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7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10 WESTERN DIVISION

11
12 **IN RE AFTERMARKET AUTOMOTIVE**
13 **LIGHTING PRODUCTS ANTITRUST**
14 **LITIGATION**

09-ML-2007 GW (PJWx)

CONSOLIDATED CLASS
ACTION COMPLAINT

15 This Document Relates to Cases:

DEMAND FOR JURY TRIAL

16 08-cv-1158 GW
17 08-cv-7204 GW
18 08-cv-7634 GW
19 08-cv-8470 GW
20 09-cv-0982 GW
09-cv-0967 JFW (Notice of Related Case
filed 2/23/09)

21 1. Plaintiffs Dynacorn Autobody Parts, Inc., DJ's Autobody, Inc. d/b/a Wheeler's
22 Autobody Supply, Prevatte Auto Supply, Inc., Nu-Parts Automotive Products, Inc., Motoring
23 Parts International, Inc.; and Sioux Plating Co. (collectively, "Plaintiffs") bring this action on
24 their own behalf and on behalf of all those similarly situated to recover damages and obtain
25 injunctive relief for Defendants' violations of the federal antitrust laws with respect to the fixing
26 of prices for, and the allocation of customers for, aftermarket automotive lighting products, also
27 known as AM lights and AM lamps ("Aftermarket Automotive Lighting Products"). Aftermarket
28

1 Automotive Lighting Products include, but are not limited to, headlamps and bulbs, parking, tail
2 and interior lights, spot lights, fog lights and auxiliary lights.

3 2. Defendants' violations stem from their artificial manipulation of the market for
4 aftermarket automotive lighting products. Plaintiffs demand a trial by jury. Plaintiffs allege on
5 information and belief the following:

6 **JURISDICTION AND VENUE**

7 3. Plaintiffs bring this action under Sections 4 and 16 of the Clayton Act, (15 U.S.C.
8 §§ 15 and 26) to recover treble damages and costs of suit, including reasonable attorneys' fees,
9 against Defendants for the injuries sustained by Plaintiffs and the members of the Class by reason
10 of the violations of Section 1 of the Sherman Act, 15 U.S.C. § 1.

11 4. This action is also instituted to secure injunctive relief against Defendants to
12 prevent them from further violations of Section 1 of the Sherman Act, as hereinafter alleged.

13 5. Jurisdiction is conferred upon this Court by 28 U.S.C. §§ 1331 and 1337 and by
14 Sections 4 and 16 of the Clayton Act (15 U.S.C. §§ 15(a) and 26).

15 6. Venue is proper in this Judicial District pursuant to 15 U.S.C. §§ 15(a) and 22 and
16 28 U.S.C § 1391(b), (c) and (d) because, during the Class Period, Defendants resided, transacted
17 business, were found, or had agents in this District, and a substantial portion of the affected
18 interstate trade and commerce described below has been carried out in this District.

19 7. This Court has personal jurisdiction over each Defendant because, *inter alia*, each
20 Defendant: (a) transacted business throughout the United States, including in this District; (b)
21 participated in the sale and distribution of Aftermarket Automotive Lighting Products throughout
22 the United States, including in this District; (c) had substantial contacts with the United States,
23 including in this District; and/or (d) was engaged in an illegal scheme and price-fixing
24 conspiracy that was directed at and had the intended effect of causing injury to persons residing
25 in, located in, or doing business throughout the United States, including in this District. Further
26 jurisdictional contacts are alleged below.

PLAINTIFFS

1
2 8. Plaintiff DJ’s Autobody, Inc. d/b/a Wheeler’s Autobody Supply (“Wheeler’s”) is
3 an Iowa corporation with its principal place of business located in Waterloo, Iowa. During the
4 Class Period, Wheeler’s purchased Aftermarket Automotive Lighting Products directly from one
5 or more Defendants. As a result of the alleged conspiracy, Wheeler’s was injured in its business
6 or property by reason of the antitrust violations alleged herein.

7 9. Plaintiff Dynacorn Autobody Parts, Inc. (“Dynacorn”) is a corporation duly
8 organized and existing under the laws of the State of California with its principal place of
9 business located at 950 South A Street, Oxnard, CA 93030. During the relevant period,
10 Dynacorn purchased Aftermarket Automotive Lighting Products directly from one or more
11 Defendants. As a result of the alleged conspiracy, Dynacorn was injured in its business or
12 property by reason of the antitrust violations alleged herein.

13 10. Plaintiff Motoring Parts International (“MPI”) is a corporation duly organized and
14 existing under the laws of the State of North Carolina with its principal place of business located
15 at 7412 Fulton Avenue, North Hollywood, California 91605. During the relevant period, MPI
16 purchased Aftermarket Automotive Lighting Products directly from one or more Defendants. As
17 a result of the alleged conspiracy, Flash Sales was injured in its business or property by reason of
18 the antitrust violations alleged herein.

19 11. Plaintiff Nu-Parts Automotive Products, Inc. (“Nu-Parts”) is a corporation duly
20 organized and existing under the laws of the State of Arizona with its principal place of business
21 located at 1930 W. 3rd St., Tempe, AZ 85281. During the relevant period, Nu-Parts purchased
22 Aftermarket Automotive Lighting Products directly from one or more Defendants. As a result of
23 the alleged conspiracy, Nu-Parts was injured in its business or property by reason of the antitrust
24 violations alleged herein.

25 12. Plaintiff Prevatte Auto Supply, Inc. (“Prevatte”) is a corporation duly organized
26 and existing under the laws of the State of North Carolina with its principal place of business
27 located at 422 Watts Road, Lumberton, NC 28360. During the relevant period, Prevatte
28 purchased Aftermarket Automotive Lighting Products directly from one or more Defendants. As

1 a result of the alleged conspiracy, Prevatte was injured in its business or property by reason of
2 the antitrust violations alleged herein.

3 13. Plaintiff Sioux Plating Co. Inc. (“Sioux Plating”) is a corporation duly organized
4 and existing under the laws of the State of Iowa, with its principal place of business located at
5 428 East 9th Street, South Sioux City, Nebraska 68776. During the relevant period, Sioux
6 Plating purchased Aftermarket Automotive Lighting Products directly from one or more
7 Defendants. As a result of the alleged conspiracy, Sioux Plating was injured in its business or
8 property by reason of the antitrust violations alleged herein.

9 **DEFENDANTS**

10 14. As described in more detail herein, the Defendants are comprised of the following
11 three pairs of Taiwanese manufacturers of Aftermarket Automotive Lighting Products and their
12 subsidiary distributors based in the United States: TYC / Genera; Depo / Maxzone; and Eagle
13 Eyes / E-Lite.

14 **The TYC Defendants**

15 15. Defendant TYC Brother Industrial Co. Ltd. (“TYC”) is a corporation organized
16 and existing under the laws of Taiwan with its principal place of business located at 72-2 Shin-
17 leh Road, Tainan Taiwan 702. TYC is a leading manufacturer of Aftermarket Automotive
18 Lighting Products, which it manufactures in Taiwan and exports for sale around the world,
19 including the United States. TYC’s website states that it “produces the most comprehensive
20 aftermarket lamp line in the industry, in addition to designing and manufacturing Original
21 Equipment Lamps for well known two and four wheelers [*sic*] OE vehicle manufacturers in
22 North America, Europe, Asia Pacific, Middle East and Africa.” TYC moved into the United
23 States market in 1994. In early 1997, TYC issued its initial IPO, and is now traded as a public
24 company on the Taiwan Stock Exchange. TYC identifies itself as a member of the “TYC
25 Group” of companies, and various press accounts during the class period identify it as a member
26 of the “Ta Yih Group,” a group of several companies including TYC and the Ta Yih Industrial
27 Co. Ltd., a Taiwanese manufacturer of OEM car lamps. In both 2003 and 2006, TYC estimated
28 that it accounted for about 70% of North America’s auto-insurance auto-lamp aftermarket sales.

1 During the Class Period, TYC sold Aftermarket Automotive Lighting Products to Class
2 members in the United States.

3 16. Defendant Genera Corporation (“Genera”) is a corporation organized and existing
4 under the laws of the State of California with its principal place of business located at 26
5 Centerpoint Drive, Suite 100, La Palma, California 90623. Genera imports, distributes and sells
6 throughout the United States Aftermarket Automotive Lighting Products imported from Taiwan,
7 generating \$178 million a year in sales. Genera is a wholly or partially owned subsidiary of
8 defendant TYC and was formed by TYC in 1991 to be its sole and exclusive United States
9 distributor. Genera states on its website that it “is the North American distribution arm of TYC,”
10 and that it operates “five massive state-of the art distribution centers, strategically located
11 throughout the U.S., providing nearly one million sq. ft. of warehouse space.” Genera was
12 founded in 1991 as TYC Industrial U.S.A., and changed its name in 1995 to Genera Corp.
13 Genera estimates on its website that its 2008 sales are expected to exceed \$200 million. Genera
14 further states that it “distributes [the] majority of its lighting, mirror, and heat exchanger
15 products through a nation-wide network of warehouse distributors (WD’s), who, in turn, market
16 to collision bodyshops and heating/cooling system specialists. In addition, jobber/retail locations
17 represent a growing channel of distribution for TYC products, including most product lines in
18 Canada and lighting products in the U.S.”

19 17. Genera’s products include automotive lamps and performance lamps. Genera
20 states on its website the following with respect to its aftermarket products manufactured by
21 defendant TYC: “TYC offers the world’s most comprehensive automotive replacement lighting
22 products available, ranging from domestic to import applications, from passenger cars to SUVs.”

23 18. Genera’s performance lamp products currently include tail lamps, backup lamps,
24 and headlamps, in multiple colors and paintable, for numerous makes and models of vehicles,
25 including Acura; Chrysler; Chevrolet; Dodge; Ford; GMC; Honda; Lincoln; Mercury;
26 Mitsubishi; Nissan; Pontiac; Saturn; Subaru; Toyota; and Volkswagen. Genera lamps are listed
27 as including the following functionalities: tail; stop; turn signal; side marker, backup, and reflex.
28 Genera provides detailed testing reports via its performance lamp website that document

1 compliance with the photometric requirements of the U.S. Federal Motor Vehicle Safety
2 Standard (FMVSS). Genera notes on its performance lamp website that “[w]e currently do not
3 sell Elegante by TYC lamps to the public so all purchases must be through an authorized dealer,
4 whether online or retail location.” During the Class Period, Genera sold Aftermarket
5 Automotive Lighting Products to Class members in the United States.

6 **The Depo Defendants**

7 19. Defendant Depo Auto Parts Ind. Co., Ltd. (“Depo”) is a corporation organized and
8 existing under the laws of Taiwan with its principal place of business located at 20-3, Nan Shih
9 Lane, Lu Kang, Chang-Hwa Hsien, Taiwan 638. Depo is a leading manufacturer of Aftermarket
10 Automotive Lighting Products which it manufactures in Taiwan and exports for sale around the
11 world, including the United States. Depo was formed in 1977 as Ming Yang Corp., and in 2002
12 was renamed Depo Auto Parts Ind. Co., Ltd. In 2004, it was estimated that Depo accounted for
13 about 35% of the American aftermarket lamp market, trailing only defendant TYC. In 2004,
14 Depo became a publicly-traded company on the Taiwan Stock Exchange. Depo develops,
15 manufactures, and distributes replacement lamps for vehicles under its “Depo” and “Lucid”
16 brands. During the Class Period, Depo sold Aftermarket Automotive Lighting Products to Class
17 members in the United States.

18 20. Defendant Maxzone Vehicle Lighting Corp. (“Maxzone”) is a corporation
19 organized and existing under the laws of the State of California with its principal place of
20 business located at 11016 Mulberry Avenue, Suite B, Fontana, California 92337. Maxzone
21 imports, distributes and sells throughout the United States Aftermarket Automotive Lighting
22 Products imported from Taiwan. Maxzone is a wholly or partially owned subsidiary of
23 defendant Depo and was formed by Depo in 1997 to be its sole and exclusive United States
24 distributor. Maxzone’s website states that “[a]ll our automotive lamp products are designed,
25 developed and produced by our parent company, DEPO Auto Parts Corp, a world class
26 manufacturer of automotive replacement lamps . . . DEPO has Maxzone to take care of North
27 America distribution and [the] Taipei business office to take responsibility for the sale of
28 Europe, Africa, South America and Australia area.” Maxzone’s website states that “[i]n addition

1 [to] our aftermarket auto lamps, our product lines include OEM lamps, performance lamps,
2 window regulator and door handle.” Maxzone’s products include replacement lights and
3 performance lights. Maxzone has four distribution centers, located in: Elmwood Park, NJ;
4 Atlanta, GA; Elgin, IL; and Etobicoke (Toronto), Canada. Maxzone’s website further notes that
5 it “only sells wholesale.” During the Class Period, Maxzone sold Aftermarket Automotive
6 Lighting Products to Class members in the United States.

7 **The Eagle Eyes Defendants**

8 21. Defendant Eagle Eyes Traffic Ind. Co. Ltd. (“Eagle Eyes”) is a corporation
9 organized and existing under the laws of Taiwan with its principal place of business located at
10 No. 27 Lane 764 Chung Shan N. Rd., Yung Kang City, Taiwan Hsien, Taiwan. Eagle Eyes is a
11 manufacturer of Aftermarket Automotive Lighting Products which it manufactures in Taiwan
12 and exports for sale around the world, including the United States. Eagle Eyes was formed in
13 1979, and its website states that it “devotes itself to the production of high quality automotive
14 lamps, both spare and performance. We serve global AM customers in nearly 100 countries. This
15 ISO 9001 : 2000 certified cooperation [sic] is confident with its ability to provide safety and
16 fulfillment to its customer consistently. In addition to our qualified spare products, we also
17 design and produce stylish performance lamps which make us one of the leading performance
18 lamp suppliers around the world.” Eagle Eyes’ products include replacement auto lamps and
19 performance lamps, including rear lamps, head lamps, signal lamps, fog lamps, park lamps, side
20 marker lamps, and corner lamps for numerous makes and models of vehicles. During the Class
21 Period, Eagle Eyes sold Aftermarket Automotive Lighting Products to class members in the
22 United States.

23 22. Defendant E-Lite Automotive Inc. (“E-Lite”) is a corporation duly organized and
24 existing under the laws of the State of California with its principal place of business located at
25 14401 Monte Vista Avenue, Chino, California 91708. E-Lite imports, distributes and sells,
26 throughout the United States, Aftermarket Automotive Lighting Products imported from Taiwan.
27 E-Lite is a wholly or partially owned subsidiary of defendant Eagle Eyes and was formed by
28 Eagle Eyes in 2006 to be its sole and exclusive United States distributor. E-Lite’s website states

1 that “E-Lite U.S.A. Automotive, a partner of Eagle Eyes Corporation, was founded in 2006” and
2 that “[a]ll of our lamps are made by Eagle Eyes Corporation” and that “[w]e specialize in
3 headlights, taillights, corner lights, parking lights, and fog lights in the aftermarket lamps
4 market,” and that “E-Lite produces a wide array of lamps intended for use in all major North
5 American car manufacturers’ products.” During the Class Period, E-Lite sold Aftermarket
6 Automotive Lighting Products to class members in the United States.

7 23. Defendants TYC, Genera, Depo, Maxzone, Eagle Eyes, and E-Lite are collectively
8 referred to herein as “Defendants.” Defendants TYC, Depo, and Eagle Eyes are collectively
9 referred to herein as “Manufacturer Defendants.” Defendants Genera, Maxzone, and E-Lite are
10 collectively referred to herein as “Distributor Defendants.”

11 24. Whenever in this Complaint reference is made to any act, deed or transaction of
12 any corporation, the allegation means that the corporation engaged in the act, deed or transaction
13 by or through its officers, directors, agents, employees or representatives while they were
14 actively engaged in the management, direction, control or transaction of the corporation’s
15 business or affairs.

16 25. All acts alleged in this Complaint to have been done by Defendants were
17 performed by their officers, directors, agents, employees or representatives while engaged in the
18 management, direction, control or transaction of Defendants’ business affairs.

19 **CO-CONSPIRATORS**

20 26. On information and belief, various other companies and individuals, not named as
21 Defendants in this Complaint, may have participated as co-conspirators in the acts complained of
22 herein, and performed acts and made statements in furtherance of such conspiracy, including, but
23 not limited to, Tong Yang Industrial Co., Ltd. (“Tong Yang”), TYG Products, L.P., Gordon Auto
24 Body Parts Co., Ltd. and YCC Parts Manufacturing, Inc.

25 **TRADE AND COMMERCE**

26 27. With over 225 million vehicles in the United States, the automotive aftermarket
27 industry is substantial. Sales of aftermarket automotive products in the United States exceeded
28 \$285 billion in 2007.

1 28. The percentage of the entire aftermarket automotive products that is made up of
2 lighting products represents a significant amount of commerce, with approximately \$450 million
3 sales in the United States in 2005, with projected growth to approximately \$515 million by 2010.

4 **CHARACTERISTICS OF THE MARKET FOR AFTERMARKET AUTOMOTIVE**
5 **LIGHTING PRODUCTS THAT FACILITATE COLLUSION**

6 **Market Concentration**

7 29. As the demand for automotive repair parts grew in the 1950's and 1960's, non-
8 OEM parts manufacturers entered the market where independent mechanics, but not dealers,
9 purchased the parts. This is referred to as an aftermarket. An aftermarket is the market for
10 replacement and supplementary parts and/or repair services for a product that the buyer has
11 previously acquired, or for products consumed through the use of the original product.
12 Aftermarket Automotive Lighting Products constitute a market distinct from lighting products
13 supplied by third parties to vehicle manufacturers for incorporation into new vehicles, and also
14 distinct from the market for original equipment replacement parts made by the manufacturers of
15 automobiles, or for those manufacturers by third parties. There is a significant difference in the
16 wholesale price, often as large as 50%, between an OEM product and a comparable aftermarket
17 product. In addition, most insurance carriers who supply coverage for automobile collisions
18 require automotive body shops to purchase and use aftermarket products on repairs paid for by
19 the insurance carriers. Accordingly, aftermarket products and products of original equipment
20 manufacturers are not reasonably interchangeable substitutes from the point of view of the
21 purchaser and are not in direct and substantial competition with each other.

22 30. Aftermarket prices are cheaper than OEM prices because aftermarket companies
23 specialize in such products and tend to redesign and make more cost efficient changes as
24 compared to the OEM product, resulting in cheaper prices.

25 31. Aftermarket Automotive Lighting Products includes parts most often replaced
26 following collisions, which have the same specifications as OEM parts but are often sold without
27 automaker certification.

1 32. Collectively, the products of the Manufacturer Defendants comprise the vast
2 majority (90%) of all Aftermarket Automotive Lighting Products sold in the United States, and
3 as a consequence, their Distributor Defendant affiliates also control the vast majority (over 90%)
4 of the Aftermarket Automotive Lighting Product market in the United States.

5 33. Aftermarket Automotive Lighting Products are highly fungible. Purchasers decide
6 on a product, and competitors compete for purchasers, largely based on price. There are no other
7 substitutable products for Aftermarket Automotive Lighting Products. Price fixing and market
8 allocation are particularly pernicious within a highly concentrated, fungible market for which
9 adequate substitutes do not exist, as is the case here. One example of the fungibility of the
10 products in this market is Genera's "TYC Part Interchange" feature on its website, where users
11 can input a "Part Interchange Query" by selecting a "Competitor Number" and then receive
12 information about an equivalent, and interchangeable part.

13 34. Typically, when an order is placed with a plaintiff for an Aftermarket Auto
14 Lighting Product, a brand is not specified. For example, when a customer, such as an autobody
15 repair shop, requests a tail lamp for a 2000 Jeep Cherokee, the customer does not request a
16 certain manufacturer or care whether the lamp comes from TYC, Depo or Eagle Eyes.

17 **Barriers To Entry**

18 35. There are significant barriers to entry in the market for Aftermarket Automotive
19 Lighting Products that have facilitated Defendants' collusion as described herein. These include
20 substantial research and development costs, and the development and maintenance of a robust
21 distribution system. Two other barriers of importance are: (a) the need to obtain various quality
22 certifications for aftermarket products, and (b) the collusive business setting in which
23 manufacturers of aftermarket automotive parts in Taiwan, including the Manufacturer
24 Defendants, operate.

25 **Effects of CAPA Certification Program on the Market**

26 36. The Certified Automotive Parts Association ("CAPA") is a non-profit organization
27 established to develop and oversee a test program guaranteeing the suitability and quality of
28 automotive parts. Its website states "CAPA encourages competition in the marketplace in the

1 hope that their program will ultimately reduce expense to the consumer and the industry while
2 increasing and assuring part quality.” In fact, Defendants’ participation in CAPA certification
3 facilitated the maintenance of the illegal price-fixing scheme described herein, as it created
4 further barriers to entry and limited competition. The Manufacturer Defendants are all
5 participating manufacturers in the CAPA certification program.

6 37. By way of background regarding quality certification, an Illinois class action
7 against the State Farm insurance company, commenced in 1997, had a dramatic effect on the
8 market for aftermarket automotive parts. In that case, the plaintiffs accused State Farm, the
9 largest automobile insurer in the United States, of breaching its contracts with policyholders
10 when it specified the use of non-original equipment parts in the repair of vehicles damaged in
11 crashes. In 1999, a jury awarded \$456 million to the plaintiffs, and the presiding judge awarded
12 an additional \$730 million, including \$600 million in punitive damages. In the wake of these
13 combined awards in excess of \$1 billion, the North American market for aftermarket parts
14 dropped by about 40% in 2000, resulting in challenging times for almost all Taiwan aftermarket
15 parts suppliers during the following two to three years. In 2005, the Illinois Supreme Court
16 eventually reversed all awards made against State Farm, and in 2006, the United States Supreme
17 Court declined to hear plaintiffs’ appeal.

18 38. Following the United State Supreme Court’s decision to not hear an appeal in the
19 *State Farm* case, and State Farm’s expected decision to once again utilize aftermarket parts,
20 Taiwan news reports in 2006 quoted local aftermarket parts makers as predicting a return to sales
21 levels even higher than in 1999.

22 39. The impact of the *State Farm* case had begun to soften in 2002, as a group of
23 United States auto insurance firms (not including State Farm) resumed the use of aftermarket
24 parts. By mid-2006, the aftermarket parts market recovered to, or even exceeded, the pre-1999
25 levels.

26 40. The *State Farm* case jump-started a move by Taiwanese aftermarket parts makers
27 in 2000 to join quality-control organizations such as CAPA, and to actively increase the number
28 of their CAPA-approved items available to the auto-insurance market. Several years later,

1 CAPA decided to add a quality certification program for lighting products, which it previously
2 did not offer.

3 41. Defendant Genera, the exclusive U.S. distributor for defendant TYC, states on its
4 website the following regarding CAPA certification:

5
6 CAPA created standards for the objective evaluation and certification of sheet
7 metal, bumper, and other automotive collision replacement parts.

8
9 Because exterior lighting products represent about one-quarter of the total cost of
10 replacement parts used in collision repair, CAPA has developed a quality
11 certification program for lighting products. In September, 2005, TYC, through
12 extensive collaboration with CAPA, became the first manufacturer to achieve
13 CAPA certification of lighting parts.

14
15 CAPA certified TYC lighting products are of OE-comparable form (appearance),
16 fit (installation), and function (performance), are highly regarded as a viable
17 alternative quality part, and are quickly gaining awareness and enthusiastic
18 acceptance by collision repairers.

19
20 Approximately 7 out of 10 national auto insurance companies prescribe CAPA
21 parts, many of whom are prescribing CAPA certified lamps. TYC's CAPA
22 certified lamps create repair opportunities that previously did not exist by driving
23 more business to repairers and substantially reducing the percentage of vehicles
24 declared total-loss in a collision repair estimate.

25
26 TYC offers the broadest CAPA certified lighting products in the market and is
27 consistently developing popular applications, with internal testing labs that
28 accelerate release timing of new items. Our aggressive production inventory

1 planning ensures the highest fill rate and ability to meet growing demand via our
2 five strategically located distribution centers throughout the U.S.

3 42. Depo also joined the CAPA certification in 2005, and by the end of that year,
4 Depo owned 18 CAPA certified lamp sets, and TYC owned 3. TYC planned to own 150 to 2000
5 certified lamp sets by the end of 2006. A Taiwanese news account in 2006 noted that CAPA's
6 decision was expected to increase the confidence of policyholders in the use of AM parts to
7 repair their vehicles, gradually squeeze low-quality parts from the market, improve the quality of
8 certified parts, and enhance the profit margins of manufacturers in Taiwan.

9 43. In 2006, Michael Hu, Depo's sales manager, was quoted as stating that "[t]he sale
10 of AM auto lamps in the U.S. was growing steadily even before the CAPA decision to provide
11 certification for automotive lighting products. Now, we see even greater growth momentum
12 ahead. The more lamp models that are certified, the stronger the growth momentum will be
13 because insurance companies will have more choices of parts." Mr. Hu went on to contrast the
14 more competitive European market with the less-competitive U.S. market as follows: "[In
15 Europe], competition for Taiwanese suppliers is much fiercer than it is in the U.S., because all
16 OE auto-lamp suppliers there also supply the original equipment service (OES) market where
17 replacement parts are distributed under the brand names of the automakers themselves and
18 through their own maintenance networks."

19 44. Also in 2006, TYC's director of aftermarket and OEM sales, Carlos Ting, was
20 quoted as stating that "CAPA certification will bring a better market in North America for
21 quality-oriented auto-lamp suppliers like TYC because poor-quality products have destroyed the
22 *market order* there in the past few years." (Emphasis added).

23 45. In 2006, TYC's manager of North American sales, Orian Chang, was quoted as
24 stating that "CAPA certification is a challenge for all auto-lamp makers because it requires even
25 higher levels of quality and safety than is required for OEM items. CAPA approval will create
26 lucrative business opportunities for the companies that can qualify." Not surprisingly, TYC's
27 global sales grew by 10% to 20% in the first half of 2006, depending on market area, and Mr.
28

1 Ting attributed the substantial sales growth in part to TYC's increasing number of CAPA-
2 certified products.

3 46. Other certification programs existed for Aftermarket lamps. For example, the
4 Manufacturers' Qualification and Validation Program ("MQVP") certified the quality and safety
5 of some non-OEM parts. The program outlined policies and quality-management practices
6 designed to ensure that repair parts are equal to original parts in form, function, and durability.
7 In 2003, it was reported that defendant TYC claimed to have the highest ratio of MQVP-certified
8 products among all the world's auto-parts makers. That year, Nationwide Mutual Insurance Co.,
9 the sixth largest insurer in the U.S., approved the use of TYC aftermarket lamps as replacement
10 parts following certification of those lamps by the MQVP.

11 47. It was also reported in 2003 that another development that encouraged the use of
12 non-OE parts is the differential-premium system offered by insurance companies in the U.S.,
13 allowing policyholders to opt for lower premiums if they accepted the use of non-OEM parts to
14 repair their insured cars.

15 **Cooperation Among Taiwanese Aftermarket Auto Parts Manufacturers**

16 48. As *Taiwan Economic News* noted in 2003, Taiwan has an unmatched advantage of
17 a well-established industry cluster in the southern part of the island, and had become the biggest
18 and most important production base for aftermarket auto parts in the world. Raymond Wu,
19 president of Tong Yang, analyzed the Taiwanese aftermarket parts manufacturers as follows:

20 Now the world's strongest AM auto-parts production citadel, according to Wu,
21 Taiwan comes close to monopolizing the global AM parts market and is largely
22 able to escape any negative impact from foreign-exchange fluctuations because
23 almost all major makers in the AM sector are from Taiwan and thus their
24 quotation bases move in tandem, providing strong pricing power.

25
26 Wu points out that most local major makers of AM auto parts in southern
27 Taiwan's industry cluster have similar backgrounds. Their founding personnel
28 were previously with traditional makers in the auto sector. They were focused on

1 export sales right from the early years. They gradually expanded production
2 scale with increased global demand, constantly upgrading their production
3 techniques and finished-product quality, constantly accelerating and
4 strengthening their product-development capabilities, and have also become
5 engaged in OE parts supply to international automakers after gaining a solid
6 foothold in the AM market. After about 30 years of strenuous efforts, Wu says,
7 many small companies in and around the southern Taiwan city of Tainan have
8 grown to become major international OE/AM parts suppliers . . .

9
10 According to Wu, the Taiwan auto-parts industry's global competitiveness lies
11 mainly in makers' one-stop-shop service capability, which has been put in place
12 as a result of intensive investments in mold/die development and new-product
13 development, high-level management and quality control, and a deep cluster of
14 makers of items in wide variety.

15
16 Taiwan's AM-parts industry is also now implementing a more sophisticated
17 international marketing strategy, moving away from exclusive reliance on low
18 prices to attract customers. In the past, Wu explains, most local AM-parts makers
19 competed with one another by cutting prices no matter how strong the global
20 demand was, to "steal" market share from each other, but now the situation has
21 changed, makers have abandoned this approach, and the profit margins of major
22 local AM-parts makers parallel or even outstrip those of high-tech product
23 makers on the island.

24
25 One of the best examples is Taiwan Kai Yih Industrial Co., Ltd., an affiliate of
26 Tong Yang and one of the island's major AM sheet-metal body-parts makers.
27 Kai Yih is a relative newcomer among major counterparts in Taiwan but the
28 company skillfully utilizes Tong Yang Group's resources and advantages in

1 mold/die development and closely cooperates with local counterparts to escape
2 the blood-shedding price competition, thus achieving very high profitability, Wu
3 explains.

4 . . .

5 The Tong Yang Group is one of the best examples--and one of the creators--of
6 the Taiwan auto-parts industry cluster. Tong Yang started over 50 years ago by
7 concentrating on the plastic-injection parts-production business. After various
8 transformations undertaken in the early stages, the group decided to concentrate
9 on transportation vehicle-relevant parts production and constantly evolved from
10 a maker of plastic bicycle parts, motorcycle windshields to plastic auto “crash
11 parts”--replacement parts for use after car collisions as bumpers, grills, mirrors,
12 etc. Now, Tong Yang is one of the largest auto parts conglomerates in Taiwan
13 and also a leading supplier of both OE and AM auto parts in the international
14 market.

15 49. Another 2003 article in the *Taiwan Economic News* described an anticompetitive
16 market division arrangement between the Ta Yih Group (which includes TYC) and Tong Yang:

17 Wu Jun-ji, chairman of Ta Yih Group, was with Tong Yang earlier in his career
18 before he stepped out of the group to set up one of the island’s first motorcycle
19 and auto-lamp factories. *With close ties with Tong Yang, Wu Jun-ji insists that*
20 *all of the affiliates in the Ta Yih Group only produce items that Tong Yang does*
21 *not, to escape destructive in-group competition. With this tacit understanding*
22 *between Ta Yih and Tong Yang, Wu Jun-ji says, the two groups cooperate*
23 *closely in joint market development by sharing marketing expenses and together*
24 *offering a more comprehensive product line (emphasis added).*

25 50. The ties between Defendants, as well as Ta Yih Industrial Co., Ltd., the OEM
26 lighting manufacturer that is another member of the Ta Yih Group along with defendant TYC,
27 are strong. For example, the *Taiwan Economic News* reported that a “cooperative arrangement,
28 the Advanced Auto-lamp System R&D Alliance (ALS), was formed in 2004 to upgrade the

1 global competitiveness of the island's auto lamps by focusing on the original-equipment (OE)
2 business," and its 11 members were listed as including Ta Yih Industry, TYC, and Depo,
3 Taiwan's top-three auto-lamp makers.

4 **DEFENDANTS' ANTITRUST VIOLATIONS**

5 51. Defendants are horizontal competitors at the manufacturing and distributor levels,
6 respectively, and collectively conspired to fix the prices of and artificially manipulate the market
7 for the importation, sale and distribution throughout the United States of Aftermarket
8 Automotive Lighting Products. Each of the Distributor Defendants is the exclusive distributor of
9 Aftermarket Automotive Lighting Products made by a specific Manufacturer Defendant located
10 in Taiwan. Defendant Genera is wholly or partially owned by and is the exclusive importer and
11 seller of the lighting products made by defendant TYC; defendant Maxzone is wholly or
12 partially owned by and is the exclusive importer and seller of the lighting products of defendant
13 Depo; and defendant E-Lite is wholly or partially owned by and is the exclusive importer and
14 seller of the lighting products of defendant Eagle Eyes.

15 52. Beginning at least as early as January 1, 2004 and continuing up to the present,
16 Defendants and their co-conspirators combined and conspired to unreasonably restrain
17 competition in interstate commerce in the importation, sale and distribution of aftermarket
18 automotive lighting products in the United States, in violation of Section 1 of the Sherman Act
19 (15 U.S.C. § 1).

20 53. The purpose and effect of Defendants' price fixing conspiracy has been to
21 eliminate competition among and between themselves and to eliminate customer choice by
22 establishing artificially high and noncompetitive prices for Aftermarket Automotive Lighting in
23 the United States. This price fixing agreement constitutes a *per se* violation of Section 1 of the
24 Sherman Act (15 U.S.C. § 1) in that it eliminates competition and customer choice.

25 54. From at least January 1, 2004 through the present, Defendants engaged in
26 extensive price fixing of Aftermarket Automotive Lighting Products. Defendants' unlawful
27 conspiracy had the effect of, among other things, raising prices of those products and eliminating
28

1 competitors from the market, thereby further restraining trade in the importation, distribution and
2 sale of aftermarket automotive lights throughout the United States.

3 55. The Defendants also employed anticompetitive tactics to eliminate distributors
4 who refused to participate in Defendants' price fixing scheme and others who posed a
5 competitive threat. The effect of Defendants' anticompetitive conduct has been to reduce the
6 number of competitors selling the relevant products to Plaintiff and the Class.

7 56. On September 3, 2008, a former distributor for Eagle Eyes filed an individual
8 complaint alleging, based on first-hand knowledge, that Defendants met and conspired to fix
9 prices of aftermarket automotive lighting products. The same former distributor specifically
10 identified by name the executives and managers from Defendants who participated in meetings
11 with their horizontal competitors to fix prices, as well as the locations where price-fixing
12 meetings took place.

13 57. Starting at least as early as 2004, the representatives of the Manufacturer
14 Defendants met in Taiwan to fix the prices at which each manufacturer would sell to its
15 distributors in the United States and then the United States Distributor Defendants separately
16 met, including at the offices of defendant Genera in La Palma, California and at the Automotive
17 Aftermarket Products Expo ("AAPEX"), an industry trade show in Las Vegas, Nevada, to
18 conspire to fix prices of Aftermarket Automotive Lighting Products. Defendants met at the
19 AAPEX in November, 2004; November, 2005; October, 2006; and October 2007, in furtherance
20 of their anticompetitive conspiracy.

21 58. Defendants further facilitated their conspiracy by, *inter alia*, using international
22 trade shows as convenient forums to conspire. One such example is the International Auto Parts
23 & Accessories Show, the most recent of which was held in Taipei over four days in April of
24 2008.

25 59. Defendants agreed to fix the prices at which they would sell to their respective
26 customers. At the Distributor Defendants' meetings, there was open discussion of the
27 Manufacturer Defendants' meetings in Taiwan and the prices reached at those meetings. The
28

1 Manufacturer Defendants' meetings in Taiwan were attended by the following Manufacturer
2 Defendants through their representatives indicated below:

3		
4	TYC	Chun-Chi Wu (Chairman/General Manager)
5	Depo	Shiu-Min Hsu (Chairman) and Jui-Hua Lai (General Manager)
6	Eagle Eyes	Yu-Chu Lin (Chairman); Ching-Tsung Lai (General Manager); Homy Hsu (Vice 7 President)

8
9 60. Since 2007, the Distributor Defendants' meetings in California and Nevada were
10 attended by the following Distributor Defendants through the representatives indicated below:

11	E-Lite	George Lee (President) and Shih Chi (Gary) Lin (Eagle Eyes' owner's son)
12	Genera	Drue Hsia (President) and Jackson Kwok (Executive Vice President)
13	Maxzone	Polo Shu Sheng Hsu (President) and Galen Chen (Director of Sales and Marketing)

14
15 61. At meetings between employees of the Distributor Defendants, and possibly
16 others, said employees represented that their United States resale prices were fixed by their
17 respective Manufacturer Defendants and were graduated (not precisely equal) so as to reflect the
18 market share or consumer preferences for brand. Accordingly, the prices set for Genera,
19 perceived to be the premier aftermarket product, were 2-3% higher than for Depo and, in turn,
20 Depo's prices were 5-7% higher than Eagle Eyes.

21 62. In December of 2003, just before the onset of the conspiracy period alleged herein,
22 defendant TYC reported pretax earnings of US \$19.3 million for the first 11 months of 2003,
23 down 24% from the same period in the 2002. *Taiwan Economic News* reported that TYC
24 attributed its decreased 2003 profits to, among other things, the fact that "some local auto lamp
25 makers were engaged in fierce price-cutting competition with the firm in overseas markets,
26 which also undermined [the] company's profitability."
27
28

1 63. The price-cutting competition in “overseas markets,” and in particular, the U.S.
2 market, was remedied by Defendants’ adherence to the collusive price-fixing conspiracy alleged
3 herein. Its effects were immediate and substantial. On August 13, 2004, *Taiwan Economic*
4 *News* reported that defendant TYC had July 2004 revenue of US \$17.43 million, up 13.4% from
5 the same month in 2003, and its seven-month revenue reached US \$114.94 million, up 2.5%
6 from the same period of the prior year. Both figures were record highs. *Taiwan Economic News*
7 reported that “TYC attributed the brilliant operation results” to “price hikes for its products,”
8 among other things.

9 64. Depo too enjoyed the results of collusion. Baring Private Equity Partners Asia
10 (“Baring Asia”), owner of a stake in Depo, noted in 2004 that Depo was the most profitable auto
11 parts company in Taiwan, generating over US \$150 million in sales, with US \$29 million of net
12 profit. Baring Asia further noted that “Depo has a dominant market position in an industry
13 which is experiencing strong demand in the US and Europe.” Jean Eric Salata, Managing
14 Partner of Baring Asia, was quoted with respect to defendant Depo as stating that “[t]his is a
15 solid company with very high entry barriers.”

16 65. Defendant Eagle Eyes has also benefited from its role in the conspiracy. The
17 company is based in Tainan, as is TYC, and the collusive business environment pervading the
18 aftermarket auto parts manufacturers in that region is described earlier in this Complaint. The
19 *Taipei Times* reported in 2007 that Eagle Eye was selected by the China Credit Information
20 Service as a prime example of Taiwan’s booming businesses, and reported annual revenues of
21 more than US \$24.4 million.

22 66. The effects of Defendants’ collusive scheme continue to this day. In April of
23 2008, representatives of defendants TYC and Depo attended the four-day 2008 International
24 Auto Parts and Accessories Show in Taipei, and the *Taipei Times* reported that both companies
25 commented at the event on very substantial price increases as follows:

26 DEPO has gradually adjusted its prices by between 10 percent and 15 percent
27 since the first quarter of this year,” said Tony Wang, section chief of DEPO’s
28 Middle East Africa area, on the sidelines of the 2008 International Auto Parts

1 and Accessories Show (AMPA) in Taipei. Another major Taiwanese major
2 automotive lighting equipment manufacturer, TYC Brother Industrial Co,
3 agreed. Eldon Lin, assistant general manager of TYC's aftermarket sales
4 department, said the company would have to increase 10 percent of its sales to
5 cover the rising costs of raw materials, primarily cardboards and plastics.

6 67. Defendants' statements also are notable in that they sought to attribute on a
7 pretextual basis the entirety of their price increases solely to rising material costs, *i.e.*, cardboard
8 and plastic costs; transportation costs related to rises in crude oil prices; and currency
9 fluctuations, while failing to disclose the impact of the illegal conspiracy on prices.

10 68. At the request of the United States Department of Justice, a federal grand jury was
11 empanelled in the Northern District of California to investigate possible criminal antitrust
12 violations with respect to Aftermarket Automotive Lighting Products, and has intervened in this
13 civil antitrust case.

14 69. The present suit is not the first time that various Defendants and co-conspirators
15 have been alleged to have collectively violated United States trade laws. In 2006, in *In the*
16 *Matter of Certain Automotive Parts*, United States International Trade Commission ("U.S.
17 I.T.C.") Investigation No. 337-TA-557, the presiding Administrative Law Judge issued a
18 decision holding that various entities, including defendants TYC and Depo, and co-conspirators
19 Gordon and YCC, violated section 337 of the Tariff Act of 1930 (19 U.S.C. § 1337), by
20 importing into the United States and selling various automotive parts, including headlamps, that
21 infringed patents held by a subsidiary of Ford Motor Company ("Ford"). The U.S. I.T.C.
22 declined to review the decision. On May 2, 2008, in another U.S. I.T.C. proceeding, captioned
23 *In the Matter of Certain Automotive Parts*, Investigation No. 337-TA-651, a Ford subsidiary
24 filed a similar claim related to parts for the 2005 Ford Mustang, and the entities Ford named as
25 respondents included defendant TYC, co-conspirator YCC, and co-conspirator TYG Products,
26 L.P.

1 **ANTICOMPETITIVE EFFECTS OF VIOLATION ON PLAINTIFF**
2 **AND THE CLASS**

3 70. The conduct of Defendants described in this Complaint has produced antitrust
4 injury, and unless restrained, will continue to produce the following anticompetitive effects,
5 among others:

6 (a) competition in the importation, distribution and sale of
7 Aftermarket Automotive Lighting Products in the United States has been and
8 continues to be substantially and unreasonably restricted, lessened, foreclosed and
9 eliminated;

10 (b) barriers to entry into the production, distribution and sale of
11 Aftermarket Automotive Lighting Products in the United States have been raised;

12 (c) prices for customers seeking Aftermarket Automotive Lighting
13 Products in the United States have risen and will continue to do so;

14 (d) customers seeking Aftermarket Automotive Lighting Products in
15 the United States are, and will be, deprived of choice with respect to price and
16 vendor/manufacturer; and

17 (e) the importation, distribution and sale of Aftermarket Automotive
18 Lighting Products in the United States will continue to be artificially restrained.

19 **EQUITABLE TOLLING AND FRAUDULENT CONCEALMENT**

20 71. Throughout the Class Period, Defendants and their co-conspirators affirmatively
21 and fraudulently concealed their unlawful conduct.

22 72. Neither Defendants nor their co-conspirators told Plaintiffs or other Class
23 members that they were fixing prices or allocating markets. Accordingly, Plaintiffs and Class
24 members could not have discovered the violations alleged herein earlier until shortly before the
25 filing of the first Complaint in the actions comprising this litigation because Defendants and
26 their co-conspirators conducted their conspiracy secretly, concealed the nature of their unlawful
27 conduct and acts in furtherance thereof, and fraudulently concealed their activities through
28 various other means and methods designed to avoid detection.

1 73. Defendants and their co-conspirators engaged in a successful price-fixing
2 conspiracy, which they affirmatively concealed by, *inter alia*: (a) meeting secretly to discuss
3 prices, customers and markets of Aftermarket Automotive Lighting Products sold in the United
4 States and elsewhere; (b) using methods of communication in furtherance of the alleged
5 conspiracy that were designed to avoid detection; (c) giving pretextual reasons for price
6 increases on Aftermarket Automotive Lighting Products, as in the April 2008 example noted
7 above; and (d) agreeing among themselves at meetings and in communications not to discuss
8 publicly, or otherwise reveal, the nature and substance of the acts and communications in
9 furtherance of their illegal scheme.

10 74. As a result of Defendants and their co-conspirators' fraudulent concealment, all
11 applicable statutes of limitations affecting the Plaintiffs' and the Class's claims have been tolled.
12 Plaintiffs and the Class members did not discover, nor could have discovered through reasonable
13 diligence, that Defendants and their co-conspirators were violating the antitrust laws until
14 September 2008, when a lawsuit was filed by a distributor that revealed details of Defendants'
15 unlawful and collusive scheme. Plaintiffs could not have discovered the existence of the
16 combination and conspiracy alleged herein at an earlier date by the exercise of reasonable due
17 diligence because of the deceptive practices and techniques of secrecy employed by the
18 Defendants and their co-conspirators to avoid detection and affirmatively conceal such
19 violations.

20 75. Because the contract, combination, or conspiracy was kept secret by the
21 defendants, Plaintiffs were unaware of the fact that prices of Aftermarket Automotive Lighting
22 Products were secretly raised, fixed, maintained or stabilized as alleged herein.

23 76. As a result of the fraudulent concealment of the conspiracy, Plaintiffs assert the
24 tolling of the applicable statute of limitations affecting the causes of action by Plaintiffs and the
25 members of the Class.

1 CLASS ACTION ALLEGATIONS

2 77. Plaintiffs bring this action on behalf of themselves and as a class action under the
3 provisions of Rule 23(a) and (b)(2) and (b)(3) of the Federal Rules of Civil Procedure on behalf
4 of the following Class:

5 All persons and entities that purchased Aftermarket Automotive
6 Lighting Products in the United States, and its territories and possessions,
7 directly from a Defendant between at least as early as January 1, 2004 and
8 the present (the "Class Period"). This class excludes any judicial officer
9 who is assigned to hear any aspect of this action, governmental entities,
10 Defendants, co-conspirators, and the present and former parents,
11 predecessors, subsidiaries and affiliates of the foregoing.

12 78. Plaintiffs believe that there are at least hundreds of Class members as above
13 described, the exact number and their identities being known by Defendants, making the Class
14 so numerous and geographically dispersed that joinder of all members is impracticable.

15 79. There are questions of law and fact common to the Class, which questions relate to
16 the existence of the conspiracy alleged, and the type and common pattern of injury sustained as a
17 result thereof, including, but not limited to:

18 (a) Whether Defendants and their co-conspirators engaged in a combination
19 and conspiracy among themselves to fix, raise, maintain and/or stabilize prices of
20 Aftermarket Automotive Lighting Products and/or engaged in market allocation for those
21 products sold in the United States, and its territories and possessions.

22 (b) The identity of the participants in the conspiracy;

23 (c) The duration of the conspiracy alleged in this Complaint and the nature and
24 character of the acts performed by Defendants and their co-conspirators in furtherance of
25 the conspiracy;

26 (d) Whether the alleged conspiracy violated Section 1 of the Sherman Act;

27 (e) Whether the conduct of Defendants and their co-conspirators, as alleged in
28 this Complaint, caused injury to the business and property of Plaintiffs and other members

1 of the Class;

2 (f) The effect of Defendants' conspiracy on the prices of Aftermarket
3 Automotive Lighting Products sold in the United States and its territories and possessions
4 during the Class Period; and

5 (g) The appropriate measure of damages sustained by Plaintiffs and other
6 members of the Class.

7 80. Plaintiffs are direct purchasers of Aftermarket Automotive Lighting Products and
8 their interests are coincident with and not antagonistic to those of the other members of the
9 Class. Plaintiffs are members of the Class, have claims that are typical of the claims of the Class
10 members, and will fairly and adequately protect the interests of the members of the Class. In
11 addition, Plaintiffs are represented by counsel who are competent and experienced in the
12 prosecution of antitrust and class action litigation.

13 81. The prosecution of separate actions by individual members of the Class would
14 create a risk of inconsistent or varying adjudications.

15 82. Defendants have acted, and refused to act, on grounds generally applicable to the
16 Class, thereby making appropriate final injunctive relief with respect to the Class as a whole.

17 83. The questions of law and fact common to the members of the Class predominate
18 over any questions affecting only individual members, including legal and factual issues relating
19 to liability and damages.

20 84. A class action is superior to other available methods for the fair and efficient
21 adjudication of this controversy. Treatment as a class action will permit a large number of
22 similarly situated persons to adjudicate their common claims in a single forum simultaneously,
23 efficiently and without duplication of effort and expense that numerous individual actions would
24 engender. The Class is readily definable and is one for which records should exist in the files of
25 Defendants and their co-conspirators, and prosecution as a class action will eliminate the
26 possibility of repetitious litigation. Class treatment will also permit the adjudication of relatively
27 small claims by many Class members who otherwise could not afford to litigate an antitrust
28

1 claim such as is asserted in this Complaint. This class action presents no difficulties of
2 management that would preclude its maintenance as a class action.

3 **CAUSE OF ACTION**

4 **(Violation of Section 1 of the Sherman Act – 15 U.S.C. § 1)**

5 85. Plaintiffs incorporate and re-allege each allegation set forth in the preceding
6 paragraphs of this Complaint.

7 86. Beginning at least as early as January 1, 2004, and continuing thereafter,
8 Defendants and their co-conspirators, by and through their officers, directors, employees, agents,
9 or other representatives, entered into a continuing agreement, understanding, and conspiracy in
10 restraint of trade to artificially raise, fix, maintain, and/or stabilize prices for Aftermarket
11 Automotive Lighting Products in the United States, and its territories and possessions, in
12 violation of Section 1 of the Sherman Act (15 U.S.C. § 1).

13 87. The contract, combination and conspiracy consisted of a continuing agreement,
14 understanding and concert of action among the Defendants and their co-conspirators, the
15 substantial terms of which were to fix, raise and maintain, or stabilize prices for Aftermarket
16 Automotive Lighting Products and/or engage in market allocation for those services in the
17 United States, its territories and possessions.

18 88. In formulating and effectuating the contract, combination or conspiracy,
19 Defendants and their co-conspirators unlawfully combined and conspired to, among other acts:

20 (a) agree to charge prices at certain levels and otherwise to fix, increase,
21 maintain and/or stabilize prices of Aftermarket Automotive Lighting Products and/or
22 allocate the market;

23 (b) exchange information on prices and sales volumes;

24 (c) implement and monitor the conspiracy among cartel members;

25 (d) market Aftermarket Automotive Lighting Products as being available at the
26 agreed upon prices; and

27 (e) sell Aftermarket Automotive Lighting Products at the agreed-upon prices.
28

1 89. The activities described above have been engaged in by Defendants and their co-
2 conspirators for the purpose of effectuating the unlawful agreements to fix, maintain, raise
3 and/or stabilize prices of Aftermarket Automotive Lighting Products and/or allocate the market
4 for those products.

5 90. The conspiracy had its intended effect, as Defendants benefited from their
6 collusively-set price raises, including in 2008, as described herein.

7 91. Defendants' unlawful conduct resulted in artificially high prices charged by
8 Defendants and their co-conspirators to Plaintiffs and the members of the Class for Aftermarket
9 Automotive Lighting Products.

10 92. Plaintiffs and members of the Class had to pay more for Aftermarket Automotive
11 Lighting Products than they would have paid in a competitive marketplace.

12 93. Plaintiffs seek to recover for these overcharge damages.

13 94. As a direct and proximate result of Defendants' scheme, Plaintiffs and the
14 members of the Class have been injured and financially damaged in their respective businesses
15 and property, in amounts which are presently undetermined. Plaintiffs' injuries consist of paying
16 higher prices to purchase Aftermarket Automotive Lighting Products than they would have paid
17 absent Defendants' conduct. Plaintiffs' injuries are of the type the antitrust laws were designed
18 to prevent and flow from that which makes Defendants' conduct unlawful.

19 **PRAYER FOR RELIEF**

20 WHEREFORE, Plaintiffs pray as follows:

21 A. That the Court determines that this action may be maintained as a class action
22 under Rule 23 of the Federal Rules of Civil Procedure.

23 B. That the contract, combination or conspiracy, and the acts done in furtherance
24 thereof by Defendants and their co-conspirators, be adjudged to have been in violation of
25 Section 1 of the Sherman Act (15 U.S.C. § 1).

26 C. That judgment be entered for Plaintiffs and members of the Class against
27 Defendants for three times the amount of damages sustained by Plaintiffs and the Class as
28 allowed by law, together with the costs of this action, including reasonable attorneys' fees.

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