO BE HAND-DELIVERED BY, NOVEMBER 16, 2010</b>	Write to the Court and explain why you do not like the Sparboe Settlement.
<b>GO TO THE HEARING ON JANUARY 13, 2011 AFTER FILING A TIMELY OBJECTION.</b>	Speak in Court about the fairness of the Sparboe Settlement.

These rights and options, and the deadlines to exercise them, are explained in this notice.

**1. Why did I receive this notice?**

This legal notice is to inform you of the Sparboe Settlement that has been reached in the class action lawsuit, *In re Processed Egg Products Antitrust Litigation*, Case No. 08-md-02002, pending in the United States District Court for the Eastern District of Pennsylvania. You are being sent this notice because you have been identified as a potential customer of one of the Defendants in the lawsuit.

**2. What is this lawsuit about?**

In this lawsuit, Plaintiffs allege that Defendants, certain producers of eggs and egg products, conspired to decrease the supply of eggs. Plaintiffs allege that this conspiracy to limit supply raised the price of eggs, which caused direct purchasers to pay more for eggs than they would have otherwise paid. The term “eggs” refers to both shell eggs and egg products, which are eggs removed from their shells for further processing into a dried, frozen, or liquid form.

In the fall and winter of 2008, lawsuits were filed in several federal courts generally alleging this conspiracy to depress egg supply. On December 2, 2008, the Judicial Panel on Multidistrict Litigation transferred those cases for coordinated proceedings before the Honorable Gene E. K. Pratter, United States District Judge in the United States District Court for the Eastern District of Pennsylvania. On January 30, 2009, Plaintiffs filed their first consolidated amended complaint alleging a wide-ranging conspiracy to fix egg prices that injured direct egg purchasers.<sup>1</sup>

<sup>1</sup> This lawsuit alleges injuries to *direct* egg purchasers only, that is, entities or individuals who bought eggs directly from egg producers. A separate case is pending wherein the plaintiffs allege a wide-ranging conspiracy to fix egg prices that injured *indirect* egg purchasers. An indirect egg purchaser buys eggs from a direct purchaser of eggs or another indirect purchaser. The Sparboe Settlement does not affect your rights, if any, as an indirect egg purchaser.

Soon thereafter, Plaintiffs and Sparboe commenced settlement discussions. On June 8, 2009, Plaintiffs and Sparboe reached a settlement. By settling with Sparboe, Plaintiffs learned many more details about the alleged conspiracy. These details were included in a second consolidated amended complaint that Plaintiffs filed on April 7, 2010 against the following nineteen named Defendants: United Egg Producers, Inc.; United Egg Association; United States Egg Marketers, Inc.; Michael Foods, Inc.; Land O'Lakes, Inc.; Moark, LLC; Norco Ranch, Inc.; Rose Acre Farms, Inc.; National Food Corporation; Cal-Maine Foods, Inc.; Hillandale Farms of PA, Inc.; Hillandale-Gettysburg, L.P.; Hillandale Farms East, Inc.; Hillandale Farms, Inc.; Ohio Fresh Eggs, LLC; Daybreak Foods, Inc.; Midwest Poultry Services, L.P.; NuCal Foods, Inc.; and R.W. Sauder, Inc. Further, Plaintiffs' attorneys believe that there are more individuals and entities that have conspired to raise the price of eggs.

Plaintiffs represent both themselves (the named plaintiffs) and the entire Class of direct egg purchasers across the United States. Plaintiffs brought this lawsuit as a class action because they believe, among other things, that a class action is superior to filing individual cases and that the claims of each member of the Class present and share common questions of law and fact. Plaintiffs claim that Defendants' actions violated the Sherman Antitrust Act, a federal statute that prohibits any agreement that unreasonably restrains competition. The alleged agreement was to reduce the overall supply of eggs in the United States from the year 2000 to the present. Plaintiffs allege that Defendants and unnamed co-conspirators controlled the egg supply through various methods that were all part of a wide-ranging conspiracy. Plaintiffs allege that these methods include, but are not limited to, specific restrictions on the number of hens, a pretextual animal husbandry program that was a cover to further reduce egg supply, agreements to export eggs outside the U.S. in order to remove eggs from domestic supply even though producers could charge more domestically for those eggs, and the unlawful coercion of producers and customers to ensure compliance with the conspiracy. Plaintiffs further allege that eggs are unique in that there is no substitute; as such, demand remains constant regardless of price. Plaintiffs allege that a reduction in supply would therefore cause prices to rise, and producers' profits would increase substantially. Sparboe and the other Defendants deny all of Plaintiffs' allegations.

### **3. Who is included in the Settlement?**

Plaintiffs and Sparboe have agreed that, for purposes of the Sparboe Settlement, the Class is defined as follows:

All persons and entities in the United States that purchased eggs, including shell eggs and egg products, produced from caged birds in the United States directly from any producer during the Class Period from January 1, 2000 through July 15, 2010.

Persons or entities that fall within the definition of the Class and do not exclude themselves from it will be bound by the results of this litigation.<sup>2</sup>

### **4. What does the Sparboe Settlement provide?**

After several months of extensive settlement discussions, Plaintiffs and Sparboe reached a Settlement on June 8, 2009. The Sparboe Settlement is between Plaintiffs and Defendant Sparboe only; it does not affect any of the remaining non-settling Defendants, against whom this case continues. Pursuant to the terms of the Sparboe Settlement, Plaintiffs will release Sparboe from all claims arising from the facts in Plaintiffs' complaint. In exchange, Sparboe has agreed to substantial and immediate cooperation with Plaintiffs, including producing documents and making witnesses available for interviews, which Plaintiffs believe will provide important information in support of Plaintiffs' claims against the non-settling Defendants and possibly others who participated in the alleged conspiracy. It is the opinion of Plaintiffs' attorneys that this cooperation will provide significant benefits to members of the Class and will materially assist Plaintiffs in the prosecution of claims against the non-settling Defendants. For instance, through Sparboe's cooperation, Plaintiffs have already learned more details about the alleged conspiracy. Plaintiffs have included these details in the second amended consolidated complaint filed on April 7, 2010. Further, because it was not known whether the opportunity to secure a Defendant's cooperation would be available indefinitely, prompt settlement was important. The Sparboe Settlement is based entirely on cooperation; there is no financial compensation component to the Sparboe Settlement.

On October 23, 2009, the Court granted preliminary approval of the Sparboe Settlement, finding it sufficiently fair, reasonable, and adequate to warrant notifying the Class. The Court found that the Sparboe Settlement appears to require substantial cooperation from Sparboe, including the production of critical documents and witnesses that are expected to materially assist Plaintiffs in prosecuting their claims against the non-settling Defendants. The Court also found that the

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<sup>2</sup> The Class consists of two subclasses. The first subclass, called the "Shell Egg Subclass," is made up of "[a]ll individuals and entities in the United States that purchased shell eggs produced from caged birds in the United States directly from any producer during the Class Period from January 1, 2000 through July 15, 2010." The second subclass, called the "Egg Products Subclass," is comprised of "[a]ll individuals and entities in the United States that purchased egg products produced from shell eggs that came from caged birds in the United States directly from any producer during the Class Period from January 1, 2000 through July 15, 2010." Excluded from the Class and the subclasses are the Defendants, their co-conspirators, and their respective parents, subsidiaries and affiliates, all government entities, as well as the Court and staff to whom this case is assigned, and any member of the Court's or staff's immediate family. Also excluded from the Class and the subclasses are purchases of "specialty" Shell Eggs or Egg Products (such as "organic," "free-range," or "cage-free"), as well as purchases of "hatching" Shell Eggs (used by poultry breeders to produce breeder stock or growing stock for laying hens or meat).

benefit of the information to be supplied by Sparboe appears to outweigh the potential benefit of Sparboe's continued participation in the lawsuit.

The Sparboe Settlement should not be taken as an admission by Sparboe of any allegation by Plaintiffs or of wrongdoing of any kind. Finally, the Court ordered that Plaintiffs shall provide notice of the Sparboe Settlement to all members of the Class who can be identified through reasonable effort.

**5. What is the effect of the Court's final approval of the Sparboe Settlement?**

If the Court grants final approval, the Sparboe Settlement will be binding upon you and all other members of the Class. By remaining part of the Sparboe Settlement, if approved, you will give up any claims against Sparboe relating to the claims made or which could have been made in this lawsuit. By remaining a part of the Sparboe Settlement, you will retain all claims against all other Defendants, named and unnamed.

**6. Who represents the Class?**

The Class is represented by the following attorneys:

Steven A. Asher WEINSTEIN KITCHENOFF & ASHER LLC 1845 Walnut Street, Suite 1100 Philadelphia, PA 19103	Michael D. Hausfeld HAUSFELD LLP 1700 K Street NW, Suite 650 Washington, DC 20006
Stanley D. Bernstein BERNSTEIN LIEBHARD LLP 10 East 40th Street, 22nd Floor New York, NY 10016	Stephen D. Susman SUSMAN GODFREY LLP 654 Madison Avenue, 5th Floor New York, NY 10065

**7. When and where will the Court hold a hearing on the fairness of the Settlement?**

The Court has scheduled a "Fairness Hearing" at 1:30 p.m. on January 13, 2011 at the following address:

United States District Court  
James A. Byrne Federal Courthouse  
601 Market Street  
Philadelphia, PA 19106-1797

The purpose of the Fairness Hearing is to determine whether the Sparboe Settlement is fair, reasonable, and adequate, and whether the Court should enter judgment granting final approval of it. You do not need to attend this hearing. You or your own lawyer may attend the hearing if you wish, at your own expense. Please note that the Court may choose to change the date and/or time of the Fairness Hearing without further notice of any kind. Settlement Class members are advised to check [www.eggproductssettlement.com](http://www.eggproductssettlement.com) for any updates.

**8. How do I object to the Sparboe Settlement?**

If you are a Class member and you wish to participate in the Sparboe Settlement, but you object to or otherwise want to comment on any term of the Sparboe Settlement, you may file with the Court an objection in writing. In order for the Court to consider your objection, your objection must be sent by first-class mail postmarked by, or pre-paid delivery service to be hand-delivered by, November 16, 2010 to each of the following:

**The Court:**  
United States District Court  
James A. Byrne Federal Courthouse  
601 Market Street  
Office of the Clerk of the Court, Room 2609  
Philadelphia, PA 19106-1797

**Counsel for Plaintiffs:**  
Steven A. Asher  
WEINSTEIN KITCHENOFF & ASHER LLC  
1845 Walnut Street, Suite 1100  
Philadelphia, PA 19103

**Counsel for Sparboe:**  
Troy J. Hutchinson  
STOEL RIVES LLP  
33 South Sixth Street, Suite 4200  
Minneapolis, MN 55402

Your objection must be in writing and must provide evidence of your membership in the Class. The written objection should state the precise reason or reasons for the objection, including any legal support you wish to bring to the Court's

attention and any evidence you wish to introduce in support of the objection. You may file the objection through an attorney. You are responsible for any costs incurred in objecting through an attorney.

If you are an objecting Class member, you have the right to voice your objection to the Sparboe Settlement at the Fairness Hearing. In order to do so, you must follow all instructions for objecting in writing (as stated above). You may object in person and/or through an attorney. You are responsible for any costs incurred in objecting through an attorney. You need not attend the Fairness Hearing in order for the Court to consider your objection.

#### **9. How do I exclude myself from the Settlement?**

If you are a Class member and you do not wish to participate in the Sparboe Settlement, the Court will exclude you from the Sparboe Settlement if you request exclusion. Your request for exclusion must be sent by first-class mail postmarked by, or pre-paid delivery service to be hand-delivered by,<sup>3</sup> November 16, 2010 to the following address:

*In re Processed Egg Products Antitrust Litigation – EXCLUSIONS*  
c/o The Garden City Group, Inc., Claims Administrator  
P.O. Box 9476  
Dublin, OH 43017-4576

Your written request should specify that you wish to be excluded from the Sparboe Settlement. Do not request exclusion if you wish to participate in the Sparboe Settlement as a member of the Class. If you intend to bring your own lawsuit against Sparboe, you should exclude yourself from the Class.

#### **10. What happens if I do nothing?**

If you do nothing, you will remain a member of the Class. As a member of the Class, you will be represented by the law firms listed above in Question No. 6, and you will not be charged a fee for the services of such counsel and any other class counsel. Rather, counsel will be paid, if at all, as allowed by the Court, in some portion of whatever money they may ultimately recover for you and other members of the Class. If you want to be represented by your own lawyer, you may hire one at your own expense.

#### **11. Where do I get additional information?**

For more detailed information concerning matters relating to the Sparboe Settlement, you may wish to review the "Settlement Agreement Between Plaintiffs and Sparboe Farms, Inc." (signed June 22, 2009) and the "Order on Preliminary Approval of Sparboe Settlement" (entered October 23, 2009). These documents are available on the Sparboe Settlement website, [www.eggproductssettlement.com](http://www.eggproductssettlement.com), which also contains answers to "Frequently Asked Questions," as well as more information about the case. These documents and other more detailed information concerning the matters discussed in this notice may be obtained from the pleadings, orders, transcripts and other proceedings, and other documents filed in these actions, all of which may be inspected free of charge during regular business hours at the Office of the Clerk of the Court, located at the address set forth in Question No. 7. You may also obtain more information by calling the toll-free helpline at (866) 881-8306. If your present address is different from the address on the envelope in which you received this notice, or if you did not receive this notice directly but believe you should have, please call the toll-free helpline in order to provide your new address.

**PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS LAWSUIT.**

Dated: July 15, 2010

**The Honorable Gene E. K. Pratter**

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<sup>3</sup> To the extent you wish to mail your submission by pre-paid delivery service to be hand-delivered, you may send your mail to the following address: In re Processed Egg Products Antitrust Litigation (EGS), c/o The Garden City Group, Inc., 815 Western Avenue, Suite 200, Seattle, WA 98104.