

1 R. SCOTT PALMER (Scott.Palmer@myfloridalegal.com)  
LIZABETH A. BRADY (Liz.Brady@myfloridalegal.com)  
2 NICHOLAS J. WEILHAMMER (Nicholas.Weilhammer@myfloridalegal.com)  
3 SATU CORREA (Satu.Correa@myfloridalegal.com)

*Pro Hac Vice*

4 Office of the Attorney General  
State of Florida  
5 PL-01, The Capitol  
Tallahassee, FL 32399-1050  
6 Tel: (850) 414-3300  
7 Fax: (850) 488-9134

8 Attorneys for Plaintiff State of Florida  
9 *And Co-Liaison Counsel for States*

10 ANNE E. E. SCHNEIDER  
Assistant Attorney General  
11 Office of the Missouri  
Attorney General  
12 P. O. Box 899  
Jefferson City, MO 65102  
13 Telephone: (573) 751-3321  
Facsimile: (573) 751-2041  
14 E-mail: [Anne.Schneider@ago.mo.gov](mailto:Anne.Schneider@ago.mo.gov)

15 *Attorneys for Plaintiff State of Missouri*  
16 *And Co-Liaison Counsel for States*

17  
18 **IN THE UNITED STATES DISTRICT COURT**  
**FOR THE NORTHERN DISTRICT OF CALIFORNIA**  
19 **SAN FRANCISCO DIVISION**

20  
21 IN RE TFT-LCD (FLAT PANEL)  
ANTITRUST LITIGATION

Master File No. 3:07-md-1827 SI  
MDL No. 1827

22 ALL INDIRECT-PURCHASER ACTIONS

Judge: Susan Illston

23 *State of Missouri, et al. v. AU Optronics*  
24 *Corporation, et al.*, Case No. 10-cv-03619 SI;

25 *State of Florida v. AU Optronics Corporation,*  
26 *et al.*, Case No. 10-cv-3517 SI; and

27 *State of New York v. AU Optronics*  
*Corporation, et al.*, Case No. 11-cv-0711.

**CORRECTED JOINT DECLARATION**  
**OF LIZABETH A. BRADY AND ANNE E.**  
**SCHNEIDER IN SUPPORT OF STATE**  
**ATTORNEYS GENERAL'S JOINT**  
**MOTION FOR FEES AND ADDITIONAL**  
**COSTS**

28 CORRECTED JOINT DECLARATION OF BRADY/SCHNEIDER

MASTER FILE NO. 07-MD-1827-SI  
CASE NO. 2010-CV-3517 SI; 10-CV-3619 SI; 11-CV-711 SI

1 Lizabeth A. Brady and Anne E. Schneider declare and say that the following is true to the  
2 best of our information and belief:

3 1. I, Lizabeth A. Brady, am Chief, Multistate Antitrust Enforcement with the Antitrust  
4 Division of the Office of the Attorney General for the State of Florida. The State of Florida is a  
5 plaintiff in the above-captioned case.  
6

7 2. I, Anne E. Schneider, am an Assistant Attorney General and Antitrust Counsel for the  
8 Office of the Missouri Attorney General. The State of Missouri is a plaintiff in the above-  
9 captioned case.

10 3. We make this Declaration in support of the State Attorneys General's Joint Motion for  
11 Attorneys' Fees and Additional Costs ("Joint States Motion") as co-liaison Counsel for the  
12 Attorneys General in the above-captioned litigation. The time expended in preparing this  
13 Declaration is not included in this request for fees.  
14

15 4. The States of Florida and Missouri have served as co-liaison counsel, unofficially, on  
16 behalf of eight State Attorneys General since the filing of the Attorneys General Complaints  
17 beginning on August 11, 2010, when Florida filed the first State complaint in this MDL.<sup>1</sup> The  
18 States of Arkansas, California, Florida, Michigan, Missouri, New York, West Virginia and  
19 Wisconsin ("the Attorneys General") have worked together on both the litigation and mediation  
20 throughout these proceedings.  
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26 <sup>1</sup> Missouri, collectively with Michigan, Arkansas, West Virginia, and Wisconsin, filed a States'  
27 complaint on August 17, 2010; New York filed its complaint on August 6, 2010, in the Southern  
28 District of New York, and California filed its complaint on October 15, 2010, in San Francisco,  
California State Court.

1 5. Florida and Missouri were formally designated as co-liaison counsel for the Attorneys  
2 General by this Court's order of November 23, 2010. *See* Order for Appointment of Liaison  
3 Counsel for State Attorney General Actions (Dkt. No. 2164).

4 6. The Court previously required any plaintiff's counsel seeking recovery of either costs or  
5 fees to maintain contemporaneous records of "all time spent, including tasks performed, and  
6 expenses incurred." Pretrial Order No. 1 (Dkt. No. 180). One of the responsibilities given the  
7 co-liaison counsel for the Indirect-Purchaser Plaintiffs Class and the Direct Purchaser Plaintiffs  
8 Class was collecting this information. *See* Pretrial Order No. 3 (Dkt. No. 224). While the  
9 specific directive in Pretrial Order No. 3 was not extended to the so-called individual actions,  
10 including the actions brought by the eight Attorneys General, we have collected this information  
11 on behalf of the Attorneys General.  
12

13 7. Accordingly, as confirmed within their separate declarations, the Attorneys General have  
14 maintained contemporaneous time records on a monthly basis as they have represented their  
15 separate sovereign interests, and have submitted reports from their own timekeeping systems for  
16 purposes of complying with the Court's pretrial orders, including the Case Management Order  
17 for Individual Action Plaintiffs (Dkt. No. 1727), which incorporates, among others, Pretrial  
18 Order No. 1 (Dkt. No. 180). The States of Florida and Missouri, as co-liaison counsel,  
19 designated the Missouri Attorney General's office as the initial recipient of those reports. A list  
20 of all "timekeepers" whose hours are reflected in those reports, along with their applicable rate,  
21 is provided in Exhibit 1-B. The Missouri Attorney General's office has compiled those  
22 submissions to generate the summaries attached to this Joint Declaration.  
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26 8. Summaries of the hourly time are attached hereto as a composite Exhibit 1-C to this  
27 Declaration. Because of the voluminous nature of the underlying time records (and the fact that  
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1 some entries would need to be redacted to protect work product), we have filed with the Court  
2 relatively detailed summaries but not the records themselves. The Attorneys General are  
3 prepared to provide the Court, if necessary, with the underlying time records of all “timekeepers”  
4 for whom fees are sought.

5  
6 9. The Attorneys General have previously submitted to the Court an interim request for  
7 reimbursement of certain costs from the beginning of their investigations through December  
8 2011. *See* Indirect-Purchaser Plaintiffs' and State Attorneys General's Motion for Interim  
9 Reimbursement of Costs (Dkt. Nos. 5157-5159). Certain additional costs have been incurred by  
10 the States collectively, through their Cost Share Fund, and are now being submitted. Those  
11 shared costs are discussed further in the Declaration of Anne E. Schneider, Exhibit 3.

12  
13 10. Certain other additional costs have been incurred by individual States that were not  
14 included in the interim request and are now also being submitted. These costs include items such  
15 as travel expenses, duplication charges, and expert fees. A summary of these individual States'  
16 costs is provided in Exhibit 1-D. The nature and purpose of all costs are further described in the  
17 attached declarations and copies of invoices are provided, consistent with the Court's Order  
18 entered on July 11, 2012 (Dkt. No. 6128). Attached to the individual State declarations are  
19 copies of the underlying expense and cost records, subject to redaction for the protection of work  
20 product contained within some of those records.  
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24 **Civil Investigative Demand Investigation**

25 11. The States began their investigations into the TFT-LCD manufacturing industry between  
26 the end of 2007 and late 2008. In January 2009, several of the States formed a “multistate”  
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1 investigation group. The Attorneys General's investigations, through the multistate group and  
2 independently, were extensive and consisted of the following:

3 a) Issuance of investigatory subpoenas to numerous original equipment  
4 manufacturers from whom the Attorneys General believed they had purchased TFT-LCD  
5 products, and negotiation of compliance with those subpoenas;  
6

7 b) Issuance of investigative subpoenas to the manufacturers of TFT-LCD Panels and  
8 their U.S. subsidiaries and affiliates, and negotiation of compliance with those subpoenas;

9 c) Negotiation and execution of tolling agreements with several of the manufacturers  
10 of TFT-LCD Panels and their U.S. subsidiaries and affiliates that we believed to be involved in  
11 the TFT-LCD cartel;  
12

13 d) Negotiation and execution of settlement agreements with Chunghwa Picture  
14 Tubes, Ltd.;

15 e) Participation in person and via videoconference in a proffer session with  
16 Chunghwa Picture Tubes, Ltd.;

17 f) Review of voluminous documents produced by Chunghwa Picture Tubes, Ltd.;

18 g) Review of thousands of documents produced by original equipment  
19 manufacturers in response to the Attorneys General investigative subpoenas;  
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21 h) Review of documents produced by TFT-LCD manufacturers in response to the  
22 investigative subpoenas; and

23 i) Negotiation and execution of common interest and cost share agreements with the  
24 multistate group to ensure investigative efficiency.  
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26  
27 **MDL Process and the Litigation**

1 12. Prior to the filing of the first Attorneys General complaints in this Court in August, 2010,  
2 various private suits had been filed, including class actions brought for direct and indirect  
3 purchasers and several individual actions by purchasers on their own behalf. A summary of the  
4 history of the class litigation is contained in Indirect Purchaser Class Plaintiff's Motion for  
5 Attorneys' Fees and Incentive Awards at 9-16. The Attorneys General began filing their actions  
6 in August, 2010, seeking recovery of damages or restitution for governmental purchasers and  
7 resident consumers.  
8

9 13. The litigation efforts of the Attorneys General in this action have been considerable. The  
10 Attorneys General responded to Motions to Dismiss and, as for California and New York, to  
11 Removal Motions filed by the Defendants. The State of California won a remand motion in this  
12 Court and then defended it against the Defendants' appeal to the Court of Appeals for the Ninth  
13 Circuit. *See Washington v. Chimei Innolux Corp.*, 659 F.3d 843 (9th Cir. 2011). The States  
14 participated in numerous proceedings before the Special Master on discovery-related issues as  
15 they pursued their own additional discovery from the Defendants, responded to discovery  
16 requests of the Defendants, took and defended depositions, and engaged in expert-related  
17 discovery. Fact discovery in the Attorneys General's cases on the Track One trial schedule  
18 ended in January, 2012.  
19  
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21 14. As described above, the Attorneys General conducted extensive discovery in preparation  
22 for the litigation of this action, which took a considerable amount of time. Discovery in this  
23 action was particularly complex as it required the gathering of many documents and much data  
24 from the states' public entities as well as original equipment manufacturers (OEM's).  
25 Additionally, information was sought from the Defendants through multiple discovery requests.  
26 The Attorneys General discovery efforts included the following:  
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1 a) The Attorneys General coordinated efforts to review documents obtained  
2 from Defendants during the investigation, which productions essentially were the  
3 business records produced to the Grand Jury and, later, to the private class actions and  
4 other private plaintiffs in this MDL.

5  
6 b) The Attorneys General that represented state entities collected and tried to  
7 standardize purchase information and data from a range of state and other public entities.  
8 Attorneys General issued Litigation Hold letters to preserve purchase records and  
9 provided counsel to certain agencies.

10 c) Once data was obtained from OEMs, Defendants and entities, counsel for  
11 the Attorneys General along with their experts further worked with the data in order to  
12 make it useable for a damages analysis.

13  
14 15. In addition to the millions of documents obtained during the investigation, the Attorneys  
15 General reviewed a large number of the documents produced during the MDL litigation, and also  
16 reviewed much of the extensive deposition testimony taken by counsel for the indirect purchaser  
17 and direct-purchaser plaintiffs.

18  
19 16. As some Attorneys General sought to recover pursuant to assignment clauses contained  
20 in state contracts with OEMs, they also reviewed thousands of pages of documents produced to  
21 them pursuant to subpoena by original equipment manufacturers whose assigned claims  
22 Attorneys General purported to represent.

23  
24 17. The Attorneys General also responded to the extensive discovery requests propounded on  
25 them by Defendants. For example, New York reviewed and produced over a million pages of  
26 documents from its central contracting agency in response to Defendants' document requests.  
27 Defendants noticed and took a 30(b)(6) deposition of New York's central contracting agency,  
28

1 which required New York to prepare and defend the deponent. The Florida Attorney General's  
2 Office produced approximately 2.86 gigabytes of data containing state entity purchase  
3 information and defended the deposition of its state purchasing entity. In a similar fashion, other  
4 States produced voluminous data and records and their purchasing agencies were subjected to  
5 depositions.  
6

7 18. During the course of this litigation, Plaintiffs' counsel reviewed, coded and imaged  
8 hundreds of thousands of responsive documents obtained from defendants and non-parties. In an  
9 effort to avoid unnecessary duplication of efforts whenever possible, the task of reviewing and  
10 coding responsive documents was generally assigned to only one set of Attorneys General  
11 counsel. Much of this work was divided among the different Attorneys General's offices  
12 participating in the coordinated review.  
13

14 19. During the investigatory stage of this case, counsel for the Attorneys General began  
15 interviewing several potential liability and damages experts to assist in the litigation and to  
16 eventually prepare the needed expert reports. Counsel from the States of Michigan, Missouri,  
17 and Florida formed the States' expert committee. The Attorneys General retained expert  
18 economists for their various cases to develop and support theories of liability and to measure the  
19 harm allegedly incurred by represented consumers and government purchasers. Counsel  
20 continued to work with their economic experts as dictated by their individual litigation tracks.  
21 An Expert Report was prepared on behalf of Arkansas, Florida, Michigan, Missouri, Wisconsin  
22 and West Virginia, followed by the deposition of their expert and then review of the Defendants'  
23 experts' reports and depositions of those experts.  
24  
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26 19. In preparation for expert discovery, Florida reviewed and assessed the expert reports filed  
27 in the indirect and direct cases, as well as the expert reports filed in cases brought by the Direct  
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1 Action Plaintiffs. Florida met with and prepared for the deposition of the expert Gautum  
2 Gowrisankaran. As further discussed in Florida's own Declaration, attorneys from that office  
3 devoted considerable time to preparing for and taking the depositions of the Defendants' eight  
4 expert witnesses. Attorneys from the State of California attended additional depositions of  
5 experts endorsed by other Defendants which had not yet filed reports in the States' actions.  
6

7 **Settlement Process**

8 20. The citizens of the eight States of Arkansas, California, Florida, Michigan, Missouri,  
9 New York, West Virginia and Wisconsin comprised roughly 64% of the population of the IPP  
10 Damages Classes during the time period covered by these lawsuits, according to the U.S. Census  
11 estimates. For this reason, when the States were ordered to participate in mediation, they began  
12 to work diligently to prepare for successful mediations and continued working with the IPP Class  
13 counsel. The States' Co-Liaison Counsel, together with the State of California, conducted in-  
14 person and telephonic negotiations regarding settlement of the case in conjunction with the like  
15 efforts of the Indirect-Purchasing Plaintiffs Class. As list of mediation sessions is attached as  
16 Exhibit 1-A.  
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19 21. Once settlements in principle were reached with each of the Defendants, the written  
20 settlement agreement with each was negotiated over a period of several months. These  
21 discussions were at times contentious, and always hard-fought, taking place during the course of  
22 numerous face-to-face meetings and lengthy telephone conferences. Virtually every paragraph  
23 of each Settlement Agreement was the subject of considerable negotiation and numerous drafts  
24 and redrafts. The ten Settlement Agreements, most of which took many months to individually  
25 negotiate, became effective as follows:  
26

27 Samsung Entities 11/16/2011  
28

1	Epson Entities	11/16/2011
2	Sharp Entities	11/22/2011
3	Hitachi Entities	12/1/2011
4	Hannstar Entities	12/2/2011
5	CPT Entities	12/21/2011
6	AUO Entities	06/20/2012
7	LG Display Entities	7/13/2012

9 Once a completed agreement was reached with each Defendant (and had client approval), that  
10 agreement was presented and approved by the Attorneys General who had been kept apprised of  
11 the progress throughout the lengthy negotiation period. The several assistant attorneys general  
12 participating in the mediation efforts expended a considerable amount of time negotiating the  
13 terms.  
14

15 22. Because the States sought the imposition of civil penalties or fines in their enforcement  
16 actions, they approached the many mediations with the demand that the Defendants which had  
17 been convicted (through guilty plea or criminal trial) also pay civil penalties. Each of the  
18 Defendants with a conviction based on price-fixing has paid, pursuant to separate settlement  
19 agreements reached with the States, an additional amount to satisfy those civil penalties  
20 demands. Accordingly, as reflected in the table below, the States have settled their enforcement  
21 claims for civil penalties through the additional settlements with seven of the Defendants. The  
22 States resolved their enforcement claims with Chunghwa through separate settlement agreements  
23 outside of these mediation efforts, with most of the States having reached those settlements  
24 before initiating litigation.  
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<b>TFT-LCD (Flat Panel) Antitrust Litigation Combined State Attorney General and Indirect Purchaser Classes Settlements July 12, 2012</b>	<b>Settlement Agreement Funds (Class/AGs)</b>	<b>Additional Settlements by State Attorneys General of Civil Penalties Claims</b>
AUO (Taiwan)	\$ 161,500,000.00	\$ 8,500,000.00
CMO (Taiwan)*	\$ 110,273,318.00	\$ 5,737,948.00
HannStar (Taiwan)	\$ 25,650,000.00	\$ 1,350,000.00
Hitachi (Japan)	\$ 38,977,224.00	\$ 1,494,760.00
LG Display (Korea)	\$ 361,000,000.00	\$ 19,000,000.00
Samsung (Korea)	\$ 240,000,000.00	
Sharp (Japan)	\$ 115,500,000.00	\$ 6,000,000.00
Toshiba (Japan)	\$ 21,000,000.00	
Epson (Japan)	\$ 2,850,000.00	\$ 150,000.00
Chunghwa (Taiwan)	\$ 5,305,105.00	
<b>Totals</b>	\$ 1,082,055,647.00	\$ 42,232,708.00

23. As the drafting of the various settlement agreements continued, the Attorneys General's efforts were, along with the IPP class counsel, also focused on preparing the motion papers, affidavits and legal memoranda required to seek the Court's preliminary approval and final approval of the settlements. Counsel retained a notice expert to assist with the formulation of a national Plan of Notice to reach consumers affected by the proposed settlements. A claims administrator was also retained to oversee the administration of the settlement, including the claims process. Many hours were spent drafting the text of the summary and long form notices (to be used to notify consumers of the existence of the settlements) and the claim form. The text of the notice, the website design and the telephone messages all had to be created, edited and approved – and counsel for the States were heavily involved in this work. Likewise, additional

1 time was spent to ensure that the claims process was as simple as possible for consumers, while  
2 remaining financially secure from fraud.

3 24. As of July 31, 2012, the Attorneys General have spent approximately 21,563 hours of  
4 attorney time and 13,673 hours of non-attorney time in furtherance of the investigation, litigation  
5 and settlement of this matter as summarized above and in the attached exhibits.  
6

7 25. The hourly rates billed by the Attorneys General for attorney and non-attorney time is  
8 based upon the level of experience and expertise of the individual time keepers using the *Laffey*  
9 matrix. The *Laffey* matrix, as adjusted for the San Francisco Bay Area, reflects the following  
10 rates:  
11

Experience	2010-2011 <i>Laffey</i> matrix	+ 9% Adjustment for the San Francisco Bay Area
20+ years	\$ 475	\$ 517.75
11-19 years	\$ 420	\$ 457.80
8-10 years	\$ 335	\$ 365.15
4-7 years	\$ 275	\$ 399.75
1-3 years	\$ 230	\$ 250.70
Paralegals and law clerks	\$ 135	\$ 147.15

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19 25. In addition to paralegals and attorneys, Florida's two in-house economists devoted  
20 significant time to these actions. The economist tasks included working with the data produced  
21 by the public entities and conferring with the states outside economist. The *Laffey* matrix does  
22 not contain fees for economists. Florida has used its internal hourly rates for economists of  
23 \$200.00 and \$150.00 respectively and applied the same 9% adjustment as was applied to  
24 attorney and paralegal hours. The economist hours are included in non-Attorney hours.  
25

26 26. Applying the *Laffey* Matrix as adjusted for the San Francisco Bay Area to the hours  
27 worked on these actions, total fees for attorneys are \$9,005,623.71 and total fees for non-  
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1 attorneys are \$2,078,568.31, for total fees of \$11,084,192.01.<sup>2</sup> As noted in the separate  
2 Declaration of Adam Miller, a \$30,000.00 deduction should be applied to this lodestar so that the  
3 total fees sought by the States' Joint Motion is \$11,054,192.01.

4  
5 27. The Attorneys General will spend a significant amount of time going forward as this  
6 litigation is brought to final resolution. The tasks which Attorneys General must complete in the  
7 coming months include the following:

- 8 a) The preparation of Plaintiffs' Joint Memorandum of Law in Support of Final  
9 Approval of the Settlement;
- 10 b) The continued oversight of the administration of the settlement funds. The  
11 Attorneys General have been and will continue to work closely with the claims  
12 administrator, Rust Consulting, Inc. regarding the ongoing claims program;
- 13 d) Participation in the Hearing on the Final Approval of the settlements which is  
14 scheduled to take place on November 29, 2012;
- 15 e) The preparation of responses to any objections to the settlement which may be  
16 filed prior to the final approval of the settlements and to any appeals which may be filed  
17 in the event that final approval is granted by the Court; and
- 18 f) The preparation of briefs and presentation of arguments in the event any appeals  
19 are filed.

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22 26. Additional costs will also be incurred by the Attorneys General in the coming months,  
23 and they may be considerable. The Attorneys General do not intend to file a supplemental fee or  
24 cost petition.  
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27 <sup>2</sup> The differences in fees from the original joint declaration filed on September 7, 2012 result from  
28 removing some previously-included hours that related to the preparation of the States' March, 2012  
request for certain costs and adding previously not-included hours, and correcting a formula error. This  
corrected declaration and the accompanying corrected exhibits reflect the corrected hours and fees.

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Dated: September 28, 2012

Respectfully submitted,

Executed this 28<sup>th</sup> Day of September, 2012 in Tallahassee, Florida

/s/ *Lizabeth A. Brady*  
Lizabeth A. Brady

Executed this 28<sup>th</sup> Day of September, 2012 in Jefferson City, Missouri.

/s/ *Anne E. Schneider*  
Anne E. Schneider