

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

**IN RE: INTERIOR MOLDED DOORS
INDIRECT PURCHASER ANTITRUST
LITIGATION**

Lead Case Action No. 3:18-cv-00850-JAG

**ORDER GRANTING INDIRECT PURCHASER PLAINTIFFS' MOTION
FOR FINAL APPROVAL OF SETTLEMENT**

This matter came before the Court on Indirect Purchaser Plaintiffs' ("IPPs") Motion for Final Approval of Settlement¹ ("Motion"). Pursuant to notice given to the Settlement Class in accordance with the Court's order, see ECF No. 340, a hearing was held on IPPs' Motion on July 26, 2021, and at the conclusion of the hearing, the Court granted IPPs' Motion. For the reasons stated by the Court at the hearing and as provided in this Order, the Court finds the Settlement provides an excellent result for the Settlement Class given, among other factors, the substantial risk of litigation and that the Settlement is fair, reasonable, and adequate to the Settlement Class.

I. Background

This action arises from an alleged conspiracy between Defendants Masonite and JELD-WEN – the only two vertically integrated manufacturers of Doorskins and Interior Molded Doors ("IMDs") – to fix the prices of Interior Molded Doors. IPPs assert claims for relief under the Sherman Antitrust Act, 15 U.S.C. § 1, and various state antitrust, unjust enrichment, and consumer protection laws.

The Court entered an Order preliminarily approving the Settlement on February 5, 2021. *See* ECF No. 340 ("Preliminary Approval Order"). The Settlement provides a cash value of

¹ All capitalized terms not otherwise defined have the meanings set forth in the Settlement Agreement (ECF No. 226-1)

\$19.5 million to be distributed to the Settlement Class after the deduction of attorneys' fees, costs and expenses, and Plaintiff Service Awards. The Settlement Class is defined as follows:

All persons and entities that, during the Settlement Class Period, indirectly purchased one or more Standalone Interior Molded Doors in the Indirect Purchaser States, that were manufactured or sold by either Defendant, not for resale. Excluded from the Settlement Class are the following:

- (a) The officers, directors or employees of any Defendant;
- (b) Any entity in which any Defendant has a controlling interest, and any affiliate;
- (c) Legal representatives, heirs, or assigns of any Defendant; and
- (d) Purchasers of Standalone Interior Molded Doors directly from Menards.

The Settlement identifies those jurisdictions that allow IPPs, who are indirect purchasers, to seek money damages or restitution.² IPPs, through their Court-appointed Notice Expert, Postlethwaite & Neterville APAC ("P&N") implemented a class-notice program utilizing paid and earned media. *See* ECF No340; ECF 297 (Declaration of Brandon Schwartz Regarding Proposed Notice Plan and Administration).

The Notice Program gave sufficient notice to the Settlement Class utilizing a combination of print, online display, social media, YouTube, national press release, direct notice to businesses from a purchased list, digital newsletters, digital notice geofence targeted to Home Depot and Lowe's locations, a Settlement Website (www.InteriorMoldedDoorSettlement.com), and a toll-free settlement hotline. *See* ECF 297; Declaration of Brandon Schwartz Regarding the Status of Notice and Settlement Administration, dated May 3, 2021.

² Arizona, Arkansas, California, Florida, Hawaii, Kansas, Maine, Massachusetts, Michigan, Minnesota, Mississippi, New Hampshire, New York, North Carolina, North Dakota, Oregon, South Carolina, Tennessee, Utah, West Virginia, and Wisconsin. *See* Settlement Agreement, ¶ 8.

IPPs propose to pay each Settlement Class Member that submits a valid claim a minimum of \$25 with any Settlement Funds remaining after costs, attorneys' fees, and service awards being distributed to approved claimants *pro rata* based on the number of qualifying Stand-Alone IMDs they purchased.

II. Standard of Review

A court may approve a settlement that would bind class members only after a hearing and on finding that the settlement is "fair, reasonable, and adequate." *Lumber Liquidators*, 952 F.3d at 484 (citing Fed. R. Civ. P. 23(e)(2)). To determine whether the proposed settlement is "fair, reasonable, and adequate," courts consider whether:

- (A) the class representatives and class counsel have adequately represented the class;
- (B) the proposal was negotiated at arm's length;
- (C) the relief provided for the class is adequate, taking into account:
 - (i) the costs, risks, and delay of trial and appeal;
 - (ii) the effectiveness of any proposed method of distributing relief to the class, including the method of processing class-member claims;
 - (iii) the terms of any proposed award of attorney's fees, including timing of payment;
 - (iv) any agreement required to be identified under Rule 23(e)(3); and
- (D) the proposal treats class members equitably relative to each other.

Fed. R. Civ. P. 23(e)(2).

III. Analysis

A. Factors Governing Supporting Final Approval

Under Rule 23(e), the Settlement Agreement is fair in that IPPs and Settlement Class Counsel adequately represented the Settlement Class. IPPs' interests are the same as those of the

Settlement Class Members, and Settlement Class Counsel have extensive experience in handling class action antitrust and other complex litigation. Settlement Class Counsel negotiated the Settlement Agreement at arm's length with well-respected and experienced counsel for the Defendants. These negotiations spanned months. Additionally, there is no indication of any separate agreements between Settlement Class Counsel and Defendants—such as agreements for attorneys' fees and costs—that may indicate collusion. Thus, there is a presumption that settlement negotiations were conducted in good faith and that the resulting agreement was reached without collusion. *Lumber Liquidators*, 952 F.3d at 484-85 (citing *Berry v. Schulman*, 807 F.3d 600, 614 (4th Cir. 2015)) (fairness analysis primarily intended to ensure settlement is not collusive and results from arm's-length negotiations).

In addition, the Settlement was reached when the case was at an advanced stage, with fact discovery closed and expert discovery nearly complete, and the Parties had fully briefed IPPs' motion for class certification. Because the Settlement Agreement was negotiated at arm's length by experienced counsel knowledgeable about the facts and the law after extensive discovery and motion practice, consideration of these factors fully supports final approval of the Settlement Agreement.

The Court also finds that the settlement consideration is fair, adequate and reasonable in light of the risks of continued litigation.

B. The Settlement Class Satisfies Federal Rule of Civil Procedure 23(a)

Plaintiffs have shown that they have satisfied the four elements of Rule 23(a): (1) the class is so numerous that joinder of all members is impracticable; (2) there are questions of law or fact common to the class; (3) the claims or defenses of the representative parties are typical of

the claims or defenses of the class; and (4) the representative parties will fairly and adequately protect the interests of the class. Fed. R. Civ. P. 23(a).

C. The Settlement Class Satisfies Federal Rule of Civil Procedure 23(b)(3)

The plaintiffs have also demonstrated that they have satisfied Rule 23(b)(3) in this antitrust case, as “questions of law or fact common to the members of the class predominate over any questions affecting only individual members, and ... a class action is superior to other available methods for the fair and efficient adjudication of the controversy.” *In re Titanium Dioxide Antitrust Litig.*, 284 F.R.D. 328, 340 (D. Md. 2012), *amended*, 962 F. Supp. 2d 840 (D. Md. 2013) (quoting Fed. R. Civ. P. 23(b)(3)).

THE COURT HEREBY ORDERS AND FINDS AS FOLLOWS:

1. For the reasons stated above, the Court **CERTIFIES** the Settlement Class.
2. The Settlement is finally approved as being a fair, reasonable, and adequate class action settlement.
3. The Parties have fully implemented the procedures for notice to the Settlement Class pursuant to the Notice Order.
4. The Settlement Administrator is authorized to proceed with the allocation and distribution of benefits to eligible Settlement Class Members as set forth in the Settlement Agreement. The proposed plan does not unfairly favor any Settlement Class Member, or group of Settlement Class Members, to the detriment of others.
5. The terms of the Parties’ Settlement Agreement for the Settlement are hereby incorporated into this Order.
6. Robins Kaplan LLP, Gustafson Gluek PLLC and The Joseph Saveri Law Firm, LLP are appointed Settlement Class Counsel.

IT IS SO ORDERED this 27 day of _____, 2021.

July

/s/ [Signature]

Hon. John A. Gibney, Jr.
United States District Judge