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14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA
16 SAN FRANCISCO DIVISION

17 IN RE TFT-LCD (FLAT PANEL)) No. 3:07-MD-1827 SI
18 ANTITRUST LITIGATION)
_____) MDL No. 1827
19 This Document Relates to:) CLASS ACTION
20 All Indirect-Purchaser Actions) **INDIRECT-PURCHASER PLAINTIFFS’**
21 **THIRD CONSOLIDATED AMENDED**
22 **COMPLAINT**
23 **DEMAND FOR JURY TRIAL**
24 _____)

25 Plaintiffs, indirect purchasers of thin film transistor liquid crystal display (“LCD”) panels
26 as defined below, on behalf of themselves and all other similarly-situated indirect-purchasers, for
27 their Third Consolidated Amended Complaint against all defendants named herein, demand trial
28 by jury of all claims properly triable thereby, and complain and allege as follows:

1 **I. INTRODUCTION**

2 1. This case arises out of a long-running conspiracy extending from at least January 1,
3 1999 through at least December 31, 2006, at a minimum, among defendants and their co-
4 conspirators, the purpose and effect of which was to fix, raise, stabilize, and maintain prices for
5 LCD panels sold indirectly to Plaintiffs and the members of the other indirect-purchaser classes
6 defined below.

7 2. Defendants and their co-conspirators formed an international cartel illegally to
8 restrict competition in the LCD panel market, specifically targeting and severely injuring indirect-
9 purchaser consumers and affecting billions of dollars of commerce throughout the United States.
10 The conspiracy included communications and meetings in which defendants agreed to eliminate
11 competition and fix the prices for LCD panels. As a result of defendants' price fixing conspiracy,
12 plaintiffs and the members of the indirect-purchaser classes have been injured in their business and
13 property by paying more for LCD panels than they otherwise would have paid in the absence of
14 defendants' conspiracy.

15 **II. JURISDICTION AND VENUE**

16 3. This action is brought under Section 16 of the Clayton Act (15 U.S.C. 26) to secure
17 equitable relief against the defendants due to their violations of Section 1 of the Sherman Act (15
18 U.S.C. 1), as well as under the antitrust and other laws of the State of California and of the other
19 States listed herein, to obtain restitution, recover damages, and to secure other relief against the
20 defendants for violations of those state laws.

21 4. This Court has subject matter jurisdiction of the federal antitrust claims asserted in
22 this action under Section 16 of the Clayton Antitrust Act (15 U.S.C. 26), Section 1 of the Sherman
23 Act (15 U.S.C.1) and Title 28, United States Code, Sections 1331 and 1337. This Court has
24 subject matter jurisdiction of the state-law claims asserted in this action under Title 28, United
25 States Code, Sections 1332(d) and 1367, in that the matter in controversy exceeds the sum of \$5
26 million exclusive of interest and costs, members of the indirect-purchaser plaintiff class are
27 citizens of states different from defendants, and certain defendants are citizens or subjects of
28 foreign states.

1 5. Venue is proper in this Judicial District pursuant to Section 12 of the Clayton Act
2 (15 U.S.C 22) and Title 28, United States Code, Section 1391(b), (c), and (d), because a
3 substantial part of the events giving rise to plaintiffs' claims occurred in this District, a substantial
4 portion of the affected interstate trade and commerce was carried out in this District, and one or
5 more of the defendants has an agent, maintains an office or does business in this District.

6 6. Defendants conduct business throughout the United States, including in this
7 jurisdiction, and they have purposefully availed themselves of the laws of the United States,
8 including specifically the laws of the state of California and the individual states listed herein.
9 Defendants' products are sold in the flow of interstate commerce, and defendants' activities had a
10 direct, substantial and reasonably foreseeable effect on such commerce.

11 7. Defendants' conspiracy to fix prices of LCD panels substantially affected
12 commerce throughout the United States and in each of the states identified herein because
13 defendants, directly and/or through their agents, engaged in activities affecting each such state.
14 Defendants have purposefully availed themselves of the laws of each of the states identified herein
15 in connection with their activities relating to the production, marketing, and sale of LCD panels.
16 Defendants produced, promoted, sold, marketed, and/or distributed LCD panels, thereby
17 purposefully profiting from access to indirect-purchaser consumers in each such state. As a result
18 of the activities described herein, defendants:

- 19 a. Caused damage to the residents of the states identified herein;
- 20 b. Caused damage in each of the states identified herein by acts or
21 omissions committed outside each such state and by regularly doing
22 or soliciting business in each such state;
- 23 c. Engaged in persistent courses of conduct within each such state
24 and/or derived substantial revenue from the marketing of LCD
25 panels or the products in which they are used in each such state (and
26 services relating to such marketing); and
- 27 d. Committed acts or omissions that they knew or should have known
28 would cause damage (and did, in fact, cause such damage) in each

1 such state while regularly doing or soliciting business in each such
2 state, engaging in other persistent courses of conduct in each such
3 state, and/or deriving substantial revenue from the marketing of
4 LCD panels or the products in which they are used in each such
5 state.

6 8. The conspiracy described herein affected adversely every person nationwide, and,
7 more particularly, consumers in each of the states identified in this Complaint who indirectly
8 purchased defendants' LCD panels. Defendants' conspiracy has resulted in an adverse monetary
9 effect on indirect-purchasers in each state identified herein.

10 9. Prices of LCD panels in each state identified in this Complaint were raised to supra-
11 competitive levels by the defendants and their co-conspirators. Defendants knew that commerce
12 in LCD panels and LCD-containing products in each of the states identified herein would be
13 adversely affected by implementing their conspiracy.

14 **III. DEFINITIONS**

15 10. As used herein, the phrase "LCD" means the LCD display technology that involves
16 sandwiching a liquid crystal compound between two glass plates called "substrates." The resulting
17 screen contains hundreds or thousands of eclectically charged dots, called pixels, that form an
18 image. This panel is then combined with a backlight unit, a driver, and other equipment to create a
19 "module" allowing the panel to operate and be integrated into a television, computer monitor or
20 other product.

21 11. As used herein, the term "LCD panel" refers to the particular kinds of LCD panels
22 that are used in LCD products.

23 12. As used herein, the phrase "LCD products" means the following products of which
24 LCD panels are a component: televisions, computer monitors, and laptop computers.

25 13. As used herein, the term "OEM" means any original equipment manufacturer of
26 LCD products.

27 14. As used herein, the term "ODM" means any original design manufacturer of LCD
28 products.

1 LCD panel when he purchased a Norcent 27” television, and was injured as a result of defendants’
2 illegal conduct.

3 25. Plaintiff Scott Eisler, a resident of Florida, indirectly purchased an LCD panel when
4 he purchased an Acer computer monitor, and was injured as a result of defendants’ illegal conduct.

5 26. Plaintiff Robin Feins, a resident of Florida, indirectly purchased LCD panels when
6 she purchased two Sharp Aquos televisions, and was injured as a result of defendants’ illegal
7 conduct.

8 27. Plaintiff John Okita, a resident of Hawaii, indirectly purchased LCD panels when
9 he purchased an HP laptop computer and a Cornea computer monitor, and was injured as a result
10 of defendants’ illegal conduct.

11 28. Plaintiff Ben Northway, a resident of Iowa, indirectly purchased an LCD panel
12 when he purchased a Dell 19” computer monitor, and was injured as a result of the defendants’
13 illegal conduct.

14 29. Plaintiff Rex Getz, a resident of Kansas, indirectly purchased an LCD panel when
15 he purchased a Vivitek 32” television, and was injured as a result of defendants’ illegal conduct.

16 30. Plaintiff Kou Srimoungchanh, a resident of Kansas, indirectly purchased LCD
17 panels when he purchased a Sony Vaio laptop, a Sony LCD TV, and a Toshiba 17” laptop, and
18 was injured as a result of defendants’ illegal conduct.

19 31. Plaintiff Christopher Murphy, a resident of Massachusetts, indirectly purchased
20 LCD panels when he purchased a Samsung 15” television and a Compaq EVO laptop computer,
21 and was injured as a result of defendants’ illegal conduct.

22 32. Plaintiff Patricia Giles, a resident of Maine, indirectly purchased LCD panels when
23 she purchased a Panasonic 17” television and a Sony 15” computer monitor, and was injured as a
24 result of defendants’ illegal conduct.

25 33. Plaintiff Gladys Baker, a resident of Michigan, indirectly purchased an LCD panel
26 when she purchased a Dell Inspiron 1100 laptop computer, and was injured as a result of
27 defendants’ illegal conduct.

28 34. Plaintiff Judy Griffith, a resident of Michigan, indirectly purchased LCD panels

1 when she purchased two HP Pavilion laptop computers, and was injured as a result of the
2 defendants' illegal conduct.

3 35. Plaintiff Ling-Hung Jou, a resident of Michigan, indirectly purchased an LCD panel
4 when he purchased a Maxent television, and was injured as a result of defendants' illegal conduct.

5 36. Plaintiff Martha Mulvey, a resident of Minnesota, indirectly purchased an LCD
6 panel when she purchased a Sony computer monitor, and was injured as a result of defendants'
7 illegal conduct.

8 37. Plaintiff Cynthia Saia, a resident of Mississippi, indirectly purchased an LCD panel
9 when she purchased a Dell computer monitor, and was injured as a result of defendants' illegal
10 conduct.

11 38. Plaintiff Benjamin Larry Luber, a resident of Missouri, indirectly purchased LCD
12 panels when he purchased two Sony Vaio laptops, and was injured as a result of defendants'
13 illegal conduct.

14 39. Plaintiff Donna Jeanne Flanagan, a resident of North Carolina, indirectly purchased
15 an LCD panel when she purchased an Apple computer monitor, and was injured as a result of
16 defendants' illegal conduct.

17 40. Plaintiff Bob George, a resident of North Dakota, indirectly purchased LCD panels
18 when he purchased a Sylvania 15" television and a Hitachi 50" television, and was injured as a
19 result of defendants' illegal conduct.

20 41. Plaintiff Thomas Clark, a resident of New Mexico, indirectly purchased an LCD
21 panel when he purchased a Dell Inspiron laptop computer, and was injured as a result of
22 defendants' illegal conduct.

23 42. Plaintiff Marcia Weingarten, a resident of New Mexico, indirectly purchased LCD
24 panels when she purchased a Gem Silver 17" computer monitor and a Neovo 17" computer
25 monitor, and was injured as a result of defendants' illegal conduct.

26 43. Plaintiff Allen Kelley, a resident of Nevada, indirectly purchased an LCD panel
27 when he purchased an HP 17" computer monitor, and was injured as a result of defendants' illegal
28 conduct.

1 44. Plaintiff Tom DiMatteo, a resident of New York, indirectly purchased an LCD
2 panel when he purchased an Apple 30” computer monitor, and was injured as a result of
3 defendants’ illegal conduct.

4 45. Plaintiff Chris Ferencsik, a resident of New York, indirectly purchased an LCD
5 panel when he purchased a Sharp 37” television, and was injured as a result of defendants’ illegal
6 conduct.

7 46. Plaintiff Dr. Robert Mastronardi, a resident of Rhode Island, indirectly purchased
8 LCD panels when he purchased two Dell laptop computers and a Sylvania computer monitor, and
9 was injured as a result of defendants’ illegal conduct.

10 47. Plaintiff Christopher Bessette, a resident of South Dakota, indirectly purchased an
11 LCD panel when he purchased a Dell computer monitor, and was injured as a result of defendants’
12 illegal conduct.

13 48. Plaintiff Chad Hansen, a resident of South Dakota, indirectly purchased LCD
14 panels when he purchased an LG 42” television, a Dell Inspiron laptop computer, and a Dell 20”
15 computer monitor, and was injured as a result of defendants’ illegal conduct.

16 49. Plaintiff Scott Beall, a resident of Tennessee, indirectly purchased LCD panels
17 when he purchased a Samsung 14” computer monitor and a Sony 60” television, and was injured as
18 a result of defendants’ illegal conduct.

19 50. Plaintiff Dena Williams, a resident of Tennessee, indirectly purchased an LCD
20 panel when she purchased a Dell 19” computer monitor, and was injured as a result of defendants’
21 illegal conduct.

22 51. Plaintiff Robert Watson, a resident of Vermont, indirectly purchased an LCD panel
23 when he purchased a Gateway 14” laptop computer, and was injured as a result of defendants’
24 illegal conduct.

25 52. Plaintiff Joe Kovacevich, a resident of Wisconsin, indirectly purchased an LCD
26 panel when he purchased a Dell 17” computer monitor, and was injured as a result of defendants’
27 illegal conduct.

28 53. Plaintiff Jai Paguirigan, a resident of Wisconsin, indirectly purchased an LCD panel

1 when he purchased a Planar 17” computer monitor, and was injured as a result of defendants’
2 illegal conduct.

3 54. Plaintiff John Matrich, a resident of West Virginia, indirectly purchased an LCD
4 panel when he purchased a Dell 19” computer monitor, and was injured as a result of defendants’
5 illegal conduct.

6 55. Plaintiffs and the members of the Indirect-Purchaser Class were injured in their
7 businesses or property as a result of defendants’ illegal price-fixing agreement because they paid
8 more for LCD products than they would have absent such illegal conduct.

9 **B. The Defendants**

10 56. AU Optronics Corporation, one of the largest manufacturers of LCD panels, with
11 its corporate headquarters at No. 1, Li-Hsin Rd. 2, Hsinchu Science Park, Hsinchu 30078, Taiwan,
12 is hereby named as a defendant. AU Optronics Corporation was formed by the 2001 merger of
13 Unipac Optoelectronics and Acer Display Technology Inc.. AU Optronics Corporation acquired
14 Quanta Display Inc. in 2006. During the Class Period, said defendant manufactured, marketed,
15 sold and/or distributed LCD panels to customers throughout the United States.

16 a. Unipac Optoelectronics (“Unipac”), a former Taiwanese LCD panel
17 manufacturer and an affiliate of United Microelectronics Corp.
18 (“UMC”), was founded in November 1990. Unipac later merged
19 with Acer Display Technology Inc. to form defendant AU Optronics
20 Corporation in September 2001;

21 b. Acer Display Technology Inc. (“ADT”), a former Taiwanese LCD
22 panel manufacturer and an affiliate of the Acer Group, was founded
23 in August 1996. Acer later merged with Unipac to form defendant
24 AU Optronics Corporation in September 2001. ADT and Unipac
25 shared equal partnership in AU Optronics Corporation. ADT
26 Chairman K.Y. (Kuen-Yao) Lee had continued in his role as
27 Chairman and CEO of AU Optronics Corporation during the Class
28 Period;

1 c. Quanta Display Inc. (“QDI”), a former Taiwanese LCD panel
2 manufacturer and a subsidiary of Quanta Computer Inc., was
3 founded in July 1999. QDI was absorbed into defendant AU
4 Optronics Corporation through merger in October 2006, with the
5 later assuming all rights and obligations of QDI.

6 57. AU Optronics Corporation America, Inc., a wholly owned and controlled subsidiary
7 of defendant AU Optronics Corporation, with its corporate headquarters at 9720 Cypresswood
8 Drive, Suite 241, Houston, Texas and facilities located in San Diego and Cupertino, California, is
9 hereby named as a defendant. During the Class Period, said defendant manufactured, marketed,
10 sold and/or distributed LCD panels to customers throughout the United States.

11 58. Defendants AU Optronics Corporation and AU Optronics Corporation America,
12 Inc. are referred to collectively herein as “AU Optronics.”

13 59. Chi Mei Corporation, another of the largest manufacturers of LCD panels, with its
14 corporate headquarters at No. 11-2, Jen Te 4th St., Jen Te Village, Jen Te, Tainan 717, Taiwan, is
15 hereby named as a defendant. During the Class Period, said defendant manufactured, marketed,
16 sold and/or distributed LCD panels to customers throughout the United States.

17 60. Chimei Innolux Corporation, another of the largest manufacturers of LCD panels,
18 with its principal place of business located at No. 160 Kesuyue Rd., Chu-Nan Site, Hsinchu Science
19 Park Chu-Nan, Miao-Li, Taiwan, is hereby named as a defendant. During the Class Period, said
20 defendant manufactured, marketed, sold and/or distributed LCD panels to customers throughout
21 the United States.

22 a. Chimei Innolux Corporation was formed on March 18, 2010 by a
23 three-way merger of Chi Mei Optoelectronics Corp., Innolux
24 Display Corp., and TPO Displays Corp., through exchanges of
25 shares. The surviving company of the merger renamed itself
26 “Chimei Innolux Corporation.” TPO Display Corp. and Chi Mei
27 Optoelectronics Corp. were dissolved after the merger.
28

- 1 b. Chi Mei Optoelectronics Corporation was a former LCD panel
2 manufacturer, with its global headquarters at No. 3, Sec. 1, Huanshi
3 Rd., Southern Taiwan Science Park, Sinshih Township, Tainan
4 County, 74147 Taiwan.
- 5 c. Innolux Display Corp. was a former LCD panel manufacturer, with
6 its principal place of business located at No. 160 Kesuyue Rd., Chu-
7 Nan Site, Hsinchu Science Park Chu-Nan, Miao-Li, Taiwan.
- 8 d. Prior to the merger, Chi Mei Optoelectronics Corp. Innolux Display
9 Corp., and TPO Displays Corp. manufactured, marketed, sold
10 and/or distributed LCD panels to customers throughout the United
11 States.

12 61. Chi Mei Optoelectronics USA, Inc., *f/k/a* International Display Technology USA,
13 Inc., a wholly owned and controlled subsidiary of Chi Mei Corporation, with its corporate
14 headquarters at 101 Metro Drive Suite 510, San Jose, California, is hereby named as a defendant.
15 During the Class Period, said defendant manufactured, marketed, sold and/or distributed LCD
16 panels to customers throughout the United States.

17 62. CMO Japan Co., Ltd., *f/k/a* International Display Technology, Ltd., a subsidiary of
18 Chi Mei Corporation, with its principal place of business located at Nansei Yaesu Bldg. 3F, 2-2-10
19 Yaesu, Chuo-Ku, Tokyo 104-0028, Japan, is hereby named as a defendant. During the Class
20 Period, said defendant manufactured, marketed, sold and/or distributed LCD panels to customers
21 throughout the United States.

22 63. Defendants Chi Mei Corporation, Chimei Innolux Corporation, Chi Mei
23 Optoelectronics USA, Inc., and CMO Japan Co., Ltd., are referred to collectively herein as “Chi
24 Mei.”

25 64. Chunghwa Picture Tubes Ltd. (“Chunghwa”), a leading manufacturer of LCD
26 products, with its global headquarters at 1127 Hopin Rd., Padeh City, Taoyuan, Taiwan, is hereby
27 named as a defendant. During the Class Period, said defendant manufactured, marketed, sold
28 and/or distributed LCD panels to customers throughout the United States.

1 65. HannStar Display Corporation (“HannStar”), with its headquarters at No. 480,
2 Rueiguang Road, 12th Floor, Neihu Chiu, Taipei 114, Taiwan, is hereby named as a defendant.
3 During the Class Period, said defendant manufactured, marketed, sold and/or distributed LCD
4 panels to customers throughout the United States.

5 66. Hitachi, Ltd., with its headquarters at 6-6 marunouchi 1-chome, Chiyoda-ku,
6 Tokyo, 100-8280, Japan, is hereby named as a defendant. During the Class Period, said defendant
7 manufactured, marketed, sold and/or distributed LCD panels to customers throughout the United
8 States.

9 67. Hitachi Displays, Ltd., with its principal place of business located at AKS Bldg. 5F,
10 6-2 Kanda Neribei-cho 3, Chiyoda-ku, Tokyo, 101-0022, Japan, is hereby named as a defendant.
11 During the Class Period, said defendant manufactured, marketed, sold and/or distributed LCD
12 panels to customers throughout the United States.

13 68. Hitachi Electronic Devices (USA), Inc., a wholly owned and controlled subsidiary
14 of defendant Hitachi Ltd., with its principal place of business located at 575 Mauldin Road,
15 Greenville, South Carolina 29607, is hereby named as a defendant. During the Class Period, said
16 defendant manufactured, marketed, sold and/or distributed LCD panels to customers throughout
17 the United States.

18 69. Defendants Hitachi, Ltd., Hitachi Displays Ltd., and Hitachi Electronic Devices
19 (USA), Inc. are referred to collectively herein as “Hitachi.”

20 70. LG Display Co., Ltd., f/k/a LG Phillips LCD Co., Ltd., a leading manufacturer of
21 LCD panels and a joint venture created in 1999 by Philips Electronics NV and LG LCD, which
22 maintains offices within this District in San Jose, California, and which has its principal place of
23 business located at 20 Yoido-dong, Youngdungpo-gu, Seoul, 150-721, Republic of Korea, is
24 hereby named as a defendant. During the Class Period, said defendant manufactured, marketed,
25 sold and/or distributed LCD panels to customers throughout the United States.

26 71. LG Display America, Inc. f/k/a LGD LCD America, Inc., with its principal place of
27 business located at 150 East Brokaw Rd., San Jose, CA 95112, is hereby named as a defendant.
28 During the Class Period, said defendant manufactured, marketed, sold and/or distributed LCD

1 panels to customers throughout the United States.

2 72. Defendants LG Display Co., Ltd. and LG Display America, Inc. are referred to
3 collectively herein as “LGD.”

4 73. Samsung Electronics Co., Ltd., with its principal place of business at Samsung
5 Main Building, 250-2 ga, Taepyung-ro Chung-gu, Seoul, Republic of Korea, is hereby named as a
6 defendant. During the Class Period, said defendant manufactured, marketed, sold and/or
7 distributed LCD panels to customers throughout the United States.

8 74. Samsung Semiconductor, Inc., a wholly-owned and controlled subsidiary of
9 Samsung Electronics Co., Ltd., with its principal place of business at 3655 North First Street, San
10 Jose, California 95134, is hereby named as a defendant. During the Class Period, said defendant
11 manufactured, marketed, sold and/or distributed LCD panels to customers throughout the United
12 States.

13 75. Samsung Electronics America, Inc., a wholly-owned and controlled subsidiary of
14 defendant Samsung Electronics Company, Ltd., with its principal place of business at 105
15 Challenger Road, Ridgefield Park, New Jersey, is hereby named as a defendant. During the Class
16 Period, Samsung Electronics America, Inc. sold and distributed LCD Products manufactured by
17 Samsung Electronics Co., Ltd. to consumers throughout the United States.

18 76. Defendants Samsung Electronics Co., Ltd., Samsung Semiconductor, Inc., and
19 Samsung Electronics America, Inc. are referred to collectively herein as “Samsung.”

20 77. Sharp Corporation, with its principal place of business at 22-22 Nagaike-cho,
21 Abeno-ku, Osaka 545-8522, Japan, is hereby named as a defendant. During the Class Period, said
22 defendant manufactured, marketed, sold and/or distributed LCD panels to customers throughout
23 the United States.

24 78. Sharp Electronics Corporation, a wholly owned and controlled subsidiary of Sharp
25 Corporation with its principal place of business at Sharp Plaza, Mahwah, New Jersey, 07430, is
26 hereby named as a defendant. During the Class Period, said defendant manufactured, marketed,
27 sold and/or distributed LCD panels to customers throughout the United States.

28 79. Defendants Sharp Corporation and Sharp Electronics Corporation are referred to

1 collectively herein as “Sharp.”

2 80. Toshiba Corporation, with its principal place of business at 1-1, Shibaura 1-chome,
3 Minato-ku, Tokyo, 105-8001, Japan, is hereby named as a defendant. During the Class Period,
4 said defendant manufactured, marketed, sold and/or distributed LCD panels to customers
5 throughout the United States.

6 81. Toshiba Matsushita Display Technology Co., Ltd., with its principal place of
7 business located at Rivage Shinagawa, 1-8, Konan 4-chome, Minato-ku, Tokyo, 108-0075, Japan,
8 is hereby named as a defendant. During the Class Period, said defendant manufactured, marketed,
9 sold and/or distributed LCD panels to customers throughout the United States.

10 82. Toshiba America Electronics Components, Inc., a wholly owned and controlled
11 subsidiary of defendant Toshiba Corporation with its corporate headquarters at 19900 MacArthur
12 Blvd., Ste. 400, Irvine, CA 92612, is hereby named as a defendant. During the Class Period, said
13 defendant manufactured, marketed, sold and/or distributed LCD panels to customers throughout
14 the United States.

15 83. Toshiba America Information Systems, Inc., a California corporation with its
16 principal place of business at 9470 Irvine Boulevard, Irvine, California, is hereby named as a
17 defendant. Toshiba America Information Systems, Inc. is a wholly-owned and controlled
18 subsidiary of Toshiba America, Inc. During the Class Period, Toshiba America Information
19 Systems, Inc. sold and distributed TFT-LCD Products manufactured by Toshiba Corporation to
20 customers throughout the United States.

21 84. Defendants Toshiba Corporation, Toshiba Matsushita Display Technology Co.,
22 Ltd., Toshiba America Electronic Components, Inc., and Toshiba America Information Systems,
23 Inc. are referred to collectively herein as “Toshiba.”

24 85. Epson Imaging Devices Corporation (“EIDC”), a Japanese Company with its
25 principal place of business in Tottori, Japan is hereby named as a defendant. EIDC was originally
26 formed as Sanyo Epson Imaging Devices Corporation on October 1, 2004 as a joint venture co-
27 owned by Seiko Epson Corporation and Sanyo Electric Co., Ltd. As of December 28, 2006, Sanyo
28 Epson Imaging Devices Corporation became a wholly-owned subsidiary of Seiko Epson

1 Corporation and changed its name to EIDC. During the Class Period EIDC manufactured, sold
2 and/or distributed LCD panels to customers throughout the United States.

3 86. Wherever in this complaint a family of defendant-corporate entities is referred to by
4 a common name, it shall be understood that plaintiffs are alleging that one or more officers or
5 employees of one or more of the named related defendant companies participated in the illegal acts
6 alleged herein on behalf of all of the related corporate family entities.

7 **C. Co-Conspirators**

8 87. Various persons and entities participated as co-conspirators in the violations
9 alleged herein and performed acts and made statements in furtherance thereof. These co-
10 conspirators include, but are no limited to, the companies listed in the following paragraphs.

11 88. Co-conspirator Fujitsu Display Technologies Corporation (“FDTC”) is a Japanese
12 entity with its principal place of business at 4-1-1, Kamikodanaka, Nakahara-Ku, Japan. FDTC
13 was established in June 2002 by a merger between Fujitsu Ltd.’s LCD business unit and Yonago
14 Fujitsu, a wholly-owned subsidiary of Fujitsu Ltd. During the Class Period, FDTC manufactured,
15 sold and distributed LCD panels to customers throughout the United States.

16 89. Co-conspirator Hydis Technologies Co., Ltd., f/k/a BOE Hydis Technology Co.,
17 Ltd., is a Korean entity with its principal place of business located at San 136-1, Ami-ri, Bubal-
18 eub, Icheon-si, Gyeonggi-do 467-866, South Korea. BOE-Hydis is a Chinese entity formed when
19 BOE Group, China, took over Korean chipmaker Hynix Semiconductor’s TFT-LCD business in
20 January 2003. BOE-Hydis then established BOE OT in June of 2003, a division that began mass
21 production of a 5G TFT-LCD fab in 2005. Both BOE Hydis and BOE OT are affiliates of the
22 BOE Group, which is also the main shareholder of TPV Technology, one of the world’s largest
23 monitor manufacturers. During the Class Period, Hydis Technologies Co., Ltd., f/k/a BOE Hydis
24 Technology Co., Ltd., BOE OT, and BOE Group manufactured, sold and distributed LCD panels
25 to customers throughout the United States.

26 90. Co-conspirator Mitsubishi Electric Corporation, is a Japanese entity with its
27 principal place of business located at Tokyo Building 2-7-3, Marunouchi, Chiyoda-ku, Tokyo 100-
28 8310, Japan. Mitsubishi Electric Corporation began mass production of TFT-LCD panels in

1 December of 1995. It also founded a partnership with Asahi Glass Company to form Advanced
2 Display Inc. (ADI), which developed and manufactured mainly large-area TFT-LCD panels at the
3 Shisui fab and began LCD production in spring of 1996. In September 1999, Mitsubishi Electric
4 Corporation purchased Asahi Glass Company's stake in ADI, making it a wholly-owned
5 subsidiary. During the Class Period, Mitsubishi Electric Corporation manufactured, sold and
6 distributed LCD panels to customers throughout the United States.

7 91. Co-conspirator Mitsubishi Electric & Electronics USA, Inc., is a wholly owned
8 subsidiary of Mitsubishi Electric Corporation, with its principal place of business located at 5665
9 Plaza Drive, Cypress, California 90630-0007. During the Class Period, Mitsubishi Electric &
10 Electronics USA, Inc. manufactured, sold and distributed LCD panels to customers throughout the
11 United States.

12 92. Co-conspirators Mitsubishi Electric Corporation and Mitsubishi Electric &
13 Electronics USA, Inc. are referred to collectively herein as "Mitsubishi."

14 93. Co-conspirator NEC Corporation, is a Japanese entity with its principal place of
15 business located at 7-1, Shiba 5-chome, Minato-ku, Tokyo 108-8001, Japan. During the Class
16 Period, either directly or indirectly through wholly-owned and controlled subsidiaries or through
17 combinations with other defendants, NEC Corporation manufactured, sold and distributed LCD
18 panels to customers throughout the United States.

19 94. Co-conspirator NEC LCD Technologies, Ltd. is a Japanese entity with its principal
20 place of business located at 1753 Shimonumabe, Nakahara-Ku, Kawasaki, Kanagawa 211-8666,
21 Japan. During the Class Period, either directly or indirectly through other NEC entities, NEC LCD
22 Technologies manufactured, sold and distributed LCD panels to customers throughout the United
23 States.

24 95. Co-conspirator NEC Electronics America, Inc. is a wholly-owned and controlled
25 subsidiary of NEC Corporation, with its principal place of business located at 2880 Scott
26 Boulevard, Santa Clara, CA 95050-2554 and its manufacturing plant in Roseville, California.
27 During the Class Period, NEC Electronics America manufactured, sold and distributed LCD
28 panels to customers throughout the United States.

1 96. Co-conspirators NEC Corporation, NEC LCD Technologies, Ltd., and NEC
2 Electronics America, Inc. are referred to collectively herein as “NEC.”

3 97. Co-conspirator Panasonic Corporation, is a Japanese entity with its principal place
4 of business at 1006 Oaza Kadoma, Kadoma, Osaka 571-8501, Japan. Up until October 1, 2008,
5 Panasonic Corporation was known as Matsushita Electric Industrial Co., Ltd. In April 2002,
6 Panasonic Corporation (f/k/a Matsushita Electric Industrial Co., Ltd.) and Toshiba Corporation
7 combined their respective LCD panel operations and established the joint venture company
8 Toshiba Matsushita Display Technology Co., Ltd. During the Class Period, either directly or
9 indirectly through wholly-owned and controlled subsidiaries or through combination with other
10 defendants, Panasonic Corporation manufactured, sold and distributed LCD panels to customers
11 throughout the United States.

12 98. Co-conspirator Panasonic Corporation of North America, formerly known as
13 Matsushita Electric Corporation of America, is a Delaware corporation with its principal place of
14 business located at 1 Panasonic Way, Secaucus, New Jersey. Panasonic Corporation of North
15 America is a wholly-owned and controlled subsidiary of co-conspirator Panasonic Corporation.
16 During the Class Period, Panasonic Corporation of North America sold and distributed LCD
17 products manufactured by Panasonic Corporation to customers throughout the United States.

18 99. Co-conspirators Panasonic Corporation and Panasonic Corporation of North
19 America are referred to collectively herein as “Panasonic.”

20 100. Co-conspirator Sony Corporation (“Sony”) is a Japanese entity with its principal
21 place of business at 1-7-1 Konan, Minato-ku, Tokyo 108-0075, Japan. During the Class Period,
22 either directly or indirectly through wholly-owned and controlled subsidiaries or through
23 combinations with other defendants, Sony manufactured, sold and distributed LCD panels to
24 customers throughout the United States.

25 101. Co-conspirator S-LCD Corporation (“S-LCD”) is a Korean entity with its principal
26 place of business at Tangjung, Asan-City, ChungCheongMan-Do, Korea. S-LCD is a joint venture
27 owned 50 percent plus one share by Samsung and 50 percent minus one share by Sony. During
28

1 the Class Period, S-LCD directly or indirectly manufactured, sold and distributed LCD panels to
2 customers throughout the United States.

3 102. Other co-conspirators whose identities are known to plaintiffs include the following
4 companies with whom Plaintiffs have entered into tolling agreements: LG Electronics, Inc. and
5 LG Electronics USA, Inc. (“LG Electronics”); and Royal Philips Electronics N.V. and Philips
6 Electronics North America Corp. (“Philips Electronics”).

7 103. Various other persons, firms and corporations, not named as defendants herein, and
8 presently unknown to plaintiffs, have participated as co-conspirators with defendants and have
9 performed acts and made statements in furtherance of the conspiracy and/or in furtherance of the
10 anticompetitive, unfair or deceptive conduct. Plaintiffs reserve the right to add some or all of them
11 as named defendants at a later date.

12 104. The acts charged in this Complaint have been done by defendants and their co-
13 conspirators, or were authorized, ordered, or done by their respective officers, agents, employees,
14 or representatives while actively engaged in the management of each defendant’s business or
15 affairs.

16 105. Each of the defendants named herein acted as the agent or joint venturer of or for
17 the other defendants with respect to the acts, violations and common course of conduct alleged
18 herein. Each defendant that is a wholly-owned subsidiary of a foreign parent is the United States
19 agent for its parent company.

20 **V. NATURE OF TRADE AND COMMERCE**

21 **A. LCD Panels.**

22 106. LCD is a type of display technology utilized in products including TVs, computer
23 monitors, laptops, mobile phones, digital cameras, and numerous other electronic products. LCD
24 panels are the dominant form of display screen in the TV, computer monitor, and laptop industries.
25 Computer monitors now comprise approximately 50% of revenues for the large LCD products
26 market, with TVs and laptop computers accounting for approximately 27% and 21% of revenues,
27 respectively. All other LCD products combined accounted for between 2-5% of LCD panel
28 revenues during the Class Period.

1 107. LCD technology offers benefits over both traditional cathode-ray tube (CRT)
2 technology and the other flat screen technology, commonly called “plasma.” LCD is thin and light
3 and uses low power. Thus, unlike CRTs, which are heavy and bulky, LCD panels can fit into a
4 laptop and permit mobility. Because a CRT is so bulky, CRTs have never been used in laptop
5 computers. For TVs and monitors, LCD panels use less space than traditional CRT technology,
6 can be mounted on a wall because of their light weight, and offer superior viewing angles.

7 108. The other flat panel technology, plasma, is not practical for use in laptops.
8 Because plasma has a high power requirement, it “runs hot” and cannot be operated by battery
9 power. In addition, because of problems called “burn-in” and the fragility of the plasma panel
10 itself, plasma has not been used in the laptop market. Thus, normally only LCD panels are used to
11 make laptops.

12 109. LCD technology dominates the flat panel market. It has virtually 100% market
13 share for laptops and flat panel computer monitors, and at least 80% market share for flat panel
14 TVs.

15 **B. Manufacturing An LCD Panel.**

16 110. The technology behind LCDs is not new. In the 1950s and 1960s, RCA Corp.
17 researched whether liquid crystals could be the basis for lightweight, low-power display
18 technology. In the 1970s, after RCA Corp. discontinued its efforts, Japanese companies took the
19 lead in commercializing liquid crystal technology. These efforts resulted in monochrome
20 calculators and watches. By the early 1990s, liquid crystal technology was introduced in notebook
21 computers and small, low-resolution televisions. In the mid-1990s, the technology advanced
22 further with the development of LCDs.

23 111. LCD uses liquid crystal to control the passage of light. More specifically, an LCD
24 panel is made of two glass sheets sandwiching a layer of liquid crystal. The front glass sheet is
25 fitted with a color filter, while the back glass substrate has transistors fabricated on it. When
26 voltage is applied to a transistor, the liquid crystal is bent, allowing light to pass through to form a
27 pixel. The front glass sheet contains a color filter, which gives each pixel its own color. The
28 combination of these pixels in different colors forms the image on the panel.

1 112. There are significant manufacturing and technological barriers to entry in the LCD
2 products market. A state-of-the-art fabrication plant (called “fabs” in the industry) can cost
3 upwards of \$2 billion, and changing technology requires constant investments in research and
4 development. The most expensive material used to make an LCD panel is the glass. In industry
5 language, glass sizes advance in what are called “generations.” These generation sizes have
6 developed at a rapid pace, continuing to expand in size.

7 113. Since 2000, glass substrate size for LCD panels has approximately doubled every
8 1.5 years. Large-generation glass offers great economies of scale: larger sheets allow display
9 manufacturers to produce more, and larger, panels from a single substrate more efficiently.

10 114. Today’s eighth generation glass substrates have about four times the surface area of
11 fourth generation substrates, which means they yield more (and larger) LCD panels. For instance,
12 one eighth generation substrate can produce the panels needed for fifteen 32” LCD televisions.
13 Larger sheets of glass reduce manufacturing costs. For example, panel costs were approximately
14 \$20/inch for fourth generation fabs, falling to \$10/inch for fifth generation fabs, and then falling
15 another 80% to the eighth generation.

16 115. There have been at least eight generations of LCD fabs, each requiring significant
17 new investment. Because building a new fabrication line or retrofitting the old line, is very
18 expensive, and because the glass is nearly all sourced from the same supplier, Corning
19 Incorporated, LCD panel manufacturers use standard sizes for their products. Thus, for the major
20 input cost, each has the same supplier. A fab line that works with one size glass cannot switch
21 over to another size without substantial retrofitting.

22 116. Additionally, because the fabrication plants are most efficient when they cut
23 standard sizes for panels, different manufacturers with different generation fabs seek to make only
24 the most efficient size panels for that fab. For example, a fab that makes 730 mm x 920mm glass
25 sheets can cut that sheet to make exactly six 17” LCD panels. A fab that uses 680mm x 880mm
26 glass can cut exactly six 15” panels from that glass. But a 730 mm x 920mm glass sheet can only
27 yield two 17” panels, with the rest of the glass as waste. Thus, when defendants need other panel
28 sizes not efficiently made by their fabs, they cross-purchase from each other. For example,

1 defendant LGD supplies certain size panels to other defendants, and, in turn, buys other size panels
2 from Chunghwa, Chi Mei, and AU Optronics. HannStar and Chunghwa have an agreement
3 whereby Chunghwa supplies 17” panels to HannStar and HannStar supplies 19” panels to
4 Chunghwa. Samsung has a joint venture with Sony to supply each other with LCD panels, but
5 Samsung also purchases panels from AU Optronics and HannStar. HannStar makes panels for
6 Hitachi. Chunghwa makes panels for AU Optronics, and Chi Mei makes panels for Sharp and
7 Toshiba, as well as EIDC.

8 117. These cross-licensing and cross-purchasing agreements provide opportunities for
9 collusion and coordination among members, as well as a means of checking, agreeing on, and
10 controlling prices and output, not only *a priori*, but *a posteriori* in order to detect cheating on
11 agreements to limit output and fix prices. Antitrust risk is also particularly acute when there are
12 cooperative efforts to develop, design, implement, and license certain technologies, as exist in the
13 LCD products market.

14 118. There is a great deal of cross-licensing and there are many cooperative
15 arrangements in the LCD products market, all of which create additional opportunities for
16 collusive activity. The various joint ventures, cross licenses, and other cooperative arrangements
17 among the defendants have provided a means of implementing and policing the agreements to fix
18 prices and limit output for LCD panels that defendants have entered into at numerous meetings
19 described hereafter. For example, defendants Samsung, and LGD recently agreed to an
20 unprecedented level of cooperation in conducting their flat-panel display businesses. In addition,
21 with respect to LCD products:

- 22 • Defendant Chi Mei has licensing arrangements with defendants Sharp, AU Optronics,
23 Chunghwa, HannStar, and Hitachi.
- 24 • Defendant AU Optronics has licensing agreements with defendants Sharp and
25 Samsung.
- 26 • Defendant Hitachi has a joint venture with, *inter alia*, Toshiba called IPS Alpha.
- 27 • Defendant Sharp makes LCD panels for defendant Toshiba.
- 28 • Defendants Samsung and Sharp have cross licenses for the sharing of LCD panel

1 technology and intellectual property.

2 119. These combinations are between significantly large rivals and not trivial. The
3 effects of these combinations substantially lessen competition and/or tend to create a monopoly,
4 and were used as part and parcel of the conspiracy alleged herein and in furtherance of it.

5 **C. The Size And Structure Of The Markets For LCD Panels And LCD**
6 **Products.**

7 120. The market for LCD panels is huge. Manufacturers produced approximately 48.4
8 million LCDs for televisions in 2006, and flat-panel sales – most of those using LCD technology –
9 reached approximately \$US 88 billion in 2006 and \$US 100 billion in 2007.

10 121. The market for the manufacture and sale of LCD panels is conducive to the type of
11 collusive activity alleged herein. Throughout the Class Period, defendants collectively controlled
12 a significant share of the market for LCD panels, both globally and in the United States.
13 Specifically, the top six companies (Samsung, LGD, Chi Mei, AU Optronics, Sharp and
14 Chunghwa) currently control in excess of 80% of the LCD panels market. As such, the
15 defendants' conspiracy to fix the price of LCD panels substantially affected interstate trade and
16 commerce in the LCD products market.

17 122. The LCD panels industry has experienced significant consolidation during the Class
18 Period, as reflected by AU Optronics' acquisition of QDI, the creation in 2001 of AU Optronics
19 itself through the merger of ADT and Unipac, FDTC's transfer of its LCD business to Sharp in
20 2005, the merger of the LCD operations of Toshiba and Matsushita into one entity, defendant
21 Toshiba Matsushita Display Co., Ltd., in 2002, and the joint venture for the production of LCD
22 panels for televisions by Hitachi, Toshiba, and Matsushita in 2004.

23 123. A number of the defendants and/or their corporate parents or subsidiaries, including
24 Samsung, Hitachi, EIDC, Sharp, and Toshiba, have either pled guilty to, or are currently being
25 investigated by the U.S. Department of Justice for entering into one or more price-fixing
26 agreements in other closely-related industries similar to that alleged herein. Such industries
27 include dynamic random access memory ("DRAM") computer chips, static random access
28 memory ("SRAM") computer chips, and NAND chips or flash memory ("Flash"). The DRAM,

1 SRAM, and Flash industries are oligopoly industries dominated by many of the same defendants
2 as in the LCD panel industry, which has a similar oligopoly structure. The defendants' entry into
3 express price-fixing agreements in other computer electronics markets demonstrates that the
4 oligopoly structure of those industries has not in itself been sufficient to achieve price uniformity
5 and output controls, but that agreement among the market participants has been required to
6 achieve price uniformity and output controls. Such evidence tends to exclude the possibility that
7 price uniformity in the LCD panel industry, which is similar to the DRAM, SRAM, and Flash
8 industries and includes some of the same defendants is merely a result of normal market forces,
9 rather than express agreement.

10 124. Notably, LCD panels are the largest product by revenue for many of these
11 defendants. For example, in 2005, the LCD panel industry was nearly double the size of the
12 DRAM market.

13 125. Products using medium-size and large LCD panels, such as televisions, desktop
14 monitors, and computers, in 2004, made up 90% of the revenues for LCD panel makers.

15 126. Direct purchasers buy LCD panels in order to include them as components in TVs,
16 computer monitors, laptops, and other electronic products.

17 127. The largest direct purchasers of LCD panels are computer OEMs such as Dell, HP,
18 Apple, and Gateway. Significantly, a number of the defendants are also computer and/or
19 television OEMs, such as Toshiba and Samsung (computers) and Samsung, Hitachi, and Toshiba
20 (televisions).

21 128. LCD panels have no independent utility, and have value only as components of
22 other products, such as TVs, computer monitors, and laptops. The demand for LCD panels thus
23 directly derives from the demand for such products.

24 129. The market for LCD panels and the market for the products into which they are
25 placed are inextricably linked and intertwined because the LCD panel market exists to serve the
26 LCD products markets. The market for LCD panels and the markets for the products in which
27 LCD panels are placed are, for all intents and purposes, inseparable in that one would not exist
28 without the other.

- 1 d. Selling LCD panels to various customers in the United States at
2 fixed, non-competitive prices; and
3 e. Invoicing customers in the United States at the agreed-upon fixed
4 prices for LCD panels and transmitting such invoices via U.S. mail
5 and other interstate means of delivery.

6 **A. Defendants' Agreements To Set Prices And Limit Production**

7 135. The LCD panel conspiracy alleged herein was effectuated through a combination of
8 group and bilateral discussions that took place in Japan, Korea, Taiwan, and the United States. In
9 the early years, beginning in at least 1999, representatives of the Japanese defendants Hitachi,
10 Sharp and Toshiba met and agreed to fix prices for LCD panels generally, as well as to specific
11 OEMs; they also agreed to limit the amount of LCD panels each would produce.

12 136. In the early years, when the conspiracy was principally limited to the Japanese
13 defendants, bilateral discussions were the preferred method of communication. As more
14 manufacturers entered the conspiracy, however, group meetings became more prevalent.

15 137. As LCD production in Korea began to increase and become more sophisticated, the
16 Japanese defendants expanded their meetings to include their Korean competitors, including
17 defendants LGD and Samsung, both of which also agreed to fix prices and control supply. At or
18 about this same time, the Japanese defendants began to partner with those defendants located in
19 Taiwan to trade technology and collaborate on supply. Japanese engineers were lent to Taiwanese
20 firms, and Taiwanese output was shipped to Japan. In 2001, the Korean defendants convinced
21 Taiwanese LCD panel manufacturers, including defendants AU Optronics, Chi Mei, Chunghwa,
22 and HannStar, to join the conspiracy to fix prices and control supply. Defendants' conspiracy
23 included agreements on the prices at which certain defendants would sell LCD panels and products
24 to their own corporate subsidiaries and affiliates that manufactured LCD-panel containing
25 products, thereby ensuring that LCD panel prices remained the same as between defendants and
26 their OEM customers, preventing any price competition on LCD products to consumers.

27
28 **1. "Crystal Meetings"**

1 138. In early 2001, high-level employees of at least two large manufacturers of LCD
2 panels met in person and agreed to engage in periodic meetings to exchange sensitive competitive
3 information and to fix the price of LCD panels and limit their production. From early 2001
4 through at least 2006, officials from defendants Samsung, AU Optronics, Chunghwa, Chi Mei,
5 HannStar, LGD, and Sharp, met periodically in Taiwan to discuss and reach agreements on LCD
6 panel prices, price increases, production, and production capacity, and did in fact reach agreements
7 increasing, maintaining, and/or fixing LCD panel prices and limiting their production. The group
8 meetings these defendants participated in were called “Crystal Meetings.” Each defendant
9 attended multiple meetings with one or more of the other defendants during this period. The
10 Crystal price-fixing and output-limitation meetings occurred in Taiwan; other similar meetings
11 took place in South Korea, Japan, and the United States on a regular basis throughout this period.

12 139. The Crystal Meetings were highly organized and followed a set pattern. Meetings
13 among defendants’ high-level executives were called “CEO” or “Top” meetings; those among
14 defendants’ vice presidents and senior sales executives were called “Commercial” or
15 “Operational” meetings.

16 140. “CEO” meetings occurred quarterly from approximately 2001 to 2006. The
17 purpose and effect of these meetings was to stabilize or raise prices. Each meeting followed the
18 same general pattern, with a rotating designated “chairman” who would use a projector or
19 whiteboard to put up figures relating to the supply, demand, production, and prices of LCD panels
20 for the group to review. Those attending the meetings would take turns sharing information
21 concerning prices, monthly and quarterly LCD fab output, production, and supply, until a
22 consensus was reached concerning the participants’ prices and production levels of LCD panels in
23 the coming months or quarter.

24 141. The structure of “Commercial” meetings was largely the same as “CEO” meetings.
25 These meetings took place more frequently than “CEO” meetings and occurred approximately
26 monthly.

27 142. During all of these meetings, defendants exchanged information about current and
28 anticipated prices for their LCD panels, and, thereafter, reached agreement concerning the specific

1 prices to be charged in the coming weeks and months for LCD panels. Defendants set these prices
2 in various ways, including, but not limited to, setting “target” prices, “floor” prices, and the price
3 range or differential between different sizes and types of LCD panels.

4 143. During these CEO/Commercial meetings, defendants also exchanged information
5 about supply, demand, and their production of LCD panels, and, thereafter, often reached
6 agreement concerning the amounts each would produce. Defendants limited the production of
7 LCD panels in various ways, including, but not limited to, line slowdowns, delaying capacity
8 expansion, shifting their production to different-sized panels, and setting target production levels.

9 144. During these CEO/Commercial meetings, defendants also agreed to conceal the fact
10 and substance of the meetings, and, in fact, took various steps to do so. Top executives and other
11 officials attending these meetings were instructed on more than one occasion to not disclose the
12 fact of these meetings to outsiders, or even to other employees of the defendants not involved in
13 LCD panel pricing or production. On at least one occasion of which plaintiffs are aware, top
14 executives at a CEO meeting staggered their arrivals and departures at the meeting site so that they
15 would not be seen in the company of each other coming or going to such meeting.

16 145. The structure of the so-called “working level” meetings was less formal than the
17 CEO or Commercial meetings, and often occurred at restaurants over a meal. The purpose of the
18 “working level” meetings was to exchange information on price, supply and demand, and
19 production information which then would be transmitted up the corporate reporting chain to those
20 individuals with pricing authority which facilitated implantation of the conspiracy and effectuated
21 the agreements made at the CEO and at the Commercial meetings.

22 146. In approximately the summer of 2006, when they began to have concerns about
23 antitrust issues, defendants discontinued the working-level meetings in favor of one-on-one
24 meetings to exchange pricing and supply information. The meetings were coordinated so that on
25 the same date, each competitor met one-on-one with the other in a “round robin” set of meetings
26 until all competitors had met with each other. These “round robin” meetings took place until at
27 least November or December of 2006. The information obtained at these meetings was
28 transmitted up the corporate reporting chain to permit the defendants to maintain their price-fixing

1 and production-limitation agreement.

2 **2. Bilateral Discussions**

3 147. During the Crystal Meetings, defendants also agreed to engage in bilateral
4 communications with those defendants not attending these meetings. Certain defendants were
5 “assigned” other defendants not in attendance and agreed to and did in fact communicate with
6 non-attending defendants to synchronize the price and production limitations agreed to at the
7 Crystal Meetings. For example, HannStar contacted Hitachi, to relay the agreed-upon prices and
8 production limitations. Subsequently, the Japanese defendants implemented the agreed-upon
9 pricing and production limitations that had been conveyed to Hitachi by Hannstar. This is one of
10 the ways in which the Japanese defendants participated in the conspiracy to fix the prices and limit
11 the production of LCD panels.

12 148. Crystal Meetings were also supplemented by additional bilateral discussions
13 between various defendants in which they exchanged information about pricing, shipments, and
14 production. As is more fully alleged below, defendants had bilateral discussions with one another
15 during price negotiations with customers in order to avoid cutting prices and to implement the
16 fixed prices set by defendants during the Crystal Meetings. These discussions usually took place
17 between sales and marketing employees in the form of telephone calls, emails, and instant
18 messages. The information gained in these communications was then shared with supervisors and
19 taken into account in determining the price to be offered the defendants’ OEM customers.

20 **3. Defendants’ Participation In Group And Bilateral Discussions**

21 149. Defendants AU Optronics, Chi Mei, Chunghwa, HannStar, LGD, and Samsung
22 attended multiple CEO, Commercial, and working-level meetings, as well as bilateral discussions
23 during the Class Period. Additionally, QDI and Unipac, which merged with AU Optronics,
24 participated in working-level meetings. At the CEO and Commercial meetings, these defendants
25 agreed on prices, price increases, and production limits and quotas for LCD panels.

26 150. Defendant Sharp participated in multiple working-level meetings, as well as
27 bilateral discussions with other defendants, during the Class Period. Through these discussions,
28 Sharp agreed with the other defendants and co-conspirators named in this complaint on prices,

1 price increases, and production limits and quotas for LCD panels.

2 151. Defendant Hitachi participated in multiple bilateral discussions with defendants,
3 including HannStar, during the Class Period. Through these discussions, Hitachi agreed on prices,
4 price increases, and production limits and quotas for LCD panels.

5 152. Defendant Toshiba participated in multiple bilateral discussions with other
6 defendants, including Sharp, during the Class Period. Through these discussions, Toshiba agreed
7 on prices, price increases, and production limits and quotas for LCD panels. As pleaded below,
8 defendant Sharp admitted to participating in bilateral meetings, conversations, and
9 communications in Japan and the United States with unnamed co-conspirators during which they
10 fixed the prices of LCD panels sold to Dell for use in computers; panels sold to Apple for use in
11 iPods; and panels sold to Motorola for use in Razr phones during the Class Period. During this
12 time, Toshiba was one of Sharp's principal competitors in the sale of LCD panels to Dell for use in
13 computers, as well as for panels sold to Apple for use in the iPod. In fact, in the small-to-medium
14 size LCD display market, Toshiba Matsushita was ranked second (behind Sharp) in worldwide
15 market share in the first half of 2005, with a 14.5 percent market share during the first quarter and
16 a 14.1 percent market share during the second quarter. Sharp could not have successfully fixed the
17 prices of LCD panels sold to Dell or Apple unless Toshiba agreed to fix prices of similar LCD
18 panels at supra-competitive levels to those two OEMs.

19 153. Toshiba also participated in the conspiracy by entering into joint ventures and other
20 arrangements to manufacture or source flat panels with one or more of the defendants that attended
21 the Crystal Meetings. The purpose and effect of these joint ventures by Toshiba and others was to
22 limit the supply of LCD panels and fix prices of such panels at unreasonably high levels and to
23 aid, abet, notify and facilitate the effectuation of the price-fixing and production-limitation
24 agreements reached at the meetings. During the Class Period, Toshiba sought and formed strategic
25 partnerships with other LCD manufacturers which allowed it to easily communicate and
26 coordinate prices and production levels with other manufacturers as part of the overall conspiracy
27 alleged herein. For instance, Toshiba formed HannStar in January 1998 as a manufacturing joint
28 venture. In 2001, Toshiba, Sharp, Matsushita, and Hitachi formed a joint venture to share basic

1 LCD research costs. In 2001, Toshiba and Matsushita formed a joint venture, Advanced Flat
2 Panel Displays, which merged their LCD operations. In April of 2002, Toshiba and Matsushita
3 formed a joint venture, Toshiba Matsushita Display Technology Co., Ltd., which combined the
4 two companies' LCD development, manufacturing, and sales operations. In 2004, Toshiba,
5 Matsushita, and Hitachi formed a joint venture, IPS Alpha Technology, Ltd., which manufactures
6 and sells LCD panels for televisions. In 2006, Toshiba purchased a 20% stake in LGD' LCD
7 panel manufacturing facility in Poland. And in 2007, Toshiba and Sharp formed a joint venture in
8 which Toshiba agreed to provide 50% of Sharp's chip needs and Sharp agreed to provide 40% of
9 Toshiba's panel needs. The operation and management of these many different joint ventures
10 enabled Toshiba and the other defendant-joint venture partners regular opportunities to
11 communicate with each other to agree on prices, price increases and production limits and quotas
12 for LCD panels that each defendant manufactured and sold.

13 154. Each of the defendants and co-conspirators named herein acted as the agent or joint
14 venturer of or for the other defendants and co-conspirators with respect to the acts, violations and
15 common course of conduct alleged herein. Each defendant and/or co-conspirator which is a
16 subsidiary of a foreign parent acts as the sole United States agent for LCD panels made by its
17 parent company.

18 155. Defendants and co-conspirators named herein are also liable for acts done in
19 furtherance of the alleged conspiracy by companies they acquired through mergers or acquisitions.

20 156. The three predecessor companies of AU Optronics, Unipac, QDI, and ADT
21 participated as co-conspirators in the conspiracy. AU Optronics, by assuming all rights and
22 obligations of these co-conspirators, is jointly liable for their anticompetitive conduct.

23 a. Before ADT's merger with Unipac to form AU Optronics
24 Corporation, it had a bilateral discussion with LGD in at least March
25 2001, in which they exchanged market, supply and demand
26 information.

27 b. Before the merger, Unipac attended several working level meetings
28 with defendants Chunghwa, Chi Mei, Samsung, Sharp, and

1 Mitsubishi and exchanged market, shipment, and pricing information
2 with these competitors.

3 c. Before it was merged into AU Optronics, QDI had anticompetitive
4 contacts with defendants AU Optronics, Chunghwa, Chi Mei,
5 HannStar, Samsung, Sharp, LGD, Toshiba and Hitachi dated at least
6 as far back as 2001.

7 157. The three predecessor companies of Chimei Innolux, Chi Mei Optoelectronics,
8 Innolux, and TPO participated as co-conspirators in the conspiracy. Prior to the merger, Innolux
9 and TPO had multiple bilateral discussions with AU Optronics, Chi Mei Optoelectronics,
10 Chunghwa, LGD, and Toshiba Matsushita Display between at least 2003 and 2006. Chimei
11 Innolux, by assuming all rights and obligations of these co-conspirators, is jointly liable for their
12 anticompetitive conduct.

13 158. Co-conspirator FDTC participated in meetings or discussions during the Class
14 Period with various defendants including AU Optronics, Chi Mei, LGD, and Sharp, which
15 included discussions about prices for LCD panels. For example, a January 22, 2003 email from
16 Mac (Makoto) Kaneta of Chi Mei to Amigo Huang and Tim Wang of Chi Mei indicates that
17 conversation between Chi Mei and FDTC occurred regarding 2003 Q1 pricing. Meeting notes of
18 the October 5, 2001 working level meeting involving AU Optronics, Chunghwa, Chi Mei,
19 HannStar, Samsung and LGD also mention cooperation from Japanese companies FDTC, Toshiba,
20 Mitsubishi, and EIDC on LCD panel prices.

21 159. Co-conspirator Hydys participated in multiple working level meetings with AUO,
22 Chunghwa, Chi Mei, HannStar, Samsung, and Sharp and at least one bilateral meeting between at
23 least 2002 and 2005. Through these discussions, Hydys agreed on prices, price increases, and
24 production limits and quotas for LCD panels.

25 160. Co-conspirator Mitsubishi participated in multiple working level meetings in 2001
26 with Chi Mei, Chunghwa, Samsung, HannStar, and Unipac. For example, an April 28, 2001
27 internal email of AU Optronics reflects that a “consensus” among LGD, Samsung, Chunghwa,
28 Mitsubishi and HannStar had been reached regarding pricing for 15” panels. Through these

1 discussions, Mitsubishi agreed on prices, price increases, and production limits and quotas for
2 LCD panels. Mitsubishi also colluded with LG, Samsung, Chunghwa, and Hannstar in at least
3 2001 to reach consensus on pricing for LCD panels.

4 161. During the period 1998 through 2000, NEC manufactured, sold, and distributed
5 LCD panels to computer manufacturers in the U.S., including Hewlett-Packard, for sale to the U.S.
6 consumers. NEC participated in multiple group meetings and bilateral discussions with Samsung,
7 Toshiba, Hitachi, Sharp, and LGD beginning in as early as 1998. Through these discussions, NEC
8 agreed on prices, price increases, and production limits and quotas for LCD panels. A few
9 examples are given below.

- 10 a. One of the earliest multi-lateral meetings which NEC attended
11 occurred on March 26, 1998, at the Oriental Golf Country Club near
12 Taipei, Taiwan. Branch managers from NEC, Samsung, Toshiba,
13 Hitachi, Sharp, Mitsubishi, LGD and IBM attended this meeting.
14 Attendees discussed the size of the market and future pricing trends.
- 15 b. The March 26 meeting was followed up by a second meeting in
16 April or May 1998 at the Holiday Inn Hotel in downtown Taipei.
17 Same attendees from the previous meeting were present. The
18 participants discussed sales volumes.
- 19 c. NEC's Mr. Nakamura met with Samsung's H.B. Suh during the
20 class period and reached consensus on what they would charge to
21 their Japanese customers.

22 162. Panasonic participated in group meetings and bilateral discussions with other
23 competitors in the market involving cathode ray tubes ("CRT"), an older display technology
24 predating TFT-LCD. The CRT conspiracy is being investigated by U.S. Department of Justice,
25 and by several other international competition authorities. The key players in the CRT conspiracy
26 were also active participants in the LCD conspiracy, including LGD, Samsung, Toshiba, Hitachi,
27 and Chunghwa. Panasonic participated in the LCD conspiracy through its joint venture with
28 Toshiba, Toshiba Matsushita Display Technology Co., Ltd. Panasonic also had bilateral contacts

1 with at least AU Optronics and LGD during the class period, during which topics such as US LCD
2 TV market outlook, sales and price trends of LCD TV were discussed.

3 163. Sony participated in the LCD conspiracy through its joint venture with Samsung.
4 S-LCD Corporation acted as an agent of defendant Samsung with respect to the acts, violations
5 and common course of conduct alleged herein.

6 **B. Market Conditions Demonstrating The Conspiracy**

7 164. Since at least 1996, the LCD panel market has not behaved as would be expected of
8 a competitive market free of collusion. Rather, the behavior in this market strongly evidences that
9 the defendants engaged in a significant price-fixing conspiracy that had the purpose and effect of
10 stabilizing and raising prices for LCD panels at supra-competitive levels.

11 165. After initially being introduced into a market, consumer electronics products and
12 their component parts typically are characterized by steady downward pricing trends. However,
13 since at least 1996, the LCD panel market has been characterized by unnatural price stability and
14 certain periods of substantial upward pricing trends.

15 166. Moreover, since at least 1996, the LCD panel market has not followed the basic
16 laws of supply and demand in a competitive market. In a competitive market, price increases
17 normally occur during shortage periods. Since at least 1996, however, there have been significant
18 price increases in the LCD panel market during periods of both oversupply and shortage.

19 167. It is generally acknowledged that demand for consumer electronic products and
20 their component parts increases steadily over time. As would be expected, demand for LCD
21 panels and products made with them were steadily and substantially increasing throughout the
22 Class Period. For instance, a June 2006 forecast indicated that 2006 shipments of LCD panels
23 used in televisions would reach 46.7 million units, a 74 % increase from 2005. By 2009, sales of
24 LCD televisions are expected to surpass sales of CRT televisions for the first time; and by 2010,
25 LCD televisions will account for a majority of all televisions sold worldwide.

26 168. Rather than competing for this increased demand, however, since at least 1996,
27 defendants worked together to stabilize prices by agreeing to fix prices at artificially high levels
28 and to restrict the supply of LCD panels through, among other things, decreasing their capacity

1 utilization and refraining from expanding existing capacity. Those defendants which were not
2 already manufacturing LCD panels in 1996 joined this conspiracy when they began manufacturing
3 LCD panels.

4 169. In 1996, the LCD panel market was experiencing excess supply and drastic price
5 cuts. Prices had already fallen 40 to 50 percent in 1995, and were projected to continue dropping
6 due to lower manufacturing costs. However, LCD panel prices began rising in 1996, allegedly due
7 to insufficient production capacity. In fact, defendants were fixing the prices.

8 170. The reverse in the downward spiral of LCD panel prices began in early 1996.
9 Defendants blamed the sudden increase in prices on an alleged inability to supply enough LCD
10 panels to meet demand. By May of 1996, an industry magazine was reporting that, “[f]lat-panel-
11 display purchasers are riding a roller coaster of pricing in the display market, with no clear
12 predictability anytime soon Perplexed purchasers trying to keep up with the gyrating market
13 can take solace that even vendors are constantly being surprised by the sudden twists and turns.”

14 171. Soon thereafter, industry analysts began commenting on the unusual rise in TFT-
15 LCD panel prices, noting that this rise in prices was “quite rare in the electronics industry.”

16 172. The year 1996 also brought the advent of third generation fabrication plants. Since
17 1996, as defendants entered the LCD panel market, they have updated their production facilities
18 for LCD panels in order to keep pace with developing technology, which has resulted ultimately in
19 at least eight generations of LCD panels. LGD was scheduled to have its third generation fab
20 online by 1997, and Hyundai was scheduled to do so by early 1998. Each new LCD panel
21 generation was produced from ever larger pieces of glass, so as to reduce the cost of the screens
22 used in televisions, computer monitors, and laptops. Ever-increasing production capacity
23 threatened to outstrip demand for LCD panels, with the result that prices of LCD panels should
24 have decreased rapidly. Instead, defendants falsely claimed to be operating at full capacity and
25 unable to meet demand, despite the millions of units of over-capacity that had supposedly existed
26 months earlier, and prices surged upwards. These price increases were also inconsistent with the
27 fact that production had become more efficient and cost effective.

28

1 173. The artificially high costs of LCD panels during the Class Period are demonstrated
2 by, *inter alia*, the fact that costs were decreasing. One of the most significant costs in producing
3 an LCD panel is the cost of its component parts. Some of the major component parts for an LCD
4 panel include the backlight, color filter, PCB polarizer, and glass. Indeed, for large area LCD
5 panels, the costs of these components comprise over two-thirds of the total cost of production.
6 During the Class Period, the costs of these components collectively and individually have been
7 generally declining, and in some periods at a substantial rate. Thus, the gap between LCD panel
8 manufacturers' prices and their costs was unusually high during the Class Period.

9 174. During the end of 2001 and 2002, LCD panel prices increased substantially while
10 the costs to produce these panels remained flat or decreased. Similarly, during the end of 2003 to
11 2004, LCD panel prices again increased by a substantial amount, while costs remained flat or
12 decreased. This economic aberration is the intended and necessary result of defendants'
13 conspiracy to raise, fix, maintain, or stabilize the prices of LCD panels.

14 175. LCD panel prices increased by more than 5% for the first time in 2001 in October
15 of that year. These price increases continued until June of 2002, resulting in an approximately
16 35% increase in the average selling price of 15-inch LCD panels. Defendants were essentially
17 able to raise the prices of LCD panels by at least US\$60 from October of 2001 through May 2002.

18 176. At the time, defendants blamed these costs increases on supply shortages. In fact,
19 these price increases were a direct result of defendants' agreement to fix, maintain, and/or stabilize
20 the prices of LCD panels and defendants' false statements about supply shortages were designed to
21 conceal their price-fixing agreement. When asked why prices had increased, defendants
22 repeatedly explained that the increases in LCD prices were due to increased demand and a "supply
23 shortage."

24 177. These price increases occurred as production costs declined due to lower prices for
25 parts and components as well as improvements in manufacturing efficiency. While the price of
26 15-inch LCD panels, for instance, shot up from US\$190-200 in the third quarter of 2001 to
27 US\$250 in the first quarter of this year, current production costs remained at approximately
28 US\$200. These decreasing costs should have led to lower prices and competition among

1 defendants. Instead, because defendants had entered into an agreement to fix, raise, and maintain
2 LCD panels at artificially high levels, it resulted in extremely high profits. For example,
3 defendants AU Optronics Corp., Chi Mei Optoelectronics Corp., Chunghwa, and HannStar posted
4 higher pretax profits than expected in the first quarter of 2002. AU Optronics reported revenue of
5 NT\$19.7 billion in the first quarter, with pretax profit reaching about NT\$2 billion. Chi Mei
6 Optoelectronics Corp. reported pretax earnings of NT\$800 million on revenue of about NT\$8.8
7 billion at the same period.

8 178. This increase in prices and revenue was unprecedented. During the first six months
9 of 2002, revenue for Taiwan's five major LCD panel manufacturers (defendants AU Optronics,
10 Chi Mei, Chunghwa, HannStar, and QDI rose 184% from the same period in 2001.

11 **C. Public Statements Reflecting The Conspiracy**

12 179. Additionally, defendants made repeated public statements admitting to or
13 referencing their agreement to fix LCD panel prices through supply manipulation.

14 180. On or about January 20, 2003, Hsu Wen-lung, defendant Chi Mei's Chairman,
15 stated that "both Taiwanese and South Korean TFT-LCD panel makers should avoid the fierce
16 price competition and build a money-making environment. To this end, both sides are
17 recommended to exchange market information periodically."

18 181. Again, on January 29, 2003, K.Y. Lee, the Chairman of defendants AU Optronics
19 publicly stated that "the local TFT-LCD industry should move to set up a reasonable and healthy
20 pricing strategy thus avoiding the price fluctuations."

21 182. Soon after these public statements were made, LCD panel prices increased for five
22 consecutive quarters in 2003 and 2004, the direct result of the CEO, Commercial and working-
23 group meetings identified above and which took place on a regular basis over this period of time.
24 LCD panels used in laptops and computer monitors increased by as much as 28% during this time
25 period as reported by defendant AU Optronics. Similarly, defendant LGD reported similar price
26 increases over the same period.

27 183. This price-fixing scheme resulted in substantial increases in the profits reaped by
28 the defendant LCD panel manufacturers. For example, the eight largest LCD panel manufacturers

1 reported a collective profit increase of 740% between the second quarter of 2003 and the second
2 quarter of 2004. These record profits resulted from defendants' agreement to fix, raise, maintain
3 or stabilize the price of LCD panels.

4 184. Although the price increases were the direct result of defendants' agreement to fix,
5 raise, and maintain the price of LCD panels, they repeatedly made public statements blaming these
6 price increases on other factors. For example, at an August 2003 flat panel industry conference
7 sponsored by DisplaySearch, Dr. Hui Hsiung, executive vice president of defendant AU Optronics,
8 explained the recent increases in the price of LCD panels was due to increased demand and supply
9 shortage. In March of 2004, Liu Chih-chun, Chungwa's vice president blamed the high prices on
10 an inadequate supply of key parts from upstream suppliers.

11 185. In fact, while LCD panel prices were increasing in late 2003 and the first half of
12 2004, defendants AU Optronics, Chi Mei, and HannStar were decreasing capacity utilization. AU
13 Optronics delayed construction of a new generation plant to help prices increase. Similarly, while
14 LCD panel prices were increasing in 2003 and 2004, LCD panel manufacturers' capacity growth
15 rate was decelerating. Defendants' artificial supply restriction had the purposeful effect of fixing,
16 raising, maintaining, or stabilizing LCD panel prices at artificially high levels.

17 186. Reducing production capacity is not something an LCD panel manufacturer would
18 do unless its competitors were doing so as well. As AU Optronics executive Hsu Hsiung himself
19 would later note when discussing defendants' cuts in production capacity in public statements
20 made at a May 2006 annual international conference on Taiwan's flat panel display industry,
21 reducing production capacity pushes an LCD panel manufacturer's fixed production costs up, and
22 is not effective in fixing or maintaining the price of LCD panels unless the other defendants do so
23 as well. Yet, as Mr. Hsiung himself noted in those public statements, an increase of 2 to 3 percent
24 of AU Optronics' fixed production costs was preferable to a drop of 15 to 20 percent in LCD panel
25 price.

26 187. Defendants' public statements admitting to their agreement to fix, maintain, and
27 stabilize LCD panel prices continued. In late 2004, panel makers in Taiwan were reported to
28 "agree the ultimate solution" to keep supply and demand in their favor was to "involve closer

1 cooperation.” For example, Chi Mei’s Chairman, C.H. Lin, noted that mergers were not likely
2 because of the large size of the companies in the industry, but he encouraged “a new era of mutual
3 cooperation.” He noted that the Japanese companies Toshiba and Panasonic had done so, as had
4 Samsung and Sony.

5 188. These public statements referenced an agreement among defendants to fix prices,
6 and resulted in, among other things, a temporary halt in the expansion of production capacity
7 among defendants. Because of this illegal agreement to fix, raise, and maintain LCD panel prices,
8 defendants were able to maintain LCD panel prices at artificially high levels in 2005.

9 189. On a November 25, 2005 conference call with investors, Dr. Hui Hsiung, executive
10 vice president of defendant AU Optronics, admitted to conspiring with other LCD panel
11 manufacturers to artificially increase the LCD panel prices. Discussing the “undersupply/
12 oversupply” of LCD panels, he noted “there’s various actions we can take such as slightly reduce
13 the capacity loading or shift the product mix,” but predicted that, with respect to supply levels,
14 “we will see some parity among different panel suppliers in 2006.” In response to a question
15 about what AU Optronics would do if demand turned out to be weaker than expected, Dr. Hsiung
16 stated:

17 Our policy, our strategy, has always been minimizing our inventory and that
18 turned out to be quite successful in the past few years by keeping the
19 inventory lower. *And I think in the past we did have some problem*
20 *convincing our competitors doing the same thing. But in recent months,*
21 *especially this year, actually, it did start to happen.* I think that the industry
22 understand [sic] the benefit of keeping capacity low. Again, even if the
23 scenario does happen that we have a 5% over capacity this is not the drastic
24 action to reduce about 5% of the loading. . . . So, we think the industry
25 become [sic] more mature. That is precisely what our competitors would
26 do.

27 190. Similarly, a November 3, 2005, Samsung presentation, available on its website,
28 stated that “it was possible to secure a reasonable amount of profit while following industry
leaders” during the Class Period. This too constituted a public signal and invitation to the other
defendants to fix prices by restricting output.

191. Thereafter, in the spring of 2006, at a conference of manufacturers of LCD panels
in Taiwan, Mr. Hsiung publicly stated that the defendants should collectively look at cutting back
on production from 100 percent to at least 85 percent. Otherwise, Mr. Hsiung said, if supply

1 outpaced demand, manufacturers would be forced to cut prices. This was an express invitation to
2 reduce output in order to raise, fix, stabilize, and peg the prices of LCD panels and LCD products.

3 192. In June of 2006, Mr. Hsiung told the *Wall Street Journal* that AU Optronics had cut
4 production of LCD panels because of bloated inventories, a move that could bring more stability to
5 LCD panel prices by the third quarter if other companies followed suit. Mr. Hsiung also told the
6 *Wall Street Journal*, “You have to have discipline every month to adjust inventory. If others
7 follow, that will help prices stabilize by the third quarter.” Mr. Hsiung further said that buildup of
8 LCD panel inventories led to a bigger than expected decline in prices recently. He urged other
9 LCD panel makers to stop building up inventory during periods of oversupply. “Supply and
10 demand balance can be maintained during a period of overcapacity if ‘fab’ loading is reduced by
11 only 5 percent to 10 percent,” he said, adding that a slight reduction would increase unit fixed
12 costs by only 2 percent to 3 percent. Mr. Hsiung stated that AU Optronics was making efforts to
13 cut manufacturing costs to prevent margin erosion. He added that further mergers and acquisitions
14 were needed in the LCD panels industry to help stabilize prices. The foregoing statements were
15 reported by the *Wall Street Journal* on June 15, 2006, in an article entitled “AU Optronics Cuts
16 LCD Output in Bid to Stabilize Falling Prices.” When Mr. Hsiung made these statements to the
17 *Wall Street Journal*, he knew and intended that they would be publicly reported and would become
18 known to all of the defendants; and, in making these statement, he intended to send a signal and an
19 invitation to the other defendants to cut production in order to raise, fix, stabilize, and peg prices
20 of LCD panels and LCD products.

21 193. Mr. Hsiung made his comments to the *Wall Street Journal* after defendant LGD
22 LCD publicly announced that it was lowering its outlook for the second quarter because of high
23 inventories of LCD panels. The President of defendant LGD LCD, Ron Wirahadiraksa, publicly
24 stated on June 12, 2006, that the company would review its capacity plans for 2006. These
25 statements were also signals and an invitation to the other defendants to curtail production of LCD
26 panels and LCD products and thereby raise, fix, stabilize, and peg prices for LCD panels and LCD
27 products.

28 194. Thereafter, defendants announced plans to cut back production. In the second half

1 of 2006, LGD announced plans to cut its capacity expansion by two thirds; AU Optronics
2 announced plans to cut capital expense by 30% to 40%; Chi Mei announced plans to delay the
3 mass-production date of its newest production plant; and HannStar adopted a “build to order”
4 mode. These public statements and actions allowed defendants to continue to fix, maintain, and
5 stabilize the price of LCD panels at artificially high levels.

6 195. Defendants had ample opportunities for collusion when they met and discussed
7 pricing at various industry trade shows where all major participants in the LCD products industry
8 were present. For example, on June 20 and June 21, 2001, a Market Seminar meeting was held at
9 National Chiao Tung University, Hsinchu, Taiwan. The meeting was co-sponsored by
10 DisplaySearch and the industry trade group, Semiconductor Equipment and Materials Institute
11 (“SEMI”). The agenda stated that “this year’s seminar will be expanded to two days and cover all
12 major FPD [flat panel display] applications including notebook PCs, desktop monitors, LCD TVs,
13 mobile phones, PDAs and internet appliances. Also covered will be the TFT LCD supply and
14 demand, pricing, component shortages and the TFT LCD equipment and materials markets. In
15 addition to DisplaySearch analysts, leading executives from FPD producers, OEMs, brands and
16 equipment and materials suppliers are expected to be present.”

17 196. Most, if not all, of the defendants were represented at this seminar at which
18 discussions regarding LCD panel supply and pricing were held.

19 197. The express invitations to collude referred to hereinabove were in fact accepted,
20 agreed to, and acted upon by the defendants, who, during the Class Period, repeatedly and
21 continuously jointly and collusively limited output of LCD panels in order to raise, fix, and
22 stabilize prices of LCD panels and LCD products, each defendant knowing and understanding that
23 the other defendants had agreed to do likewise and were doing likewise.

24 **VII. THE GOVERNMENT INVESTIGATIONS OF PRICE-FIXING**

25 198. In December 2006, authorities in Japan, Korea, the European Union, and the United
26 States revealed the existence of a comprehensive investigation into anti-competitive activity
27 among LCD panel manufacturers. In a December 11, 2006, filing with the Securities and
28 Exchange Commission, defendant LGD disclosed that officials from the Korea Fair Trade

1 Commission and Japanese Fair Trade Commission had visited the company's Seoul and Tokyo
2 offices and that the United States Department of Justice had issued a subpoena to its San Jose
3 office.

4 199. On December 12, 2006, news reports indicated that in addition to LGD, defendants
5 Samsung, Sharp, EIDC and AU Optronics were also under investigation.

6 200. The U.S. Department of Justice ("DOJ") acknowledged that it was "investigating
7 the possibility of anticompetitive practices and is cooperating with foreign authorities."

8 201. At least one of the defendants has approached the Antitrust Division of the DOJ to
9 enter into a leniency agreement with respect to the defendants' conspiracy to fix prices of LCD
10 panels. In order to enter into a leniency agreement under the Corporate Leniency Policy of the
11 Department of Justice, this defendant has reported the defendants' price-fixing conspiracy to the
12 Department of Justice and has confessed its own participation in the defendants' price-fixing
13 conspiracy.

14 202. As a result of the DOJ's investigation, seven defendant companies have pleaded
15 guilty and have been sentenced to pay criminal fines totaling more than \$890 million. One
16 defendant company has been indicted for participation in the price-fixing conspiracy.
17 Additionally, 22 executives have been charged to date in the DOJ's ongoing investigation.

18 203. On or about November 12, 2008, defendants LGD, Sharp, and Chunghwa agreed to
19 plead guilty and pay a total of \$585 million in criminal fines for their roles in the conspiracy to fix
20 prices in the sale of LCD panels.

21 204. LGD pleaded guilty and paid \$400 million, the second-highest criminal fine ever
22 imposed by the DOJ's Antitrust Division. LGD admitted to participating in a conspiracy from
23 September 2001 to June 2006 to fix the price of LCD panels sold worldwide, and to participating
24 in meetings, conversations, and communications in Taiwan, Korea, and the United States to
25 discuss the prices of LCD panels, agreeing to fix the prices of LCD panels, and exchanging pricing
26 and sales information for the purpose of monitoring and enforcing adherence to the agreed-upon
27 prices.

28

1 205. Chunghwa pleaded guilty and paid a \$65 million criminal fine. Chunghwa admitted
2 to participating in a conspiracy from September 2001 to December 2006 to fix the price of LCD
3 panels sold worldwide and to participating in meetings, conversations and communications in
4 Taiwan to discuss the prices of LCD panels, agreeing to fix the prices of LCD panels, and
5 exchanging pricing and sales information for the purpose of monitoring and enforcing adherence
6 to agreed-upon prices.

7 206. Sharp pleaded guilty and paid a \$120 million criminal fine. Sharp admitted to
8 participating in a conspiracy with unnamed conspirators to fix the price of LCD panels sold to Dell
9 from April 2001 to December 2006, to Apple Computer from September 2005 to December 2006,
10 and to Motorola from fall 2005 to December 2006, and to participating in bilateral meetings,
11 conversations, and communications in Japan and the United States with unnamed co-conspirators
12 to discuss the prices of LCD panels, agreeing to fix the prices of LCD panels, and exchanging
13 pricing and sales information for the purpose of monitoring and enforcing adherence to the agreed-
14 upon prices.

15 207. On or about March 10, 2009, Hitachi agreed to plead guilty and pay a \$31 million
16 criminal fine. Hitachi admitted to engaging in telephone discussions and bilateral meetings with
17 representatives of other major TFT-LCD producers to fix the prices of TFT-LCD panels sold to
18 Dell Inc., during a period from at least April 2001 to March 2004.

19 208. On August 25, 2009, EIDC agreed to plead guilty and pay a \$26 million criminal
20 fine. EIDC admitted to participating in bilateral discussions and meetings in Japan with
21 representatitves of other major TFT-LCD producers to fix the prices TFT-LCD panels sold in the
22 United States for use in Motorola Razr mobile phones.

23 209. On or about December 9, 2009, Chi Mei agreed to plead guilty and pay a \$220
24 million in criminal fine. Chi Mei admitted to participating in meetings, conversations and
25 communications with other major TFT-LCD producers to fix prices of TFT-LCD panels and
26 exchanging information on sales of TFT-LCD panels for the purpose of monitoring and enforcing
27 adherence to the agreed-upon prices.

28

1 210. On June 10, 2010, a federal grand jury returned an indictment against AU Optronics
2 Corp. and its Houston-based subsidiary, AU Optronics Corporation America for engaging in a
3 combination and conspiracy to suppress and eliminate competition by fixing the prices of TFT-
4 LCD panels in the United States and elsewhere.

5 211. On June 29, 2010, HannStar agreed to plead guilty and pay a \$30 million criminal
6 fine for its role in the global conspiracy to fix the prices of TFT-LCD panels.

7 **VIII. THE PASS-THROUGH OF THE OVERCHARGES TO CONSUMERS**

8 212. Defendants’ conspiracy to raise, fix, or maintain the price of LCD panels at
9 artificial levels resulted in harm to Plaintiffs and the indirect-purchaser consumer class alleged
10 herein because it resulted in their paying higher prices for products containing LCD panels than
11 they would have in the absence of defendants’ conspiracy. The entire overcharge for LCD panels
12 at issue was passed on to plaintiffs and members of the indirect-purchaser class. As the DOJ
13 acknowledged in announcing the agreements to plead guilty by defendants LGD, Sharp, and
14 Chunghwa, “These price-fixing conspiracies affected millions of American consumers who use
15 computers, cell phones, and numerous other household electronics every day.”

16 213. The defendants identified above as having attended CEO, Commercial, and/or
17 working-group meetings made sure that so-called “street-prices” (*i.e.*, consumer retail prices) of
18 LCD products were monitored on a regular basis. The purpose and effect of investigating such
19 retail market data was at least two-fold. First, it permitted defendants, such as Chungwa, which
20 did not manufacture LCD products, the way defendant Samsung did, to police the price-fixing
21 agreement to be sure that intra-defendant LCD panel sales were kept at supra-competitive levels.
22 Secondly, it permitted all defendants to police their price-fixing argument to independent OEMs
23 who would reduce prices for furnished goods if there was a corresponding reduction in LCD panel
24 prices from a defendant. As a result of street-pricing monitoring, defendants assured that 100% of
25 the supra-competitive over-charges for LCD panels were passed on to indirect-purchaser
26 consumers.

27
28

1 A. **LCD Panels Make Up A High Percentage Of The Cost Of Products**
2 **Containing Such Panels.**

3 214. When an LCD panel leaves a defendant’s manufacturing plant, it requires minimal
4 additional labor or materials to make it into a TV or a computer monitor, or to install it into a
5 laptop computer. The LCD panel itself typically accounts for 60-70% of the total retail price of a
6 TV (even more for panels exceeding 40”), while comprising between 70-80% of the retail price of
7 computer monitors. LCD panels typically comprise roughly 10% of the retail cost of a laptop
8 computer.

9 215. The only differences between a computer monitor and a TV are the other materials
10 added to make the finished products. For example, an LCD TV will have internal speakers and a
11 TV tuner. There is no technological difference between a computer monitor’s LCD panel and the
12 LCD panel in a laptop.

13 216. To turn an LCD panel into an LCD monitor, an assembler fits the panel with a
14 backlight, plastic framing around the screen, and a power source. It is then branded by the OEM
15 as its monitor, and sold to the end user—either directly from the OEM’s store (like Gateway or
16 Apple), on its website (like Dell or Hewlett-Packard), in an electronics store (like Best Buy or
17 Circuit City), or through a mass merchandiser (like Wal-Mart or Target).

18 217. To turn an LCD panel into an LCD TV, an assembler fits the panel with a TV tuner,
19 speakers, and a power source.

20 218. To turn an LCD panel into a laptop, the panel is incorporated into a plastic frame,
21 and a computer motherboard with its components is fitted into the bottom half of the frame. This
22 is essentially the same process for iPods, which are essentially portable computers dedicated to
23 media processing.

24 219. LCD panels are commodity products, with functionally equivalent products
25 available from the defendants, who manufacture LCD panels pursuant to standard specifications
26 and sizes.

1 **B. The Price Of Products Containing LCD Panels Was Directly Dependent**
2 **On The Price Of The Panels.**

3 220. The indirect-purchaser consumer buys products containing LCD panels through one
4 of two distribution chains: either from the direct-purchaser OEM, such as Dell, or through a
5 reseller such as Best Buy.

6 221. Computer and TV OEMs are not “manufacturers” at all, but assemblers of
7 components and purveyors of brand names. For example, for computers, a company like HP or
8 Apple does not make any of the parts that go into making an LCD monitor or laptop. Rather, such
9 companies purchase LCD panels from defendants, and hire contract assemblers to turn the panels
10 into the finished products. On information and belief, computer and TV OEMs price their end-
11 products on a “cost-plus” basis. Thus, changes in the cost of LCDs have immediate effects on the
12 cost of the finished products.

13 222. On information and belief, there are two methods by which OEMs sell their
14 branded LCD products to the retailer. The first method is to obtain pre-orders. These OEMs
15 obtain prior orders for their products before they have them manufactured. Under this method, the
16 TV or computer OEM obtains orders for its TVs, laptops, or computer monitors before it orders
17 any of the parts for those products. It negotiates with retailers prices and quantities at which it will
18 sell its finalized products to the retailers. The OEM will base its sales price on the current prices
19 of the other components, the assembly costs, delivery costs, and a profit margin.

20 223. OEMs also sell their branded products to retailers by estimating the retail market
21 for LCD products, and purchasing the LCD panels before the orders for the end product are
22 obtained. Because the OEM is not locked in to an agreed-upon price for its product, it can pass
23 through the entire overcharge unencumbered by downstream contracts.

24 224. In either case, because of the breadth of the price fixing conspiracy, the OEM is
25 also not constrained by its competitors from passing on the overcharge. Because each OEM’s end-
26 product competitors are also buying LCD panels at supracompetitive prices from conspiracy
27 members, no OEM faces end-product price competition from an OEM who is not paying
28

1 supracompetitive prices for its LCD panel inputs. Neither prior price commitments nor end-
2 product price competition interferes with the overcharge being passed on down the supply chain.

3 225. All supracompetitive overcharges are always passed through to the indirect-
4 purchaser, end-user consumer plaintiff class members, which pay more for a product containing
5 LCD panels than in a competitive market place.

6 226. The price of products containing LCD panels is directly correlated to the price of
7 LCD panels. The margins for OEMs are sufficiently thin that price increases of LCD panels force
8 OEMs to increase the prices of their products.

9 227. OEMs and retailers of products containing LCD panels are all subject to vigorous
10 price competition, whether selling TVs, computer monitors, or laptops. The demand for LCD
11 panels is ultimately determined by purchasers of products containing such panels. The market for
12 LCD panels and the market for products containing these panels are therefore inextricably linked
13 and cannot be considered separately. Defendants are well aware of this intimate relationship, and
14 use forecasts of TVs, laptops, and computer monitors to predict sales of LCD panels.

15 228. Because OEMs have thin net margins, they must pass on any increase in component
16 costs, such that increases in the price of LCD panels lead to quick corresponding price increases at
17 the OEM level for products containing such panels.

18 229. LCD panels are one of the most expensive components in products in which they
19 are incorporated. As noted, the cost of an LCD panel in an LCD TV is 60-70% of the retail price;
20 in a laptop is 10% of the retail price; and in a computer monitor is 70-80% of the retail price.

21 230. The computer industry is highly competitive. Computers are commodities, with
22 little or no brand loyalty, such that aggressive pricing causes consumers to switch preferences to
23 different brands. Computer prices are closely based on production costs, which are in turn directly
24 determined by component costs, as assembly costs are minimal. OEMs accordingly use
25 component costs, like the cost of LCD panels, as the starting point for all price calculations. Thus,
26 computer prices closely track increases and decreases in component costs.

27 231. The close relationship between the price of LCD panels and products was
28 recognized by the defendants during the conspiracy. Defendants monitored the prices of LCD

1 products and the demand for LCD products during the Class Period. During several “Crystal”
2 meetings referenced above, Defendants specifically discussed “street” prices of LCD products and
3 evinced concern that LCD panel increases would cause the price of LCD products to increase to
4 such a degree that demand for LCD products would be affected.

5 232. Finally, many of the defendants and/or co-conspirators themselves have been and
6 are manufacturers of TVs, monitors, and/or laptops containing LCD panels. Such manufacturers
7 include, for example, Samsung, Sharp, Hitachi, LGD, Philips Electronics, S-LCD, EIDC, and
8 Toshiba. Having agreed to fix the prices for LCD panels, the major component of the end
9 products they were manufacturing, these defendants intended to pass on the full cost of this
10 component in their finished products, and in fact did so. They agreed to fix prices of the major
11 component of their TVs, monitors, and laptops with the understanding and expectation that the full
12 cost of the LCD panels would be passed on to their customers in the prices of TVs, monitors, and
13 laptops. To have agreed or to have done otherwise would have defeated the very purpose of the
14 defendants’ conspiracy. They did not agree to eliminate price competition at one level of
15 production in order to implement it at another level.

16 **C. The Effect Of The Price Of LCD Panels On The Price Of Products Is**
17 **Discernable On A Classwide Basis.**

18 233. Once an LCD panel leaves its place of manufacture, it remains essentially
19 unchanged as it moves through the distribution system. LCD panels are identifiable, discreet
20 physical objects that do not change form or become an indistinguishable part of the TVs, computer
21 monitors, laptops, or other products in which they are contained. And a given LCD product
22 contains one and only one LCD panel.

23 234. Thus, LCD panels follow a traceable physical chain from the defendants to the
24 OEMs to the purchasers of the finished products incorporating LCD panels.

25 235. Moreover, just as LCD panels can be physically traced through the supply chain, so
26 can their price be traced to show that changes in the prices paid by direct purchasers of LCD
27 panels affect prices paid by indirect purchasers of products containing LCD panels.

28 236. Because defendants control the market for LCD panels, there are virtually no

1 choices for persons and businesses that require products containing such panels other than buying
2 such products manufactured by a direct purchaser that paid supracompetitive prices for LCD
3 panels to defendants because of defendants' conspiracy alleged herein.

4 237. When distribution markets are highly competitive, as they are in the case of
5 products containing LCD panels as components, all of the overcharge will be passed through to
6 ultimate consumers, such as the indirect-purchaser plaintiffs and class members. In addition, as
7 set forth in paragraph 210, *supra*, many of the defendants themselves manufacture, market, and
8 distribute products including LCD panels, such as televisions (e.g., Samsung and Sharp) and
9 computer monitors (e.g. Samsung) and laptops (e.g., Toshiba). This means that these defendants
10 have passed through and will continue to pass through to their customers 100% of the
11 supracompetitive price increases that resulted from the defendants' conspiracy, combination, and
12 agreement to fix, increase, and stabilize the prices for LCD panels.

13 238. Hence, the inflated prices of products containing LCD panels resulting from
14 defendants' price-fixing conspiracy have been passed on to plaintiffs and the other class members
15 by direct-purchaser manufacturers, distributors, and retailers.

16 239. During the Class Period, a number of large OEMs sold their products containing
17 LCD panels directly to end-buyers. The OEM with the largest share of computer monitor and
18 laptop sales in the United States market, Dell, sold exclusively to end-buyers, as did Gateway.
19 During the Class Period, Compaq and Apple also sold large portions of their laptops and computer
20 monitors directly to the end-buyer. Dell has a 35.4% market share for LCD monitors.

21 240. Computer models sold by other OEMs to retailers were generally updated several
22 times a year, and the price was changed for each new model. For example, for one large retailer,
23 more than 90 percent of the computers sold during 2000 were either new models or were sold at a
24 different price from the price in the previous month. OEMs, retailers and distributors often use a
25 "standard markup" method to set prices, meaning that they add a standard percentage to their own
26 costs to determine selling prices. Thus, changes in the price of LCD panels were passed on rapidly
27 rather than absorbed.

28 241. In retailing, it is common to use a "markup rule". The retail price is set as the

1 wholesale cost plus a percentage markup designed to recover non-product costs and to provide a
2 profit. This system guarantees that increases in costs to the retailer will be passed on to end
3 buyers. For example, CDW, a large seller of LCD monitors and laptops, uses such a system, and
4 a declaration in the DRAM case from CDW's director of pricing details exactly how they
5 calculated selling prices:

6 In general, CDW employs a "building block" approach to setting its
7 advertised prices. The first building block is the Cost of Goods Sold
8 (COGS), which represents the price CDW paid to acquire the
9 product...CDW... adds a series of positive markups to the cost to CDW to
acquire a given product. These markups are in addition to the pass through
effect of changes in the costs charged to CDW for that product by a given
vendor.

10 242. The economic and legal literature has recognized that unlawful overcharges in a
11 component normally result in higher prices for products containing that price-fixed component.
12 As Professor Herbert Hovenkamp, a noted antitrust scholar, has stated in his treatise, FEDERAL
13 ANTITRUST POLICY, THE LAW OF COMPETITION AND ITS PRACTICE (1994) at 624:

14 A monopoly overcharge at the top of a distribution chain generally results in
15 higher prices at every level below. For example if production of aluminum
16 is monopolized or cartelized, fabricators of aluminum cookware will pay
17 higher prices for aluminum. In most cases they will absorb part of these
18 increased costs themselves and pass part along to cookware wholesalers.
19 The wholesalers will charge higher prices to the retail stores, and the stores
will do it once again to retail consumers. Every person at every stage in the
chain likely will be poorer as a result of the monopoly price at the top.

Theoretically, one can calculate the percentage of any overcharge that a firm
at one distributional level will pass on to those at the next level.

20 243. Similarly, two other antitrust scholars – Professors Robert G. Harris (Professor
21 Emeritus and former Chair of the Business and Public Policy Group at the Haas School of
22 Business at the University of California at Berkeley) and the late Lawrence A. Sullivan (Professor
23 of Law Emeritus at Southwestern Law School and author of the Handbook of the Law of
24 Antitrust) – have observed that “in a multiple-level chain of distribution, passing on monopoly
25 overcharges is not the exception: it is the rule.”

26 244. As Professor Jeffrey K. McKie-Mason (Arthur W. Burks Professor for Information
27 and Computer Science and Professor of Economics and Public Policy at the University of
28 Michigan), an expert who presented evidence in a number of the indirect purchaser cases

1 involving Microsoft Corporation, said (in a passage quoted in the judicial decision in that case
2 granting class certification):

3 As is well known in economic theory and practice, at least some of the
4 overcharge will be passed on by distributors to end consumers. When the
5 distribution markets are highly competitive, as they are here, all or nearly
6 the entire overcharge will be passed on through to ultimate consumers...
Both of Microsoft's experts also agree upon the economic phenomenon of
cost pass through, and how it works in competitive markets. This general
phenomenon of cost pass through is well established in antitrust laws and
economics as well.

7 245. Quantitative correlation analysis strongly suggest that the market for products
8 containing LCD panels is inextricably linked to the market for LCD panels by virtue of the strong
9 correlation between the price of LCD panels and the price of LCD monitors, TVs, and laptop
10 computers.

11 246. The purpose of the conspiratorial conduct of the defendants was to raise, fix or
12 stabilize the price of LCD panels and, as a direct and foreseeable result, products containing such
13 panels. Economists have developed techniques to isolate and understand the relationship between
14 one "explanatory" variable and a "dependent" variable in those cases when changes in dependent
15 variable are explained by changes in a multitude of variables--- when all such variables may be
16 changing simultaneously. That analysis-called regression analysis- is commonly used in the real
17 world and in litigation to determine the impact of a price increase on one cost in a product (or
18 service) that is an assemblage of costs. Thus, it is possible to isolate and identify only the impact
19 of an increase in the price of LCD panels on prices for products containing such panels even
20 though such products contain a number of other components whose prices may be changing over
21 time. A regression model can explain how variation in the price of LCD panels affects changes in
22 the price of products containing such panels. In such models, rather than being treated as the
23 dependent variable, the price of LCD panels is treated as an independent or explanatory variable.
24 The model can isolate how changes in the price of LCD panels impact the price of products
25 containing such panels while holding controlling for the impact of other price-determining factors.

26 247. Economic and legal literature recognizes that the more pricing decisions are based
27 on cost, the easier it is to determine the pass-through rate. The directness of affected costs refers to
28 whether an overcharge affects a direct (*i.e.* variable) cost or an indirect (*i.e.*, overhead) cost.

1 Overcharges will be passed-through sooner and at a higher rate if the overcharge affects direct
2 costs. Here LCD panels are a direct (and substantial) cost of products containing such panels.

3 248. Other factors that lead to the pass-through of overcharges include: (i) whether price
4 changes are frequent; (ii) the duration of the anti-competitive overcharge; (iii) whether pricing
5 decisions are based on cost; (iv) whether the overcharge affects variable, as opposed to overhead,
6 costs; (v) whether the resellers' production technology is uniform; (vi) whether the reseller supply
7 curve exhibits a high degree of elasticity; and (vii) whether the demand of the resellers is inelastic.

8 All of these factors were present in the LCD market during the Class Period. The precise amount
9 of such an impact on the prices of products containing LCD panels can be measured and
10 quantified. Commonly used and well-accepted economic models can be used to measure both the
11 extent and the amount of the supracompetitive charge passed-through the chain of distribution.

12 249. Plaintiffs and other indirect purchasers have been forced to pay supracompetitive
13 prices for products containing LCD panels. These inflated prices have been passed on to them by
14 direct purchaser manufacturers, distributors, and retailers. Those overcharges have unjustly
15 enriched defendants.

16 **IX. CLASS ACTION ALLEGATIONS**

17 250. Plaintiffs bring this action on their own behalf and as a class action pursuant to
18 Rule 23 of the Federal Rules of Civil Procedure on behalf of all members of the following Class
19 (the "Nationwide Class"):

20 All persons and entities currently residing in the United States who
21 indirectly purchased in the United States between January 1, 1999
22 and the present TFT-LCD panels incorporated in the televisions,
23 monitors, and/or notebook computers, from one or more of the
24 named defendants or Quanta Display Inc., for their own use and not
25 for resale. Specifically excluded from this Class are the defendants;
26 the officers, directors or employees of any defendant; the parent
27 companies and subsidiaries of any defendant; the legal
28 representatives and heirs or assigns of any defendant; and the named
affiliates and co-conspirators. Also excluded are any federal, state
or local governmental entities, any judicial officer presiding over
this action and the members of his/her immediate family and judicial
staff, and any juror assigned to this action.

251. Plaintiffs also bring this action on their own behalf and as a class action pursuant to
Rule 23 of the Federal Rules of Civil Procedure and/or respective state statute(s), on behalf of all
members of the following classes (collectively, the "Indirect Purchaser State Classes"):

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- a. **ARIZONA:** All persons and entities who, from January 1, 1999 to December 31, 2006, as residents of Arizona, purchased LCD panels incorporated in televisions, monitors, and/or laptop computers in Arizona indirectly from one or more of the named defendants or Quanta Display Inc. for their own use and not for resale. Specifically excluded from this Class are the defendants; the officers, directors or employees of any defendant; the parent companies and subsidiaries of any defendant; the legal representatives and heirs or assigns of any defendant; and the named affiliates and co-conspirators. Also excluded are any federal, state or local governmental entities, any judicial officer presiding over this action and the members of his/her immediate family and judicial staff, and any juror assigned to this action (the “Arizona Indirect Purchaser Class”).

- b. **CALIFORNIA:** All persons and entities in California who, from January 1, 1999 to December 31, 2006, as residents of California, purchased LCD panels incorporated in televisions, monitors, and/or laptop computers in California indirectly from one or more of the named Defendants or Quanta Display Inc., for their own use and not for resale. Specifically excluded from the Class are defendants; the officers, directors, or employees of any defendant; the parent companies and subsidiaries of any defendant; the legal representatives and heirs or assigns of any defendant; and the named affiliates and co-conspirators. Also excluded are any federal, state or local governmental entities, any judicial officer presiding over this action and the members of his/her immediate family and judicial staff, and any juror assigned to this action (the “California Indirect Purchaser Class”).

- c. **DISTRICT OF COLUMBIA:** All persons and entities in the District of Columbia who, from January 1, 1999 to December 31, 2006, as residents of the District of Columbia, purchased LCD panels incorporated in televisions, monitors, and/or laptop computers in the District of Columbia indirectly

1 from one or more of the named Defendants or Quanta Display Inc., for their
2 own use and not for resale. Specifically excluded from the Class are
3 defendants; the officers, directors, or employees of any defendant; the
4 parent companies and subsidiaries of any defendant; the legal
5 representatives and heirs or assigns of any defendant; and the named
6 affiliates and co-conspirators. Also excluded are any federal, state or local
7 governmental entities, any judicial officer presiding over this action and the
8 members of his/her immediate family and judicial staff, and any juror
9 assigned to this action (the “District of Columbia Indirect Purchaser Class”).

10 d. **FLORIDA:** All persons and entities in Florida who, from January 1, 1999
11 to December 31, 2006, as residents of Florida, purchased LCD panels
12 incorporated in televisions, monitors, and/or laptop computers in Florida
13 indirectly from one or more of the named Defendants or Quanta Display
14 Inc., for their own use and not for resale. Specifically excluded from the
15 Class are defendants; the officers, directors, or employees of any defendant;
16 the parent companies and subsidiaries of any defendant; the legal
17 representatives and heirs or assigns of any defendant; and the named
18 affiliates and co-conspirators. Also excluded are any federal, state or local
19 governmental entities, any judicial officer presiding over this action and the
20 members of his/her immediate family and judicial staff, and any juror
21 assigned to this action (the “Florida Indirect Purchaser Class”).

22 e. **HAWAII:** All persons and entities in Hawaii who, from January 1, 1999 to
23 December 31, 2006, as residents of Hawaii, purchased LCD panels
24 incorporated in televisions, monitors, and/or laptop computers in Hawaii
25 indirectly from one or more of the named Defendants or Quanta Display
26 Inc., for their own use and not for resale. Specifically excluded from the
27 Class are defendants; the officers, directors, or employees of any defendant;
28 the parent companies and subsidiaries of any defendant; the legal

1 representatives and heirs or assigns of any defendant; and the named
2 affiliates and co-conspirators. Also excluded are any federal, state or local
3 governmental entities, any judicial officer presiding over this action and the
4 members of his/her immediate family and judicial staff, and any juror
5 assigned to this action (the “Hawaii Indirect Purchaser Class”).

6 f. **IOWA:** All persons and entities in Iowa who, from January 1, 1999 to
7 December 31, 2006, as residents of Iowa, purchased LCD panels
8 incorporated in televisions, monitors, and/or laptop computers in Iowa
9 indirectly from one or more of the named Defendants or Quanta Display
10 Inc., for their own use and not for resale. Specifically excluded from the
11 Class are defendants; the officers, directors, or employees of any defendant;
12 the parent companies and subsidiaries of any defendant; the legal
13 representatives and heirs or assigns of any defendant; and the named
14 affiliates and co-conspirators. Also excluded are any federal, state or local
15 governmental entities, any judicial officer presiding over this action and the
16 members of his/her immediate family and judicial staff, and any juror
17 assigned to this action (the “Iowa Indirect Purchaser Class”).

18 g. **KANSAS:** All persons and entities in Kansas who, from January 1, 1999 to
19 December 31, 2006, as residents of Kansas, purchased LCD panels
20 incorporated in televisions, monitors, and/or laptop computers in Kansas
21 indirectly from one or more of the named Defendants or Quanta Display
22 Inc., for their own use and not for resale. Specifically excluded from the
23 Class are defendants; the officers, directors, or employees of any defendant;
24 the parent companies and subsidiaries of any defendant; the legal
25 representatives and heirs or assigns of any defendant; and the named
26 affiliates and co-conspirators. Also excluded are any federal, state or local
27 governmental entities, any judicial officer presiding over this action and the
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1 members of his/her immediate family and judicial staff, and any juror
2 assigned to this action (the “Kansas Indirect Purchaser Class”).

3 h. **MAINE:** All persons and entities in Maine who, from January 1, 1999 to
4 December 31, 2006, as residents of Maine, purchased LCD panels
5 incorporated in televisions, monitors, and/or laptop computers in Maine
6 indirectly from one or more of the named Defendants or Quanta Display
7 Inc., for their own use and not for resale. Specifically excluded from the
8 Class are defendants; the officers, directors, or employees of any defendant;
9 the parent companies and subsidiaries of any defendant; the legal
10 representatives and heirs or assigns of any defendant; and the named
11 affiliates and co-conspirators. Also excluded are any federal, state or local
12 governmental entities, any judicial officer presiding over this action and the
13 members of his/her immediate family and judicial staff, and any juror
14 assigned to this action (the “Maine Indirect Purchaser Class”).

15 i. **MASSACHUSETTS:** All persons and entities in Massachusetts who, from
16 January 1, 1999 to December 31, 2006, as residents of Massachusetts,
17 purchased LCD panels incorporated in televisions, monitors, and/or laptop
18 computers in Massachusetts indirectly from one or more of the named
19 Defendants or Quanta Display Inc., for their own use and not for resale.
20 Specifically excluded from the Class are defendants; the officers, directors,
21 or employees of any defendant; the parent companies and subsidiaries of
22 any defendant; the legal representatives and heirs or assigns of any
23 defendant; and the named affiliates and co-conspirators. Also excluded are
24 any federal, state or local governmental entities, any judicial officer
25 presiding over this action and the members of his/her immediate family and
26 judicial staff, and any juror assigned to this action (the “Massachusetts
27 Indirect Purchaser Class”).
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1 for their own use and not for resale. Specifically excluded from this Class
2 are the defendants; the officers, directors or employees of any defendant; the
3 parent companies and subsidiaries of any defendant; the legal
4 representatives and heirs or assigns of any defendant; and the named
5 affiliates and co-conspirators. Also excluded are any federal, state or local
6 governmental entities, any judicial officer presiding over this action and the
7 members of his/her immediate family and judicial staff, and any juror
8 assigned to this action (the “Missouri Indirect Purchaser Class”).

9 m. **MISSISSIPPI:** All persons and entities in Mississippi who, from January 1,
10 1999 to December 31, 2006, as residents of Mississippi, purchased LCD
11 panels incorporated in televisions, monitors, and/or laptop computers in
12 Mississippi indirectly from one or more of the named Defendants or Quanta
13 Display Inc., for their own use and not for resale. Specifically excluded
14 from the Class are defendants; the officers, directors, or employees of any
15 defendant; the parent companies and subsidiaries of any defendant; the legal
16 representatives and heirs or assigns of any defendant; and the named
17 affiliates and co-conspirators. Also excluded are any federal, state or local
18 governmental entities, any judicial officer presiding over this action and the
19 members of his/her immediate family and judicial staff, and any juror
20 assigned to this action (the “Mississippi Indirect Purchaser Class”).

21 n. **NEVADA:** All persons and entities in Nevada who, from January 1, 1999 to
22 December 31, 2006, as residents of Nevada, purchased LCD panels
23 incorporated in televisions, monitors, and/or laptop computers in Nevada
24 indirectly from one or more of the named Defendants or Quanta Display
25 Inc., for their own use and not for resale. Specifically excluded from the
26 Class are defendants; the officers, directors, or employees of any defendant;
27 the parent companies and subsidiaries of any defendant; the legal
28 representatives and heirs or assigns of any defendant; and the named

1 affiliates and co-conspirators. Also excluded are any federal, state or local
2 governmental entities, any judicial officer presiding over this action and the
3 members of his/her immediate family and judicial staff, and any juror
4 assigned to this action (the “Nevada Indirect Purchaser Class”).

5 o. **NEW MEXICO:** All persons and entities in New Mexico who, from
6 January 1, 1999 to December 31, 2006, as residents of New Mexico,
7 purchased LCD panels incorporated in televisions, monitors, and/or laptop
8 computers in New Mexico indirectly from one or more of the named
9 Defendants or Quanta Display Inc., for their own use and not for resale.
10 Specifically excluded from the Class are defendants; the officers, directors,
11 or employees of any defendant; the parent companies and subsidiaries of
12 any defendant; the legal representatives and heirs or assigns of any
13 defendant; and the named affiliates and co-conspirators. Also excluded are
14 any federal, state or local governmental entities, any judicial officer
15 presiding over this action and the members of his/her immediate family and
16 judicial staff, and any juror assigned to this action (the “New Mexico
17 Indirect Purchaser Class”).

18 p. **NEW YORK:** All persons and entities in New York who, from January 1,
19 1999 to December 31, 2006, as residents of New York, purchased LCD
20 panels incorporated in televisions, monitors, and/or laptop computers in
21 New York indirectly from one or more of the named Defendants or Quanta
22 Display Inc., for their own use and not for resale. Specifically excluded
23 from the Class are defendants; the officers, directors, or employees of any
24 defendant; the parent companies and subsidiaries of any defendant; the legal
25 representatives and heirs or assigns of any defendant; and the named
26 affiliates and co-conspirators. Also excluded are any federal, state or local
27 governmental entities, any judicial officer presiding over this action and the
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1 members of his/her immediate family and judicial staff, and any juror
2 assigned to this action (the “New York Indirect Purchaser Class”).

3 q. **NORTH CAROLINA:** All persons and entities in North Carolina who,
4 from January 1, 1999 to December 31, 2006, as residents of North Carolina,
5 purchased LCD panels incorporated in televisions, monitors, and/or laptop
6 computers in North Carolina indirectly from one or more of the named
7 Defendants or Quanta Display Inc., for their own use and not for resale.
8 Specifically excluded from the Class are defendants; the officers, directors,
9 or employees of any defendant; the parent companies and subsidiaries of
10 any defendant; the legal representatives and heirs or assigns of any
11 defendant; and the named affiliates and co-conspirators. Also excluded are
12 any federal, state or local governmental entities, any judicial officer
13 presiding over this action and the members of his/her immediate family and
14 judicial staff, and any juror assigned to this action (the “North Carolina
15 Indirect Purchaser Class”).

16 r. **NORTH DAKOTA:** All persons and entities in North Dakota who, from
17 January 1, 1999 to December 31, 2006, as residents of North Dakota,
18 purchased LCD panels incorporated in televisions, monitors, and/or laptop
19 computers in North Dakota indirectly from one or more of the named
20 Defendants or Quanta Display Inc., for their own use and not for resale.
21 Specifically excluded from the Class are defendants; the officers, directors,
22 or employees of any defendant; the parent companies and subsidiaries of
23 any defendant; the legal representatives and heirs or assigns of any
24 defendant; and the named affiliates and co-conspirators. Also excluded are
25 any federal, state or local governmental entities, any judicial officer
26 presiding over this action and the members of his/her immediate family and
27 judicial staff, and any juror assigned to this action (the “North Dakota
28 Indirect Purchaser Class”).

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s. **RHODE ISLAND:** All persons and entities in Rhode Island who, from January 1, 1999 to December 31, 2006, as residents of Rhode Island, purchased LCD panels incorporated in televisions, monitors, and/or laptop computers in Rhode Island indirectly from one or more of the named Defendants or Quanta Display Inc., for their own use and not for resale. Specifically excluded from the Class are defendants; the officers, directors, or employees of any defendant; the parent companies and subsidiaries of any defendant; the legal representatives and heirs or assigns of any defendant; and the named affiliates and co-conspirators. Also excluded are any federal, state or local governmental entities, any judicial officer presiding over this action and the members of his/her immediate family and judicial staff, and any juror assigned to this action (the “Rhode Island Indirect Purchaser Class”).

t. **SOUTH DAKOTA:** All persons and entities in South Dakota who, from January 1, 1999 to December 31, 2006, as residents of South Dakota, purchased LCD panels incorporated in televisions, monitors, and/or laptop computers in South Dakota indirectly from one or more of the named Defendants or Quanta Display Inc., for their own use and not for resale. Specifically excluded from the Class are defendants; the officers, directors, or employees of any defendant; the parent companies and subsidiaries of any defendant; the legal representatives and heirs or assigns of any defendant; and the named affiliates and co-conspirators. Also excluded are any federal, state or local governmental entities, any judicial officer presiding over this action and the members of his/her immediate family and judicial staff, and any juror assigned to this action (the “South Dakota Indirect Purchaser Class”).

u. **TENNESSEE:** All persons and entities in Tennessee who, from January 1, 1999 to December 31, 2006, as residents of Tennessee, purchased LCD

1 panels incorporated in televisions, monitors, and/or laptop computers in
2 Tennessee indirectly from one or more of the named Defendants or Quanta
3 Display Inc., for their own use and not for resale. Specifically excluded
4 from the Class are defendants; the officers, directors, or employees of any
5 defendant; the parent companies and subsidiaries of any defendant; the legal
6 representatives and heirs or assigns of any defendant; and the named
7 affiliates and co-conspirators. Also excluded are any federal, state or local
8 governmental entities, any judicial officer presiding over this action and the
9 members of his/her immediate family and judicial staff, and any juror
10 assigned to this action (the “Tennessee Indirect Purchaser Class”).

11 v. **VERMONT:** All persons and entities in Vermont who, from January 1,
12 1999 to December 31, 2006, as residents of Vermont, purchased LCD
13 panels incorporated in televisions, monitors, and/or laptop computers in
14 Vermont indirectly from one or more of the named Defendants or Quanta
15 Display Inc., for their own use and not for resale. Specifically excluded
16 from the Class are defendants; the officers, directors, or employees of any
17 defendant; the parent companies and subsidiaries of any defendant; the legal
18 representatives and heirs or assigns of any defendant; and the named
19 affiliates and co-conspirators. Also excluded are any federal, state or local
20 governmental entities, any judicial officer presiding over this action and the
21 members of his/her immediate family and judicial staff, and any juror
22 assigned to this action (the “Vermont Indirect Purchaser Class”).

23 w. **WEST VIRGINIA:** All persons and entities in West Virginia who, from
24 January 1, 1999 to December 31, 2006, as residents of West Virginia,
25 purchased LCD panels incorporated in televisions, monitors, and/or laptop
26 computers in West Virginia indirectly from one or more of the named
27 Defendants or Quanta Display Inc., for their own use and not for resale.
28 Specifically excluded from the Class are defendants; the officers, directors,

1 or employees of any defendant; the parent companies and subsidiaries of
2 any defendant; the legal representatives and heirs or assigns of any
3 defendant; and the named affiliates and co-conspirators. Also excluded are
4 any federal, state or local governmental entities, any judicial officer
5 presiding over this action and the members of his/her immediate family and
6 judicial staff, and any juror assigned to this action (the “West Virginia
7 Indirect Purchaser Class”).

- 8 x. **WISCONSIN:** All persons and entities in Wisconsin who, from January 1,
9 1999 to December 31, 2006, as residents of Wisconsin, purchased LCD
10 panels incorporated in televisions, monitors, and/or laptop computers in
11 Wisconsin indirectly from one or more of the named Defendants or Quanta
12 Display Inc., for their own use and not for resale. Specifically excluded
13 from the Class are defendants; the officers, directors, or employees of any
14 defendant; the parent companies and subsidiaries of any defendant; the legal
15 representatives and heirs or assigns of any defendant; and the named
16 affiliates and co-conspirators. Also excluded are any federal, state or local
17 governmental entities, any judicial officer presiding over this action and the
18 members of his/her immediate family and judicial staff, and any juror
19 assigned to this action (the “Wisconsin Indirect Purchaser Class”).

20 252. Plaintiffs do not know the exact size of the Classes at the present time. However,
21 Plaintiffs believe that due to the nature of the trade and commerce involved, there are at least
22 thousands in each separate state class, and hundreds of thousands of class members geographically
23 dispersed throughout the United States, such that joinder of all class members would be
24 impracticable.

25 253. Plaintiffs’ claims are typical of the claims of their respective Classes, and Plaintiffs
26 will fairly and adequately protect the interests of the Classes. Plaintiffs’ interests are coincident
27 with, and not antagonistic to, those of the members of their respective Classes. Plaintiffs have
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1 retained competent counsel experienced in class action and complex antitrust and consumer
2 protection litigation.

3 254. Common questions of law and fact exist, including:

- 4 i. Whether defendants and their co-conspirators engaged in a
5 contract, combination or conspiracy among themselves to fix,
6 raise, maintain or stabilize the process of, or allocate the
7 market of LCD panels sold in the United States;
- 8 ii. The duration and extent of the contract, combination or
9 conspiracy;
- 10 iii. Whether the defendants and their co-conspirators were
11 participants in the contracts, combinations or conspiracies
12 alleged herein;
- 13 iv. Whether defendants and their co-conspirators engaged in
14 conduct that violated Section 1 of the Sherman act;
- 15 v. Whether defendants and their co-conspirators engaged in
16 unlawful, unfair or deceptive contracts, combinations or
17 conspiracies among themselves, express or implied, to fix,
18 raise, maintain, or stabilize prices of LCD panels sold in
19 and/or distributed in the United States;
- 20 vi. Whether the defendants and their co-conspirators engaged in
21 conduct in violation of the antitrust, consumer protection,
22 unfair trade, and/or deceptive trade practices laws of the
23 various Indirect Purchaser States as alleged below;
- 24 vii. Whether the anticompetitive conduct of the defendants and
25 their co-conspirators caused prices of LCD panels to be
26 artificially inflated to non-competitive levels;

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- viii. Whether the defendants and their co-conspirators unjustly enriched themselves as a result of their inequitable conduct at the expense of the members of the Classes;
- ix. Whether defendants and their co-conspirators fraudulently concealed the existence of their unlawful conduct;
- x. Whether Plaintiffs and the Classes are entitled to injunctive relief; and
- xi. Whether Plaintiffs and other members of the Indirect Purchaser Classes were injured by the conduct of defendants and, if so, the appropriate measure of damages for each of the Classes.

255. These and other questions of law and fact are common to the Classes and predominate over any questions affecting only individual class members, including legal and factual issues relating to liability, damages, and restitution.

256. Class action treatment is a superior method for the fair and efficient adjudication of this controversy because:

- a. It will avoid a multiplicity of suits and consequent burden on the courts and defendants;
- b. It would be virtually impossible for all members of the Classes to intervene as parties-plaintiff in this action;
- c. It will allow numerous individuals with claims too small to adjudicate on an individual basis because of the prohibitive cost of this litigation, to obtain redress for their economic injuries;
- d. It is appropriate for treatment on a fluid recovery basis, which obviate any manageability problems; and
- e. It will provide court oversight of the claims process, once defendants' liability is adjudicated.

257. The named plaintiffs will fairly and adequately protect the interests of the Class in

1 that the named plaintiffs have no interests antagonistic to the interests of the other members of the
2 Class and have retained counsel competent and experienced in the prosecution of class actions and
3 antitrust cases to represent themselves and the Class.

4 258. This case is also appropriate for certification as a class action because the
5 defendants have acted and refused to act on grounds generally applicable to the Class, so that final
6 injunctive relief will be appropriate with respect to the Class as a whole.

7 259. The claims asserted herein are also appropriate for class certification under the laws
8 of the state of California and of each of the other states under which claims are asserted.

9 **X. ACTIVE CONCEALMENT**

10 260. Plaintiffs and members of the Classes alleged herein did not discover and could not
11 have discovered, through the exercise of reasonable diligence, the existence of the conspiracy
12 alleged herein until after December of 2006, after the investigations by the DOJ and other antitrust
13 regulators became public, because defendants and their co-conspirators actively and fraudulently
14 concealed the existence of their contract, combination or conspiracy. Because defendants'
15 agreement, understanding and conspiracy were kept secret, plaintiffs and members of the indirect-
16 purchaser classes were unaware of defendants' unlawful conduct alleged herein and did not know
17 that they were paying artificially high prices for LCD panels and the products in which they were
18 used.

19 261. The affirmative acts of the defendants alleged herein, including acts in furtherance
20 of the conspiracy, were actively concealed and carried out in a manner that precluded detection.

21 262. By its very nature, defendants' price-fixing conspiracy was inherently self-
22 concealing. As alleged above, defendants had secret discussions about price and output.
23 Defendants agreed not to publicly discuss the existence or the nature of their agreement. In fact,
24 the top executives who attended the CEO and/or Commercial Meetings agreed to stagger their
25 arrivals and departures at such meetings to avoid being seen in public with each other and with the
26 express purpose and effect of keeping them secret. Moreover, when the participants in those
27 meetings became fearful that they might be subject to antitrust scrutiny, they agreed to the one-on-
28 one so-called "round robin" meetings described above to avoid detection.

1 263. Moreover, defendants repeatedly gave pretextual justifications for the inflated
2 prices of LCD panels in furtherance of the conspiracy.

3 264. There have been a variety of other purportedly market-based explanations for price
4 increases. The first was supply and demand. In early 1999, Omid Milani, a marketing manager
5 for NEC, stated that “demand by far is outstripping our supply capability” and predicted that
6 “prices will continue to increase until a reasonable balance is achieved.” Boch Kwon, Vice
7 President of LGD’ Sales Division, and Yoon-Woo Lee, President and CEO of Samsung’s
8 Semiconductor Division, also falsely reported in 1999 that price increases were due to “acute”
9 shortages.

10 265. Another false rationale provided by defendants was undercapitalization. In 1999,
11 Joel Pollack, a marketing manager for Sharp, stated:

12 Prices have dropped at a steady rate over the past couple of years to the point where
13 it was difficult to continue the necessary level of capitalization. The [low prices]
14 have starved the industry.

15 266. A third rationale for the steep price hikes of 1999 was offered by Yoon-Woo Lee,
16 CEO of Samsung. He claimed that the demand for larger panels was reducing the industry’s
17 capacity because each display used more square inches of motherglass substrate.

18 267. Increased demand was repeatedly cited by defendants throughout the Class Period.
19 On February 4, 2001, Bruce Berkoff, Executive Vice-President at LGD was quoted in News.com
20 as saying that price increases were due to shortages. He claimed, “demand grew so fast that the
21 supply can't keep up.” Duk-Mo Koo, an executive at LGD, similarly predicted in 1999 that prices
22 would rise 10 to 15 percent due to increased demand for the holiday season. In 2005, Duk-Mo
23 Koo of LGD stated “[w]e are seeing much stronger demand for large-size LCD TVs than expected,
24 so LCD TV supply is likely to remain tight throughout the year.”

25 268. Hsu Jen-Ting, a Vice-President at Chi Mei, and Chen Shuen-Bin, president of AU
26 Optronics, offered another rationale for the 2001 price hike in an interview for the Taiwan
27 Economic News in October 2001. They blamed “component shortages due to the late expansion
28 of 5th generation production lines and new demand from the replacement of traditional cathode
ray tubes with LCD monitors.”

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- b. Prices for LCD panels sold by defendants and their co-conspirators have been fixed, raised, maintained and stabilized at artificially high, non-competitive levels throughout the United States; and
- c. Those who purchased LCD panels directly or indirectly from defendants and their co-conspirators have been deprived of the benefits of free and open competition.

274. Plaintiffs and other Nationwide Class members have been injured and will continue to be injured in their businesses and property by paying more for LCD panels purchased indirectly from the defendants and their co-conspirators than they would have paid and will pay in the absence of the combination and conspiracy, including paying more for TVs, laptops, and computer monitors, in which LCD panels are included, as a result of higher prices paid for LCD panels by the direct purchasers of such panels.

275. Plaintiffs and the Nationwide Class are entitled to an injunction against defendants, preventing and restraining the violations alleged herein.

Second Claim for Relief

(Unjust Enrichment and Disgorgement of Profits)

276. Plaintiffs incorporate and reallege, as though fully set forth herein, each and every allegation set forth in the preceding paragraphs of this Complaint.

277. Defendants have been unjustly enriched through overpayments by plaintiffs and class members and the resulting profits.

278. Under common law principles of unjust enrichment, defendants should not be permitted to retain the benefits conferred on them by overpayments by plaintiffs and class members in the following states: Arizona, California, District of Columbia, Hawaii, Iowa, Kansas, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Mexico, New York, North Carolina, Rhode Island, South Dakota, Tennessee, Vermont, West Virginia, and Wisconsin.

1 282. Plaintiffs Lisa Blackwell, Byron Ho, Robert Kerson, Steven Martel, Frederick
2 Rozo, and Joe Solo, (collectively “California plaintiffs”) incorporate and reallege, as though fully
3 set forth herein, each and every allegation set forth in the preceding paragraphs of this Complaint.

- 4 a. Defendants’ contract, combination, trust or conspiracy was entered
5 in, carried out, effectuated and perfected mainly within the State of
6 California, and defendants’ conduct within California injured all
7 members of the Class throughout the United States. Therefore, this
8 claim for relief under California law is brought on behalf of the
9 California Indirect Purchaser Class.
- 10 b. Beginning at a time currently unknown to California plaintiffs, but at
11 least as early as January 1, 1999, and continuing thereafter at least
12 up to the filing of this Second Consolidated Amended Complaint,
13 defendants and their co-conspirators entered into and engaged in a
14 continuing unlawful trust in restraint of the trade and commerce
15 described above in violation of Section 16720, California Business
16 and Professions Code. Defendants, and each of them, have acted in
17 violation of Section 16720 to fix, raise, stabilize, and maintain prices
18 of, and allocate markets for, LCD panels and LCD products at
19 supracompetitive levels.
- 20 c. The aforesaid violations of Section 16720, California Business and
21 Professions Code, consisted, without limitation, of a continuing
22 unlawful trust and concert of action among the defendants and their
23 co-conspirators, the substantial terms of which were to fix, raise,
24 maintain, and stabilize the prices of, and to allocate markets for,
25 LCD panels and LCD products.
- 26 d. For the purpose of forming and effectuating the unlawful trust, the
27 defendants and their co-conspirators have done those things which
28 they combined and conspired to do, including but in any way limited

1 to the acts, practices and course of conduct set forth above and the
2 following: (1) Fixing, raising, stabilizing, and pegging the price of
3 LCD panels; and (2) Allocating among themselves the production of
4 LCD panels.

5 e. The combination and conspiracy alleged herein has had, *inter alia*,
6 the following effects: (1) Price competition in the sale of LCD
7 panels and LCD products has been restrained, suppressed, and/or
8 eliminated in the State of California; (2) Prices for LCD panels and
9 LCD products sold by defendants and their co-conspirators have
10 been fixed, raised, stabilized, and pegged at artificially high, non-
11 competitive levels in the State of California and throughout the
12 United States; and (3) Those who purchased LCD panels and LCD
13 products directly or indirectly from defendants and their co-
14 conspirators have been deprived of the benefit of free and open
15 competition.

16 f. As a direct and proximate result of defendants' unlawful conduct,
17 California plaintiffs and the members of the California Indirect
18 Purchaser Class have been injured in their business and property in
19 that they paid more for LCD products than they otherwise would
20 have paid in the absence of defendants' unlawful conduct. As a
21 result of defendants' violation of Section 16720 of the California
22 Business and Professions Code, California plaintiffs and the
23 California Indirect Purchaser Class seek treble damages and their
24 cost of suit, including a reasonable attorney's fee, pursuant to
25 Section 16750(a) of the California Business and Professions Code.

26 283. Plaintiff David Walker ("DC Plaintiff") incorporates and realleges each and every
27 allegation set forth in the preceding paragraphs of this Complaint.
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- a. Defendants’ combinations or conspiracies had the following effects:
(1) LCD price competition was restrained, suppressed, and eliminated throughout the District of Columbia; (2) LCD prices were raised, fixed, maintained and stabilized at artificially high levels throughout the District of Columbia; (3) Plaintiff Walker and members of the District of Columbia Indirect Purchaser Class were deprived of free and open competition; and (4) Plaintiff Walker and members of the District of Columbia Indirect Purchaser Class paid supracompetitive, artificially inflated prices for LCD.
- b. During the Class Period, defendants’ illegal conduct substantially affected District of Columbia commerce.
- c. As a direct and proximate result of defendants’ unlawful conduct, Plaintiff Walker and members of the District of Columbia Indirect Purchaser Class have been injured in their business and property and are threatened with further injury.
- d. By reason of the foregoing, defendants have entered into agreements in restraint of trade in violation of District of Columbia Code Ann. §§ 28-4502, *et seq.* Accordingly, Plaintiff Walker and the members of the District of Columbia Indirect Purchaser Class seek all forms of relief available under District of Columbia Code Ann. §§ 28-4503, *et seq.*

284. Plaintiff Ben Northway (“Iowa Plaintiff”) incorporates and realleges each and every allegation set forth in the preceding paragraphs of this Complaint.

- a. Defendants’ combinations or conspiracies had the following effects:
(1) LCD price competition was restrained, suppressed, and eliminated throughout Iowa; (2) LCD prices were raised, fixed, maintained and stabilized at artificially high levels throughout Iowa; (3) Plaintiff Northway and members of the Iowa Indirect Purchaser

1 Class were deprived of free and open competition; and (4)Plaintiff
2 Northway and members of the Iowa Indirect Purchaser Class paid
3 supracompetitive, artificially inflated prices for LCD.

4 b. During the Class Period, defendants' illegal conduct substantially
5 affected Iowa commerce.

6 c. As a direct and proximate result of defendants' unlawful conduct,
7 Plaintiff Northway and members of the Iowa Indirect Purchaser
8 Class have been injured in their business and property and are
9 threatened with further injury.

10 d. By reason of the foregoing, defendants have entered into agreements
11 in restraint of trade in violation of Iowa Code §§ 553.1, *et seq.*

12 Accordingly, Plaintiff Northway and the members of the Iowa
13 Indirect Purchaser Class seek all forms of relief available under Iowa
14 Code §§ 553.1.

15 285. Plaintiffs Rex Getz and Kou Srimoungchanh ("Kansas Plaintiffs") incorporate and
16 reallege each and every allegation set forth in the preceding paragraphs of this Complaint.

17 a. Defendants' combinations or conspiracies had the following effects:
18 (1) LCD price competition was restrained, suppressed, and
19 eliminated throughout Kansas; (2) LCD prices were raised, fixed,
20 maintained and stabilized at artificially high levels throughout
21 Kansas; (3) Kansas Plaintiffs and members of the Kansas Indirect
22 Purchaser Class were deprived of free and open competition; and (4)
23 Kansas Plaintiffs and members of the Kansas Indirect Purchaser
24 Class paid supracompetitive, artificially inflated prices for LCD.

25 b. During the Class Period, defendants' illegal conduct substantially
26 affected Kansas commerce.

27 c. As a direct and proximate result of defendants' unlawful conduct,
28 Kansas Plaintiffs and members of the Kansas Indirect Purchaser

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Class have been injured in their business and property and are threatened with further injury.

d. By reason of the foregoing, defendants have entered into agreements in restraint of trade in violation of Kansas Stat. Ann. §§ 50-101, *et seq.* Accordingly, Kansas Plaintiffs and the members of the Kansas Indirect Purchaser Class seek all forms of relief available under Kansas Stat. Ann. §§ 50-101, *et seq.*

286. Plaintiff Patricia Giles (“Maine Plaintiff”) incorporates and realleges each and every allegation set forth in the preceding paragraphs of this Complaint.

- a. Defendants’ combinations or conspiracies had the following effects: (1) LCD price competition was restrained, suppressed, and eliminated throughout Maine; (2) LCD prices were raised, fixed, maintained and stabilized at artificially high levels throughout Maine; (3) Plaintiff Giles and members of the Maine Indirect Purchaser Class were deprived of free and open competition; and (4) Plaintiff Giles and members of the Maine Indirect Purchaser Class paid supracompetitive, artificially inflated prices for LCD.
- b. During the Class Period, defendants’ illegal conduct substantially affected Maine commerce.
- c. As a direct and proximate result of defendants’ unlawful conduct, Plaintiff Giles and members of the Maine Indirect Purchaser Class have been injured in their business and property and are threatened with further injury.
- d. By reason of the foregoing, defendants have entered into agreements in restraint of trade in violation of Maine Rev. Stat. Ann. 10, §§ 1101, *et seq.* Accordingly, Plaintiff Giles and the members of the Maine Indirect Purchaser Class seek all relief available under Maine Rev. Stat. Ann. 10, §§ 1101, *et seq.*

1 287. Plaintiffs Gladys Baker, Judy Griffith, and Ling-Hung Jou (“Michigan Plaintiffs”)
2 incorporate and reallege each and every allegation set forth in the preceding paragraphs of this
3 Complaint.

- 4 a. Defendants’ combinations or conspiracies had the following effects:
5 (1) LCD price competition was restrained, suppressed, and
6 eliminated throughout Michigan; (2) LCD prices were raised, fixed,
7 maintained and stabilized at artificially high levels throughout
8 Michigan; (3) Michigan Plaintiffs and members of the Michigan
9 Indirect Purchaser Class were deprived of free and open
10 competition; and (4) Michigan Plaintiffs and members of the
11 Michigan Indirect Purchaser Class paid supracompetitive, artificially
12 inflated prices for LCD.
- 13 b. During the Class Period, defendants’ illegal conduct substantially
14 affected Michigan commerce.
- 15 c. As a direct and proximate result of defendants’ unlawful conduct,
16 Michigan Plaintiffs and members of the Michigan Indirect Purchaser
17 Class have been injured in their business and property and are
18 threatened with further injury.
- 19 d. By reason of the foregoing, defendants have entered into agreements
20 in restraint of trade in violation of Michigan Comp. Laws Ann. §§
21 445.771, *et seq.* Accordingly, Michigan Plaintiffs and the members
22 of the Michigan Indirect Purchaser Class seek all relief available
23 under Michigan Comp. Laws Ann. §§ 445.73, *et seq.*

24 288. Plaintiff Martha Mulvey (“Minnesota Plaintiff”) incorporates and realleges each
25 and every allegation set forth in the preceding paragraphs of this Complaint.

- 26 a. Defendants’ combinations or conspiracies had the following effects:
27 (1) LCD price competition was restrained, suppressed, and
28 eliminated throughout Minnesota; (2) LCD prices were raised, fixed,

1 maintained and stabilized at artificially high levels throughout
2 Minnesota; (3) Plaintiff Mulvey and members of the Minnesota
3 Indirect Purchaser Class were deprived of free and open
4 competition; and (4) Plaintiff Mulvey and members of the Minnesota
5 Indirect Purchaser Class paid supracompetitive, artificially inflated
6 prices for LCD.

7 b. During the Class Period, defendants' illegal conduct substantially
8 affected Minnesota commerce.

9 c. As a direct and proximate result of defendants' unlawful conduct,
10 Plaintiff Mulvey and members of the Minnesota Indirect Purchaser
11 Class have been injured in their business and property and are
12 threatened with further injury.

13 d. By reason of the foregoing, defendants have entered into agreements
14 in restraint of trade in violation of Minnesota Stat. §§ 325D.52, *et*
15 *seq.* Accordingly, Plaintiff Mulvey and the members of the
16 Minnesota Indirect Purchaser Class seek all relief available under
17 Minnesota Stat. §§ 325D.502, *et seq.*

18 289. Plaintiff Cynthia Saia ("Mississippi Plaintiff") incorporates and realleges each and
19 every allegation set forth in the preceding paragraphs of this Complaint.

20 a. Defendants' combinations or conspiracies had the following effects:
21 (1) LCD price competition was restrained, suppressed, and
22 eliminated throughout Mississippi; (2) LCD prices were raised,
23 fixed, maintained and stabilized at artificially high levels throughout
24 Mississippi; (3) Plaintiff Saia and members of the Mississippi
25 Indirect Purchaser Class were deprived of free and open
26 competition; and (4) Plaintiff Saia and members of the Mississippi
27 Indirect Purchaser Class paid supracompetitive, artificially inflated
28 prices for LCD.

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- b. During the Class Period, defendants’ illegal conduct substantially affected Mississippi commerce.
- c. As a direct and proximate result of defendants’ unlawful conduct, Plaintiff Saia and members of the Mississippi Indirect Purchaser Class have been injured in their business and property and are threatened with further injury.
- d. By reason of the foregoing, defendants have entered into agreements in restraint of trade in violation of Mississippi Code Ann. § 75-21-1, *et seq.* Accordingly, Plaintiff Saia and all members of the Mississippi Indirect Purchaser Class seek all relief available under Mississippi Code Ann. § 75-21-1, *et seq.*

290. Plaintiff Allen Kelley (“Nevada Plaintiff”) incorporates and realleges each and every allegation set forth in the preceding paragraphs of this Complaint.

- a. Defendants’ combinations or conspiracies had the following effects:
 - (1) LCD price competition was restrained, suppressed, and eliminated throughout Nevada;
 - (2) LCD prices were raised, fixed, maintained and stabilized at artificially high levels throughout Nevada;
 - (3) Nevada Plaintiff and members of the Nevada Indirect Purchaser Class were deprived of free and open competition; and
 - (4) Nevada Plaintiff and members of the Nevada Indirect Purchaser Class paid supracompetitive, artificially inflated prices for LCD.
- b. During the Class Period, defendants’ illegal conduct substantially affected Nevada commerce.
- c. As a direct and proximate result of defendants’ unlawful conduct, Nevada Plaintiff and members of the Nevada Indirect Purchaser Class have been injured in their business and property and are threatened with further injury.

1 d. By reason of the foregoing, defendants have entered into agreements
2 in restraint of trade in violation of Nevada Rev. Stat. Ann. §§ 598A,
3 *et seq.* Accordingly, Nevada Plaintiff and all members of the
4 Nevada Indirect Purchaser Class seek all relief available under
5 Nevada Rev. Stat. Ann. §§ 598A, *et seq.*

6 291. Plaintiffs Thomas Clark and Marcia Weingarten (“New Mexico Plaintiffs”)
7 incorporate and reallege each and every allegation set forth in the preceding paragraphs of this
8 Complaint.

9 a. Defendants’ combinations or conspiracies had the following effects: (1)
10 LCD price competition was restrained, suppressed, and eliminated
11 throughout New Mexico; (2) LCD prices were raised, fixed, maintained and
12 stabilized at artificially high levels throughout New Mexico; (3) New
13 Mexico Plaintiffs and members of the New Mexico Indirect Purchaser Class
14 were deprived of free and open competition; and (4) New Mexico Plaintiffs
15 and members of the New Mexico Indirect Purchaser Class paid
16 supracompetitive, artificially inflated prices for LCD.

17 b. During the Class Period, defendants’ illegal conduct substantially
18 affected New Mexico commerce.

19 c. As a direct and proximate result of defendants’ unlawful conduct,
20 New Mexico Plaintiffs and members of the New Mexico Indirect
21 Purchaser Class have been injured in their business and property and
22 are threatened with further injury.

23 d. By reason of the foregoing, defendants have entered into agreements
24 in restraint of trade in violation of New Mexico Stat. Ann. §§ 57-1-
25 1, *et seq.* Accordingly, New Mexico Plaintiffs and all members of
26 the New Mexico Indirect Purchaser Class seek all relief available
27 under New Mexico Stat. Ann. §§ 57-1-1, *et seq.*

28 292. Plaintiffs Tom DiMatteo and Chris Ferencsik (“New York Plaintiffs”) incorporate

1 and reallege each and every allegation set forth in the preceding paragraphs of this Complaint.

- 2 a. Defendants' combinations or conspiracies had the following effects:
- 3 (1) LCD price competition was restrained, suppressed, and
- 4 eliminated throughout New York; (2) LCD prices were raised, fixed,
- 5 maintained and stabilized at artificially high levels throughout New
- 6 York; (3) New York Plaintiffs and members of the New York
- 7 Indirect Purchaser Class were deprived of free and open
- 8 competition; and (4) New York Plaintiffs and members of the New
- 9 York Indirect Purchaser Class paid supracompetitive, artificially
- 10 inflated prices for LCD when they purchased the products containing
- 11 LCD, or purchased products that were otherwise of lower quality,
- 12 than would have been absent the conspirators illegal acts, or were
- 13 unable to purchase products that they would have otherwise have
- 14 purchased absent the illegal conduct.
- 15 b. During the Class Period, defendants' illegal conduct substantially
- 16 affected New York commerce.
- 17 c. As a direct and proximate result of defendants' unlawful conduct,
- 18 New York Plaintiffs and members of the New York Indirect
- 19 Purchaser Class have been injured in their business and property and
- 20 are threatened with further injury.
- 21 d. By reason of the foregoing, defendants have entered into agreements
- 22 in restraint of trade in violation of the New York Donnelly Act, §§
- 23 340, *et seq.* The conduct set forth above is a per se violation of the
- 24 Act. Accordingly, New York Plaintiffs and all members of the New
- 25 York Indirect Purchaser Class seek all relief available under New
- 26 York Gen. Bus. Law §§ 340, *et seq.*

27 293. Plaintiff Donna Jeanne Flanagan, ("North Carolina Plaintiff") incorporates and

28 realleges each and every allegation set forth in the preceding paragraphs of this Complaint.

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- a. Defendants’ combinations or conspiracies had the following effects:
(1) LCD price competition was restrained, suppressed, and eliminated throughout North Carolina; (2) LCD prices were raised, fixed, maintained and stabilized at artificially high levels throughout North Carolina; (3) North Carolina Plaintiff and members of the North Carolina Indirect Purchaser Class were deprived of free and open competition; and (4) North Carolina Plaintiff and members of the North Carolina Indirect Purchaser Class paid supracompetitive, artificially inflated prices for LCD.
- b. During the Class Period, defendants’ illegal conduct substantially affected North Carolina commerce.
- c. As a direct and proximate result of defendants’ unlawful conduct, North Carolina Plaintiff and members of the North Carolina Indirect Purchaser Class have been injured in their business and property and are threatened with further injury.
- d. By reason of the foregoing, defendants have entered into agreements in restraint of trade in violation of North Carolina Gen. Stat. §§ 75-1, *et seq.* Accordingly, North Carolina Plaintiff and all members of the North Carolina Indirect Purchaser Class seek all relief available under North Carolina Gen. Stat. §§ 75-1, *et seq.*

294. Plaintiff Bob George (“North Dakota Plaintiff”) incorporates and realleges each and every allegation set forth in the preceding paragraphs of this Complaint.

- a. Defendants’ combinations or conspiracies had the following effects:
(1) LCD price competition was restrained, suppressed, and eliminated throughout North Dakota; (2) LCD prices were raised, fixed, maintained and stabilized at artificially high levels throughout North Dakota; (3) Plaintiff George and members of the North Dakota Indirect Purchaser Class were deprived of free and open

1 competition; and (4) Plaintiff George and members of the North
2 Dakota Indirect Purchaser Class paid supracompetitive, artificially
3 inflated prices for LCD.

- 4 b. During the Class Period, defendants' illegal conduct had a
5 substantial effect on North Dakota commerce.
- 6 c. As a direct and proximate result of defendants' unlawful conduct,
7 Plaintiff George and members of the North Dakota Indirect
8 Purchaser Class have been injured in their business and property and
9 are threatened with further injury.
- 10 d. By reason of the foregoing, defendants have entered into agreements
11 in restraint of trade in violation of North Dakota Cent. Code §§ 51-
12 08.1-01, *et seq.* Accordingly, Plaintiff Bob George and all members
13 of the North Dakota Indirect Purchaser Class seek all relief available
14 under North Dakota Cent. Code §§ 51-08.1-01, *et seq.*

15 295. Plaintiffs Christopher Bessette and Chad Hansen ("South Dakota Plaintiffs")
16 incorporate and reallege each and every allegation set forth in the preceding paragraphs of this
17 Complaint.

- 18 a. Defendants' combinations or conspiracies had the following effects:
19 (1) LCD price competition was restrained, suppressed, and
20 eliminated throughout South Dakota; (2) LCD prices were raised,
21 fixed, maintained and stabilized at artificially high levels throughout
22 South Dakota; (3) South Dakota Plaintiffs and members of the South
23 Dakota Indirect Purchaser Class were deprived of free and open
24 competition; and (4) South Dakota Plaintiffs and members of the
25 South Dakota Indirect Purchaser Class paid supracompetitive,
26 artificially inflated prices for LCD.
- 27 b. During the Class Period, defendants' illegal conduct had a
28 substantial effect on South Dakota commerce.

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- c. As a direct and proximate result of defendants’ unlawful conduct, South Dakota Plaintiffs and members of the South Dakota Indirect Purchaser Class have been injured in their business and property and are threatened with further injury.
- d. By reason of the foregoing, defendants have entered into agreements in restraint of trade in violation of South Dakota Codified Laws Ann. §§ 37-1, *et seq.* Accordingly, South Dakota Plaintiffs and all members of the South Dakota Indirect Purchaser Class seek all relief available under South Dakota Codified Laws Ann. §§ 37-1, *et seq.*

296. Plaintiffs Scott Beall and Dena Williams (“Tennessee Plaintiffs”) incorporate and reallege each and every allegation set forth in the preceding paragraphs of this Complaint.

- a. Defendants’ combinations or conspiracies had the following effects: (1) LCD price competition was restrained, suppressed, and eliminated throughout Tennessee; (2) LCD prices were raised, fixed, maintained and stabilized at artificially high levels throughout Tennessee; (3) Tennessee Plaintiffs and members of the Tennessee Indirect Purchaser Class were deprived of free and open competition; and (4) Tennessee Plaintiffs and members of the Tennessee Indirect Purchaser Class paid supracompetitive, artificially inflated prices for LCD.
- b. During the Class Period, defendants’ illegal conduct had a substantial effect on Tennessee commerce as products containing LCD were sold in Tennessee.
- c. As a direct and proximate result of defendants’ unlawful conduct, Tennessee Plaintiffs and members of the Tennessee Indirect Purchaser Class have been injured in their business and property and are threatened with further injury.

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d. By reason of the foregoing, defendants have entered into agreements in restraint of trade in violation of Tennessee Code Ann. §§ 47-25-101, *et seq.* Accordingly, Tennessee Plaintiffs and all members of the Tennessee Indirect Purchaser Class seek all relief available under Tennessee Code Ann. §§ 47-25-101, *et seq.*

297. Plaintiff Robert Watson (“Vermont Plaintiff”) and members of the Vermont Indirect Purchaser Class incorporate and reallege each and every allegation set forth in the preceding paragraphs of this Complaint.

- a. Defendants’ combinations or conspiracies had the following effects: (1) LCD price competition was restrained, suppressed, and eliminated throughout Vermont; (2) LCD prices were raised, fixed, maintained and stabilized at artificially high levels throughout Vermont; (3) Plaintiff Watson and members of the Vermont Indirect Purchaser Class were deprived of free and open competition; and (4) Plaintiff Watson and members of the Vermont Indirect Purchaser Class paid supracompetitive, artificially inflated prices for LCD.
- b. During the Class Period, defendants’ illegal conduct had a substantial effect on Vermont commerce.
- c. As a direct and proximate result of defendants’ unlawful conduct, Plaintiff Watson and members of the Vermont Indirect Purchaser Class have been injured in their business and property and are threatened with further injury.
- d. By reason of the foregoing, defendants have entered into agreements in restraint of trade in violation of Vermont Stat. Ann. 9 §§ 2453, *et seq.* Accordingly, Plaintiff Watson and all members of the Vermont Indirect Purchaser Class seek all relief available under Vermont Stat. Ann. 9 §§ 2453, *et seq.*

1 298. Plaintiffs John Matrich (“West Virginia Plaintiff”) and members of the West
2 Virginia Indirect Purchaser Class incorporate and reallege each and every allegation set forth in
3 the preceding paragraphs of this Complaint.

4 a. Defendants’ combinations or conspiracies had the following effects:

5 (1) LCD price competition was restrained, suppressed, and
6 eliminated throughout West Virginia; (2) LCD prices were raised,
7 fixed, maintained and stabilized at artificially high levels throughout
8 West Virginia; (3) Plaintiff Matrich and members of the West
9 Virginia Indirect Purchaser Class were deprived of free and open
10 competition; and (4) Plaintiff Matrich and members of the West
11 Virginia Indirect Purchaser Class paid supracompetitive, artificially
12 inflated prices for LCD.

13 b. During the Class Period, defendants’ illegal conduct had a
14 substantial effect on West Virginia commerce.

15 c. As a direct and proximate result of defendants’ unlawful conduct,
16 Plaintiff Matrich and members of the West Virginia Indirect
17 Purchaser Class have been injured in their business and property and
18 are threatened with further injury.

19 d. By reason of the foregoing, defendants have entered into agreements
20 in restraint of trade in violation of West Virginia §§ 47-18-1, *et seq.*
21 Accordingly, Plaintiff Matrich and all members of the West Virginia
22 Indirect Purchaser Class seek all relief available under West Virginia
23 §§ 47-18-1, *et seq.*

24 299. Plaintiffs Joe Kovacevich, and Jai Paguirigan (“Wisconsin Plaintiffs”) incorporate
25 and reallege each and every allegation set forth in the preceding paragraphs of this Complaint.

26 a. Defendants’ combinations or conspiracies had the following effects:

27 (1) LCD price competition was restrained, suppressed, and
28 eliminated throughout Wisconsin; (2) LCD prices were raised, fixed,

1 maintained and stabilized at artificially high levels throughout
2 Wisconsin; (3) Wisconsin Plaintiffs and members of the Wisconsin
3 Indirect Purchaser Class were deprived of free and open
4 competition; and (4) Wisconsin Plaintiffs and members of the
5 Wisconsin Indirect Purchaser Class paid supracompetitive,
6 artificially inflated prices for LCD.

- 7 b. During the Class Period, defendants' illegal conduct had a
8 substantial effect on Wisconsin commerce.
- 9 c. As a direct and proximate result of defendants' unlawful conduct,
10 Wisconsin Plaintiffs and members of the Wisconsin Indirect
11 Purchaser Class have been injured in their business and property and
12 are threatened with further injury.
- 13 d. By reason of the foregoing, defendants have entered into agreements
14 in restraint of trade in violation of Wisconsin Stat. §§ 133.01, *et seq.*
15 Accordingly, Wisconsin Plaintiffs and all members of the
16 Wisconsin Indirect Purchaser Class seek all relief available under
17 Wisconsin Stat. §§ 133.01, *et seq.*

18 **Fourth Claim for Relief**

19 **(Violation of State Consumer Protection And Unfair Competition Laws)**

20 300. Plaintiffs incorporate and reallege, as though fully set forth herein, each and every
21 allegation set forth in the preceding paragraphs of this Complaint.

22 301. Defendants engaged in unfair competition or unfair, unconscionable, deceptive or
23 fraudulent acts or practices in violation of the state consumer protection and unfair competition
24 statutes listed below.

25 302. California plaintiffs incorporate and reallege each and every allegation set forth in
26 the preceding paragraphs of this Complaint.

- 27 a. Defendants' business acts and practices were centered in, carried
28 out, effectuated, and perfected mainly within the State of California,

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and defendants’ conduct injured all members of the California Indirect Purchaser Class. Therefore, this claim for relief under California law is brought on behalf of the California Indirect Purchaser Class.

b. Beginning on a date unknown to California plaintiffs, but at least as early as January 1, 1999, and continuing thereafter at least up through the filing of this Second Consolidated Amended Complaint, defendants committed and continue to commit acts of unfair competition, as defined by Sections 17200, *et seq.* of the California Business and Professions Code, by engaging in the acts and practices specified above.

c. This claim is instituted pursuant to Sections 17203 and 17204 of the California Business and Professions Code, to obtain restitution from these defendants for acts, as alleged herein, that violated Section 17200 of the California Business and Professions Code, commonly known as the Unfair Competition Law.

d. The defendants’ conduct as alleged herein violated Section 17200. The acts, omissions, misrepresentations, practices and non-disclosures of defendants, as alleged herein, constituted a common, continuous, and continuing course of conduct of unfair competition by means of unfair, unlawful, and/or fraudulent business acts or practices within the meaning of California Business and Professions Code, Section 17200, *et seq.*, including, but not limited to, the following: (1) the violations of Section 1 of the Sherman Act, as set forth above; (2) the violations of Section 16720, *et seq.*, of the California Business and Professions Code, set forth above;

e. Defendants’ acts, omissions, misrepresentations, practices, an non-disclosures, as described above, whether or not in violation of

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Section 16720, *et seq.*, of the California Business and Professions Code, and whether or not concerted or independent acts, are otherwise unfair, unconscionable, unlawful or fraudulent;

- f. Defendants’ acts or practices are unfair to consumers of LCD products in the State of California within the meaning of Section 17200, California Business and Professions Code; and
- g. Defendants’ acts and practices are fraudulent or deceptive within the meaning of Section 17200 of the California Business and professions Code.
- h. California plaintiffs and each of the California Indirect Purchaser Class members are entitled to full restitution and/or disgorgement of all revenues, earnings, profits, compensation, and benefits that may have been obtained by defendants as a result of such business acts or practices.
- i. The illegal conduct alleged herein is continuing and there is no indication that defendants will not continue such activity into the future.
- j. The unlawful and unfair business practices of defendants, and each of them, as described above, have caused and continue to cause plaintiffs and the members of the California Class to pay supracompetitive and artificially-inflated prices for LCD products. California plaintiffs and the members of the California Indirect Purchaser Class suffered injury in fact and lost money or property as a result of such unfair competition.
- k. The conduct of defendants as alleged in this Complaint violates Section 17200 of the California Business and Professions Code.
- l. As alleged in this Complaint, defendants and their co-conspirators have been unjustly enriched as a result of their wrongful conduct and

1 by defendants' unfair competition. California plaintiffs and the
2 members of the California Indirect Purchaser Class are accordingly
3 entitled to equitable relief including restitution and/or disgorgement
4 of all revenues, earnings, profits, compensation, and benefits that
5 may have been obtained by defendants as a result of such business
6 practices, pursuant to the California Business and Professions Code,
7 Sections 17203 and 17204.

8 303. Plaintiff David Walker incorporates and realleges each and every allegation set
9 forth in the preceding paragraphs of this Complaint.

- 10 a. Defendants agreed to, and did in fact, act in restraint of trade or
11 commerce by affecting, fixing, controlling and/or maintaining, at
12 artificial and/or non-competitive levels, the prices at which LCD was
13 sold, distributed or obtained in the District of Columbia.
- 14 b. The foregoing conduct constitutes "unlawful trade practices," within
15 the meaning of D.C. Code § 28-3904.
- 16 c. Defendants' unlawful conduct had the following effects: (1) LCD
17 price competition was restrained, suppressed, and eliminated
18 throughout the District of Columbia; (2) LCD prices were raised,
19 fixed, maintained, and stabilized at artificially high levels
20 throughout the District of Columbia; (3) Plaintiff Walker and
21 members of the District of Columbia Indirect Purchaser Class were
22 deprived of free and open competition; and (4) Plaintiff Walker and
23 members of the District of Columbia Indirect Purchaser Class paid
24 supra-competitive, artificially inflated prices for LCD.
- 25 d. As a direct and proximate result of the defendants' conduct, Plaintiff
26 Walker and members of the District of Columbia Indirect Purchaser
27 Class have been injured and are threatened with further injury.
28 Defendants have engaged in unfair competition or unfair or

1 deceptive acts or practices in violation of District of Columbia Code
2 § 28-3901, *et seq.*, and, accordingly, Plaintiff Walker and all
3 members of the District of Columbia Indirect Purchaser Class seek
4 all relief available under that statute.

5 304. Plaintiffs Scott Eisler and Robin Feins (“Florida Plaintiffs”) incorporate and
6 reallege each and every allegation set forth in the preceding paragraphs of this Complaint.

- 7 a. Defendants’ unlawful conduct had the following effects: (1) LCD
8 price competition was restrained, suppressed, and eliminated
9 throughout Florida; (2) LCD prices were raised, fixed, maintained,
10 and stabilized at artificially high levels throughout Florida; (3)
11 Florida Plaintiffs and members of the Florida Indirect Purchaser
12 Class were deprived of free and open competition; and (4) Florida
13 Plaintiffs and members of the Florida Indirect Purchaser Class paid
14 supracompetitive, artificially inflated prices for LCD.
- 15 b. During the Class Period, defendants’ illegal conduct substantially
16 affected Florida commerce and consumers.
- 17 c. As a direct and proximate result of defendants’ unlawful conduct,
18 Florida Plaintiffs and members of the Florida Indirect Purchaser
19 Class have been injured and are threatened with further injury.
- 20 d. Defendants have engaged in unfair competition or unfair or
21 deceptive acts or practices in violation of Florida Stat. § 501.201, *et*
22 *seq.*, and, accordingly, Florida Plaintiffs and all members of the
23 Florida Indirect Purchaser Class seek all relief available under that
24 statute.

25 305. Plaintiff John Okita (“Hawaii Plaintiff”) incorporates and realleges each and every
26 allegation set forth in the preceding paragraphs of this Complaint.

- 27 a. Defendants’ unlawful conduct had the following effects: (1) LCD
28 price competition was restrained, suppressed, and eliminated

1 throughout Hawaii; (2) LCD prices were raised, fixed, maintained,
2 and stabilized at artificially high levels throughout Hawaii; (3)
3 Hawaii Plaintiff and members of the Hawaii Indirect Purchaser Class
4 were deprived of free and open competition; and (4) Hawaii Plaintiff
5 and members of the Hawaii Indirect Purchaser Class paid
6 supracompetitive, artificially inflated prices for LCD.

- 7 b. During the Class Period, defendants' illegal conduct substantially
8 affected Hawaii commerce and consumers.
- 9 c. As a direct and proximate result of defendants' unlawful conduct,
10 Hawaii Plaintiff and members of the Hawaii Indirect Purchaser Class
11 have been injured and are threatened with further injury.
- 12 d. Defendants have engaged in unfair competition or unfair or
13 deceptive acts or practices in violation of Hawaii Rev. Stat. § 480, *et*
14 *seq.*, and, accordingly, Hawaii Plaintiff and all members of the
15 Hawaii Indirect Purchaser Class seek all relief available under that
16 statute.

17 306. Plaintiff Christopher Murphy ("Massachusetts Plaintiff") and members of the
18 Massachusetts Indirect Purchaser Class incorporate and reallege each and every allegation set
19 forth in the preceding paragraphs of this Complaint.

- 20 a. Defendants were engaged in trade or commerce as defined by G.L. c.
21 93A.
- 22 b. Defendants agreed to, and did in fact, act in restraint of trade or
23 commerce in a market which includes Massachusetts, by affecting,
24 fixing, controlling and/or maintaining at artificial and non-
25 competitive levels, the prices at which LCD was sold, distributed, or
26 obtained in Massachusetts and took efforts to conceal their
27 agreements from the Massachusetts Plaintiff and members of the
28 Massachusetts Indirect Purchaser Class.

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- c. Defendants’ unlawful conduct had the following effects: (1) LCD price competition was restrained, suppressed, and eliminated throughout Massachusetts; (2) LCD prices were raised, fixed, maintained, and stabilized at artificially high levels throughout Massachusetts; (3) Massachusetts Plaintiff and members of the Massachusetts Indirect Purchaser Class were deprived of free and open competition; and (4) Massachusetts Plaintiff and members of the Massachusetts Indirect Purchaser Class paid supra-competitive, artificially inflated prices for LCD.
- d. As a direct and proximate result of defendants’ unlawful conduct, Massachusetts Plaintiff and members of the Massachusetts Indirect Purchaser Class were injured and are threatened with further injury.
- e. Each of the defendants has been served with a demand letter in accordance with G.L. c. 93A, § 9, or such service of a demand letter was unnecessary due to the defendant not maintaining a place of business within the Commonwealth of Massachusetts or not keeping assets within the Commonwealth. More than thirty days has passed since such demand letters were served, and each defendant served has failed to make a reasonable settlement offer.
- f. By reason of the foregoing, defendants engaged in unfair competition and unfair or deceptive acts or practices, in violation of G.L. c. 93A, §2. Defendants’ and their co-conspirators’ violations of Chapter 93A were knowing or willful, entitling the Massachusetts Plaintiffs and members of the Massachusetts Indirect Purchaser Class to multiple damages.

307. Plaintiff Benjamin Larry Luber (“Missouri Plaintiff”) and members of the Missouri Indirect Purchaser Class incorporate and reallege each and every allegation set forth in the preceding paragraphs of this Complaint.

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- a. Plaintiff Luber and members of the Missouri Indirect Purchaser Class purchased LCD panels for personal, family, or household purposes.
- b. Defendants engaged in the conduct described herein in connection with the sale of LCD in trade or commerce in a market that includes Missouri.
- c. Defendants agreed to, and did in fact affect, fix, control, and/or maintain, at artificial and non-competitive levels, the prices at which LCD was sold, distributed, or obtained in Missouri, which conduct constituted unfair practices in that it was unlawful under federal and state law, violated public policy, was unethical, oppressive and unscrupulous, and caused substantial injury to Plaintiff Luber and the members of the Missouri Indirect Purchaser Class.
- d. Defendants concealed, suppressed, and omitted to disclose material facts to Plaintiff Luber and the members of the Missouri Indirect Purchaser Class concerning defendants' unlawful activities and artificially inflated prices for LCD. The concealed, suppressed, and omitted facts would have been important to Plaintiff Luber and the members of the Missouri Indirect Purchaser Class as they related to the cost of LCD they purchased.
- e. Defendants misrepresented the real cause of price increases and/or the absence of price reductions in LCD panels by making public statements that were not in accord with the facts.
- f. Defendants' statements and conduct concerning the price of LCD were deceptive as they had the tendency or capacity to mislead Plaintiff Luber and the members of the Missouri Indirect Purchaser Class to believe that they were purchasing LCD at prices established by a free and fair market.

- 1 g. Defendants’ unlawful conduct had the following effects: (1) LCD
2 price competition was restrained, suppressed, and eliminated
3 throughout Missouri; (2) LCD prices were raised, fixed, maintained,
4 and stabilized at artificially high levels throughout Missouri; (3)
5 Plaintiff Luber and members of the Missouri Indirect Purchaser
6 Class were deprived of free and open competition; and (4) Plaintiff
7 Luber and members of the Missouri Indirect Purchaser Class paid
8 supra-competitive, artificially inflated prices for LCD.
- 9 h. The foregoing acts and practices constituted unlawful practices in
10 violation of the Missouri Merchandising Practices Act.
- 11 i. As a direct and proximate result of the above-described unlawful
12 practices, Plaintiff Luber and members of the Missouri Indirect
13 Purchaser Class suffered ascertainable loss of money or property.
- 14 j. Accordingly, Plaintiff Luber and members of the Missouri Indirect
15 Purchaser Class seek all relief available under Missouri’s
16 Merchandising Practices Act, specifically Mo. Rev. Stat. § 407.020,
17 which prohibits “the act, use or employment by any person of any
18 deception, fraud, false pretense, false promise, misrepresentation,
19 unfair practice or the concealment, suppression, or omission of any
20 material fact in connection with the sale or advertisement of any
21 merchandise in trade or commerce...,” as further interpreted by the
22 Missouri Code of State Regulations, 15 CSR 60-7.010, *et seq.*, 15
23 CSR 60-8.010, *et seq.*, and 15 CSR 60-9.010, *et seq.*, and Mo. Rev.
24 Stat. § 407.025, which provides for the relief sought in this count.

25 308. New Mexico Plaintiffs incorporate and reallege each and every allegation set forth
26 in the preceding paragraphs of this Complaint.

- 27 a. Defendants agreed to, and did in fact, act in restraint of trade or
28 commerce by affecting, fixing, controlling and/or maintaining at

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non-competitive and artificially inflated levels, the prices at which LCD was sold, distributed or obtained in New Mexico and took efforts to conceal their agreements from New Mexico Plaintiffs and members of the New Mexico Indirect Purchaser Class.

- b. The aforementioned conduct on the part of the defendants constituted “unconscionable trade practices,” in violation of N.M.S.A. Stat. § 57-12-3, in that such conduct, *inter alia*, resulted in a gross disparity between the value received by New Mexico Plaintiffs and the members of the New Mexico Indirect Purchaser Class and the prices paid by them for LCD as set forth in N.M.S.A., § 57-12-2E.
- c. Defendants’ unlawful conduct had the following effects: (1) LCD price competition was restrained, suppressed, and eliminated throughout New Mexico; (2) LCD prices were raised, fixed, maintained, and stabilized at artificially high levels throughout New Mexico; (3) New Mexico Plaintiffs and members of the New Mexico Indirect Purchaser Class were deprived of free and open competition; and (4) New Mexico Plaintiffs and members of the New Mexico Indirect Purchaser Class paid supra-competitive, artificially inflated prices for LCD.
- d. During the Class Period, defendants’ illegal conduct substantially affected New Mexico commerce and consumers.
- e. As a direct and proximate result of the unlawful conduct of the defendants, New Mexico Plaintiffs and members of the New Mexico Indirect Purchaser Class have been injured and are threatened with further injury.
- f. Defendants have engaged in unfair competition or unfair or deceptive acts or practices in violation of New Mexico Stat. § 57-12-

1 1, *et seq.*, and, accordingly, New Mexico plaintiffs and all members
2 of the New Mexico Indirect Purchaser Class seek all relief available
3 under that statute.

4 309. New York Plaintiffs incorporate and reallege each and every allegation set forth in
5 the preceding paragraphs of this Complaint.

- 6 a. Defendants agree to, and did in fact, act in restraint of trade or
7 commerce by affecting, fixing, controlling and/or maintaining, at
8 artificial and non-competitive levels, the prices at which LCD was
9 sold, distributed or obtained in New York and took efforts to conceal
10 their agreements from New York Plaintiffs and the New York
11 Indirect Purchaser Class.
- 12 b. The conduct of the defendants described herein constitutes
13 consumer-oriented deceptive acts or practices within the meaning of
14 N.Y. Gen. Bus. Law § 349, which resulted in consumer injury and
15 broad adverse impact on the public at large, and harmed the public
16 interest of New York State in an honest marketplace in which
17 economic activity is conducted in a competitive manner.
- 18 c. Defendants' unlawful conduct had the following effects: (1) LCD
19 price competition was restrained, suppressed, and eliminated
20 throughout New York; (2) LCD prices were raised, fixed,
21 maintained, and stabilized at artificially high levels throughout New
22 York; (3) New York Plaintiffs and members of the New York
23 Indirect Purchaser Class were deprived of free and open
24 competition; and (4) New York Plaintiffs and members of the New
25 York Indirect Purchaser Class paid supra-competitive, artificially
26 inflated prices for LCD.
- 27 d. During the Class Period, defendants' illegal conduct substantially
28 affected New York commerce and consumers.

- 1 e. During the Class Period, each of the defendants named herein,
2 directly, or indirectly and through affiliates they dominated and
3 controlled, manufactured, sold and/or distributed LCD in New York.
4 f. New York Plaintiffs and members of the New York Indirect
5 Purchaser Class seek all relief available pursuant to N.Y. Gen. Bus.
6 Law § 349 (h).

7 310. North Carolina Plaintiff incorporates and realleges each and every allegation set
8 forth in the preceding paragraphs of this Complaint.

- 9 a. Defendants agree to, and did in fact, act in restraint of trade or
10 commerce by affecting, fixing, controlling and/or maintaining, at
11 artificial and non-competitive levels, the prices at which LCD was
12 sold, distributed or obtained in North Carolina and took efforts to
13 conceal their agreements from Plaintiffs and the North Carolina
14 Indirect Purchaser Class.
- 15 b. The conduct of the defendants described herein constitutes
16 consumer-oriented deceptive acts or practices within the meaning of
17 North Carolina law, which resulted in consumer injury and broad
18 adverse impact on the public at large, and harmed the public interest
19 of North Carolina consumers in an honest marketplace in which
20 economic activity is conducted in a competitive manner.
- 21 c. Defendants' unlawful conduct had the following effects: (1) LCD
22 price competition was restrained, suppressed, and eliminated
23 throughout North Carolina; (2) LCD prices were raised, fixed,
24 maintained, and stabilized at artificially high levels throughout
25 North Carolina; (3) North Carolina Plaintiff and members of the
26 North Carolina Indirect Purchaser Class were deprived of free and
27 open competition; and (4) North Carolina Plaintiff and members of
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the North Carolina Indirect Purchaser Class paid supra-competitive, artificially inflated prices for LCD.

- d. During the Class Period, defendants’ illegal conduct substantially affected North Carolina commerce and consumers.
- e. During the Class Period, each of the defendants named herein, directly, or indirectly and through affiliates they dominated and controlled, manufactured, sold and/or distributed LCD in North Carolina.
- f. North Carolina Plaintiff and members of the North Carolina Indirect Purchaser Class seek actual damages for their injuries caused by these violations in an amount to be determined at trial and are threatened with further injury. Defendants have engaged in unfair competition or unfair or deceptive acts or practices in violation of North Carolina Gen. Stat. § 75-1.1, *et seq.*, and, accordingly, North Carolina Plaintiff and all members of the North Carolina Indirect Purchaser Class seek all relief available under that statute.

311. Plaintiff Dr. Robert Mastronardi and the members of the Rhode Island Indirect Purchaser Class incorporate and reallege each and every allegation set forth in the preceding paragraphs of this Complaint.

- a. Plaintiff Mastronardi and members of the Rhode Island Indirect Purchaser Class purchased LCD for personal, family, or household purposes.
- b. Defendants agreed to, and did in fact, act in restraint of trade or commerce in a market that includes Rhode Island, by affecting, fixing, controlling, and/or maintaining, at artificial and non-competitive levels, the prices at which LCD was sold, distributed, or obtained in Rhode Island.

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- c. Defendants deliberately failed to disclose material facts to Plaintiff Mastronardi and the members of the Rhode Island Indirect Purchaser Class concerning defendants' unlawful activities and artificially inflated prices for LCD. Defendants owed a duty to disclose such facts, and considering the relative lack of sophistication of the average, non-business consumer, defendants breached that duty by their silence. Defendants misrepresented to all consumers during the Class Period that defendants' LCD prices were competitive and fair.
- d. Defendants' unlawful conduct had the following effects: (1) LCD price competition was restrained, suppressed, and eliminated throughout Rhode Island; (2) LCD prices were raised, fixed, maintained, and stabilized at artificially high levels throughout Rhode Island; (3) Plaintiff Mastronardi and members of the Rhode Island Indirect Purchaser Class were deprived of free and open competition; and (4) Plaintiff Mastronardi and members of the Rhode Island Indirect Purchaser Class paid supra-competitive, artificially inflated prices for LCD.
- e. As a direct and proximate result of the defendants' violations of law, Plaintiff Mastronardi and members of the Rhode Island Indirect Purchaser Class suffered an ascertainable loss of money or property as a result of defendants' use or employment of unconscionable and deceptive commercial practices as set forth above. That loss was caused by defendants' willful and deceptive conduct, as described herein.
- f. Defendants' deception, including its affirmative misrepresentations and omissions concerning the price of LCD, likely misled all consumers acting reasonably under the circumstances to believe that they were purchasing LCD at prices born by a free and fair market.

1 Defendants' affirmative misrepresentations and omissions constitute
2 information important to Plaintiff Mastronardi and the members of
3 the Rhode Island Indirect Purchaser Class as they related to the cost
4 of LCD they purchased.

- 5 g. Defendants have engaged in unfair competition or unfair or
6 deceptive acts or practices in violation of Rhode Island Gen. Laws. §
7 6-13.1-1, *et seq.*, and, accordingly, Plaintiff Mastronardi and all
8 members of the Rhode Island Indirect Purchaser Class seek all relief
9 available under that statute.

10 312. Plaintiff Watson and the members of the Vermont Indirect Purchaser Class
11 incorporate and reallege each and every allegation set forth in the preceding paragraphs of this
12 Complaint.

- 13 a. Defendants agreed to, and did in fact, act in restraint of trade or
14 commerce in a market that includes Vermont, by affecting, fixing,
15 controlling, and/or maintaining, at artificial and non-competitive
16 levels, the prices at which LCD was sold, distributed, or obtained in
17 Vermont.
- 18 b. Defendants deliberately failed to disclose material facts to Plaintiff
19 Watson and the members of the Vermont Indirect Purchaser Class
20 concerning defendants' unlawful activities and artificially inflated
21 prices for LCD. Defendants owed a duty to disclose such facts, and
22 considering the relative lack of sophistication of the average, non-
23 business consumer, defendants breached that duty by their silence.
24 Defendants misrepresented to all consumers during the Class Period
25 that defendants' LCD prices were competitive and fair.
- 26 c. Defendants' unlawful conduct had the following effects: (1) LCD
27 price competition was restrained, suppressed, and eliminated
28 throughout Vermont; (2) LCD prices were raised, fixed, maintained,

1 and stabilized at artificially high levels throughout Vermont; (3)
2 Plaintiff Watson and all members of the Vermont Indirect Purchaser
3 Class were deprived of free and open competition; and (4) Plaintiff
4 Watson and members of the Vermont Indirect Purchaser Class paid
5 supra-competitive, artificially inflated prices for LCD.

6 d. As a direct and proximate result of the defendants' violations of law,
7 Plaintiff Watson and members of the Vermont Indirect Purchaser
8 Class suffered an ascertainable loss of money or property as a result
9 of defendants' use or employment of unconscionable and deceptive
10 commercial practices as set forth above. That loss was caused by
11 defendants' willful and deceptive conduct, as described herein.

12 e. Defendants' deception, including its affirmative misrepresentations
13 and omissions concerning the price of LCD, likely misled all
14 consumers acting reasonably under the circumstances to believe that
15 they were purchasing LCD at prices born by a free and fair market.
16 Defendants' misleading conduct and unconscionable activities
17 constitutes unfair competition or unfair or deceptive acts or practices
18 in violation of 9 Vermont § 2451, *et seq.*, and, accordingly, Plaintiff
19 Watson and all members of the Vermont Indirect Purchaser Class
20 seek all relief available under that statute.

21 **XII. PRAYER FOR RELIEF**

22 WHEREFORE, plaintiffs pray:

23 A. That the Court determine that the Sherman Act, state antitrust law, and state
24 consumer protection and unfair competition law claims alleged herein may be maintained as class
25 actions under Rules 23(a), (b)(2), and (b)(3) of the Federal Rules of Civil Procedure, as informed
26 by the respective state class action laws.

27 B. That the unlawful conduct, contract, conspiracy or combination alleged
28 herein be adjudged and decreed to be:

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1. A restraint of trade or commerce in violation of Section 1 of the Sherman Act, as alleged in the First Claim for Relief;
2. Acts of unjust enrichment as set forth in the Second Claim for Relief herein;
3. An unlawful combination, trust, agreement, understanding, and/or concert of action in violation of the state antitrust laws identified in the Third Claim for Relief herein; and
4. Violations of the state consumer protection and unfair competition laws identified in the Fourth Claim for Relief herein.

C. That the plaintiffs and the Classes alleged herein recover damages, to the maximum extent allowed under such laws as provided by state antitrust laws, and that a joint and several judgment in favor of plaintiffs and the Class be entered against the defendants in an amount to be trebled to the extent permitted by such laws;

D. That the plaintiffs and the Classes alleged herein recover damages, to the maximum extent allowed by state consumer protection laws, except that plaintiffs and the New York Indirect Purchaser Class do not seek in this action to have those damages trebled pursuant to N.Y. Gen. Bus. Law Sec. 349(h).

E. That defendants, their affiliates, successors, transferees, assignees, and the officers, directors, partners, agents, and employees thereof, and all other persons acting or claiming to act on their behalf or in concert with them, be permanently enjoined and restrained from in any manner continuing, maintaining, or renewing the conduct, contract, conspiracy or combination alleged herein, or from entering into any other conspiracy alleged herein, or from entering into any other contract, conspiracy or combination having a similar purpose or effect, and from adopting or following any practice, plan, program, or device having a similar purpose or effect;

F. That the Court enter an order of divestiture requiring defendants to rescind and/or dissolve the cooperation agreements, joint ventures and/or cross-license agreements alleged herein between and among them used to facilitate the conspiracy alleged herein;

1 G. That plaintiffs and members of the Class be awarded restitution, including
2 disgorgement of profits obtained by defendants as a result of their acts of unfair competition and
3 acts of unjust enrichment;

4 H. That plaintiffs and members of the Class be awarded pre- and post-judgment
5 interest as provided by law, and that such interest be awarded at the highest legal rate from and
6 after the date of service of the initial complaint in this action;

7 I. That plaintiffs and members of the Class recover their costs of suit,
8 including a reasonable attorney's fee, as provided by law; and

9 J. That plaintiffs and members of the Class have such other, further, and
10 different relief as the case may require and the Court may deem just and proper under the
11 circumstances.

12 Dated: April 29, 2011

/s/ Francis O. Scarpulla

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Craig C. Corbitt (83251)
Judith A. Zahid (215418)
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JURY TRIAL DEMAND

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, plaintiffs demand a trial by jury for all issues so triable.

Dated: April 29, 2011

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