

UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY

In Re: LIQUID ALUMINUM SULFATE  
ANTITRUST LITIGATION

Civil Action No. 16-md-2687 (JLL) (JAD)

**DECLARATION OF  
JAMES E. CECCHI, ESQ.**

JAMES E. CECCHI, ESQ., of full age, hereby declares under penalty of perjury as follows:

1. I am an attorney licensed to practice in New Jersey and am a member of Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C. (“Carella Byrne”). Pursuant to the Court’s April 8, 2016 Order Appointing Plaintiffs’ Leadership Positions, I was appointed to serve as Interim Lead Counsel and Chair of the Plaintiffs’ Steering Committee (“PSC”). *See* DE No. 136 (amended at DE No. 139). In such capacity, I am fully familiar with the facts contained herein.

2. On June 1, 2018, the Direct Purchaser Class Plaintiffs<sup>1</sup>, individually and on behalf of the putative Direct Purchaser Settlement Class<sup>2</sup>, finalized the terms of their agreement to resolve the above-captioned action (“Action” or “Consolidated Proceedings”) with Defendants

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<sup>1</sup> The Direct Purchaser Class Plaintiffs are Central Arkansas Water; City of Charlotte, North Carolina; City and County of Denver, Colorado, acting by and through its board of Water Commissioners; Flambeau River Papers, LLC; City of Greensboro, North Carolina; Mobile Area Water and Sewer System; City of Rochester, Minnesota; City of Sacramento, California; SUEZ Water Environmental Services Inc.; SUEZ Water New Jersey Inc.; SUEZ Water Princeton Meadows Inc.; SUEZ Water New York Inc.; SUEZ Water Pennsylvania Inc.; and City of Texarkana, Arkansas and City of Texarkana, Texas, d/b/a Texarkana Water Utilities.

<sup>2</sup> The Court has provisionally certified the following settlement class (*i.e.*, the Direct Purchaser Settlement Class) solely for the purpose of effectuating the Settlement: all persons or entities that purchased liquid aluminum sulfate (“Alum”) in the United States directly from a Defendant from January 1, 1997 through February 28, 2011. Excluded from the Direct Purchaser Settlement Class are (1) Defendants and their respective parents, subsidiaries, and affiliates, and (2) any Direct Purchaser Settlement Class Members who timely and validly elect to be excluded from the Direct Purchaser Settlement Class. *See* DE No. 985, at ¶3.

GEO Specialty Chemicals, Inc. (“GEO”), Kenneth A. Ghazey and Brian C. Steppig (collectively, the “GEO Settling Parties”).<sup>3</sup> By Order dated July 19, 2018, the Court preliminarily approved the Direct Purchaser Class Plaintiffs’ settlement with the GEO Settling Parties (the “Settlement”). DE No. 985. This Settlement is a partial settlement of the Action and does not release any claims of the Direct Purchaser Class Plaintiffs and the other members of the Direct Purchaser Settlement Class against any Non-Settling Defendant.<sup>4</sup>

3. I submit this declaration in support of Direct Purchaser Class Plaintiffs’ Motion for Final Approval of Settlement with the GEO Settling Parties. I also submit this declaration, on behalf of Plaintiffs’ Counsel<sup>5</sup>, in support of Interim DPP Lead Counsel’s Motion for an Award of Attorneys’ Fees, Reimbursement of Litigation Expenses, and Payment of Case Contribution Awards to the Direct Purchaser Class Plaintiffs. These motions, along with a supporting Brief, are being filed concurrently herewith.

4. I have personally participated in all material aspects of this Action, including the negotiations that produced the Settlement. Specifically, as Interim DPP Lead Counsel, I have

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<sup>3</sup> Unless otherwise defined herein, all capitalized terms used herein shall have the meanings provided in the Settlement Agreement Between Direct Purchaser Class Plaintiffs and Defendants GEO Specialty Chemicals, Inc., Kenneth A. Ghazey and Brian C. Steppig (“Settlement Agreement”), which was previously filed with the Court. DE No. 911-3. A copy of the Settlement Agreement is available for review on the website maintained by the Court-appointed Settlement Administrator at [www.LiquidAluminumDirectSettlement.com](http://www.LiquidAluminumDirectSettlement.com).

<sup>4</sup> The Non-Settling Defendants are General Chemical Corporation, General Chemical Performance Products, LLC, General Chemical LLC, GenTek Inc., Chemtrade Logistics Income Fund, Chemtrade Logistics Inc., Chemtrade Chemicals Corporation, Chemtrade Chemicals US, LLC, Chemtrade Solutions, LLC, C&S Chemicals, Inc., USALCO, LLC, Kemira Chemicals, Inc., Southern Ionics, Inc., American Securities LLC, Frank A. Reichl, Vincent J. Opalewski, Alex Avraamides, Amita Gupta, Milton Sundbeck, Matthew LeBaron, Scott Wolff and any defendants that may be added at a later date.

<sup>5</sup> Plaintiffs’ Counsel refers collectively to Interim DPP Lead Counsel and all plaintiffs’ firms that have assisted Interim DPP Lead Counsel in the prosecution of the Consolidated Proceedings.

been responsible for leading the discovery efforts on behalf of the PSC and in the settlement negotiations with the GEO Settling Parties. I was primarily assisted in the settlement negotiations by Stephen Neuwirth and Eric Winston from the Quinn Emmanuel firm.

5. As set forth more fully herein, I respectfully submit that (i) the terms of the Settlement are fair, reasonable, and adequate in all respects and should be granted final approval by the Court, and (ii) Interim DPP Lead Counsel's request for an award of attorneys' fees and expenses, including Case Contribution Awards to Direct Purchaser Class Plaintiffs, is reasonable and supported by the facts of this case and the law and should be granted in all respects.

### **SUMMARY OF THE ACTION AND THE SETTLEMENT**

#### **A. Background and Procedural History of the Action**

6. On October 31, 2015, Direct Purchaser Class Plaintiff Central Arkansas Water Authority filed the first action in this District alleging that Defendants had conspired to allocate customers for liquid aluminum sulfate (*i.e.*, Alum). Alum is a commodity that has a number of uses, primarily as a coagulant in municipal water treatment plants and for processing paper pulp. Since Alum is a commodity, the primary factor considered in purchasing Alum is price. In summary, Defendants are alleged to have agreed to submit non-competitive bids for selling Alum to historical customers of other Defendants. This filing followed the guilty plea of Frank A. Reichl in this District on October 27, 2015 for his role in the conspiracy. Mr. Reichl was Vice President of Sales and Marketing for Non-Settling Defendant General Chemical Corporation ("GenChem").

7. Numerous other related suits were filed both in this District and elsewhere. By way of Order dated February 4, 2016, all of these actions were transferred to this District by the Judicial Panel for Multidistrict Litigation. DE No. 1.

8. On February 17, 2016, Defendants Vincent Opalweski and Brian Steppig were indicted in this District for their roles in the alleged conspiracy. Mr. Opalweski was also a Vice President of Sales and Marketing for GenChem, later serving as Vice President and General Manager, then President of GenChem. Mr. Steppig was Director of Sales and Marketing for GEO.

9. On June 16, 2016, GEO entered into a plea agreement with the Antitrust Division of the Department of Justice (“DOJ”) in which it admitted to participating in the conspiracy to allocate customers of Alum. As part of the plea agreement, GEO agreed to pay a \$5 million fine in installments over five years. This fine was agreed to by the DOJ and approved by the Court because that was the most GEO could afford to pay, given GEO’s financial circumstances and that GEO would also need to separately compensate its victims through this civil action. *See* Cr. No. 16-290, Tr. 21:9 to 25:9.

10. Plaintiffs filed the Consolidated Amended Complaint on August 22, 2016 (the “Complaint”) alleging that all Defendants participated in a conspiracy in the Alum market by not competing for each other’s historical business, allocating customers and fixing the price of Alum between January 1, 1997 and February 2011. DE No. 220, Compl., ¶¶1, 3. The Complaint further alleges that Defendants engaged in this conspiracy by, *inter alia*: (1) participating in secret communications, discussions, and meetings to exchange confidential and competitively sensitive information regarding each other’s Alum business; (2) agreeing to “stay away” from each other’s “historical” customers by not pursuing those customers; (3) tracking bid and pricing histories to identify the “historical” customers of each co-conspirator; (4) submitting intentionally losing or “throw away” bids to each other’s “historic” customers; (5) discussing and agreeing to set a price floor to be quoted to a customer by an intended winner to determine the amount of the intended

loser's intentionally losing or "throw away" bid; (6) where a co-conspirator could not withdraw its inadvertently winning bid, bidding to lose one of its own customers to compensate for the loss of that "historical" customer; (7) instructing new employees on determining whether and how to bid on Alum business so as to comport with the agreement to not compete; and (8) selling Alum to customers at artificially inflated prices in the United States. *See e.g., id.* ¶135.

11. Many of the Defendants moved to dismiss the Complaint, with GEO, for its part, moving to dismiss claims to the extent that any claim sought relief relating to conduct that was discharged as part of GEO's Chapter 11 bankruptcy proceedings. DE No. 251. The Court denied Defendants' motions to dismiss in their entirety. DE No. 405. As far as the bankruptcy discharge argument was concerned, the Court found that the antitrust claims had not been discharged because of a lack of notice to claimants, and because GEO (and GenChem, which made the same argument), had allegedly continued with the conspiracy after their respective bankruptcy discharges and, thus, were jointly and severally liable for all damages caused by the conspiracy notwithstanding their discharges. DE No. 405 at 25-29. GEO filed a parallel motion in the Bankruptcy Court for the District of New Jersey to enforce its bankruptcy discharge against the Direct Purchaser Class Plaintiffs, raising the same argument. The Bankruptcy Court found the Court's decision was binding under collateral estoppel, but separately agreed with the Court's analysis. Bankr. No. 04-19148, DE No. 1372, at 71-80 (D.N.J.). GEO appealed the Bankruptcy Court's decision on December 4, 2017 ("Bankruptcy Appeal"). Bankr. No. 04-19148, DE No. 1374.<sup>6</sup>

12. Since the denials of Defendants' motions to dismiss, the parties to the Consolidated Proceedings have been engaged in voluminous paper discovery, with Defendants

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<sup>6</sup> GEO's appeal was administratively terminated as part of the Settlement.

having produced more than 13 million pages of documents. The Direct Purchaser Class Plaintiffs also have the benefit of the information and documents provided as part of the criminal investigation as well as the guilty pleas acknowledging the conspiracy. As such, the procedural history reflects that Direct Purchaser Class Plaintiffs have ample information to determine the sufficiency of the evidence supporting the alleged conspiracy.

**B. The Settlement**

13. As set forth below, the Settlement is the product of extensive, hard-fought negotiations. Notably, given GEO's financial condition, the negotiations also involved significant input from Direct Purchaser Class Plaintiffs' financial experts, who were engaged to specifically assess GEO's ability to pay in the context of the Settlement. Additionally, the negotiations also involved significant input from highly experienced bankruptcy counsel for each side. In sum, this Settlement is the product of extensive, protracted arm's-length negotiations that took the skills and creativity of a large number of lawyers to achieve. All of the lawyers who participated in the process are extremely proud of the result and believe it represents an excellent achievement given all of the limitations placed upon us.

**i. The Efforts Producing the Settlement**

14. The negotiations leading up to the eventual Settlement were long, protracted and involved numerous interested parties including GEO and its equity participants Solus, Blackrock and Deutsche Bank.

15. The first settlement meeting took place in June 2016 at the Courthouse in Newark, New Jersey, followed by an in-person meeting in July 2016 in Chicago. At those first meetings, GEO explained the limitations placed upon it by its financial condition, the DOJ investigation

and its loan covenants. From the very first meeting, GEO was clear that its ability to continue as a going concern was contingent upon structuring a global resolution with the DOJ and the class.

16. In order to assess the accuracy of GEO's representations, Interim DPP Lead Counsel requested extensive access to GEO's then-current financial records and its loan covenants. Upon receipt of that information, Interim DPP Lead Counsel engaged financial consultants who performed a detailed analysis of GEO's structure and condition, and also prepared various settlement scenarios.

17. Over the next two years, the Parties and principals met on numerous occasions, both in-person and through telephone conferences, to discuss potential deal structures that would reasonably compensate the Direct Purchaser Settlement Class and also provide GEO a clear path forward to survive as a going concern.

18. Importantly, Interim DPP Lead Counsel requested to meet with GEO's second tier lenders and equity participants – principally the investment firm Solus. The meetings with Solus were at times highly contentious but eventually productive leading to a term sheet embodying the concept that the DPP Purchaser Settlement Class would participate economically in the event GEO was sold to a third-party. The terms of the equity participation were highly complicated and necessitated the involvement of not only class action lawyers, but bankruptcy specialists from the Quinn Emmanuel firm.

19. After the general parameters of a workable structure were arrived at, Interim DPP Lead Counsel undertook the process of obtaining complete participation by all claimants including the opt-outs. This process was also contentious and time-consuming but was necessary to effectuate a global settlement.

20. Eventually, in June 2018, all participants agreed to the terms negotiated by Interim DPP Lead Counsel and the formal Settlement Agreement was executed.<sup>7</sup> The process from inception to execution took two years with almost daily negotiations and interactions between myself and counsel for GEO, Jim Mutchnik.

21. During the two weeks following the execution of the Settlement Agreement, the GEO Settling Parties worked to finalize the related documents to be submitted with the motion for preliminary approval of the Settlement. During this time, Interim DPP Lead Counsel also worked with Angeion Group, LLC (“Angeion”), the firm retained by Interim DPP Lead Counsel – following a competitive bidding process – to supervise and administer the notice procedure in connection with the Settlement as well as the processing of claims,<sup>8</sup> on the details of their proposed notice plan. On June 15, 2018, Direct Purchaser Class Plaintiffs filed the Settlement Agreement (and related exhibits) along with their brief supporting preliminary approval of the Settlement with the Court. DE Nos. 911-912. On July 19, 2018, the Court entered an Order that, among other things, preliminarily approved the Settlement and scheduled a final settlement hearing for November 14, 2018 at 10:00 a.m. DE No. 985.<sup>9</sup>

22. If approved by the Court, the Settlement will resolve all claims in any way arising out of or relating in any way to the facts and circumstances alleged in the Consolidated Proceedings against the GEO Settling Parties and certain other related parties (*i.e.*, the “GEO

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<sup>7</sup> In addition, the Direct Purchaser Class Plaintiffs and GEO requested a stay of the Bankruptcy Appeal pending Final Judgment. Pursuant to the Settlement Agreement, GEO, within ten business days of Final Judgment, shall dismiss its Bankruptcy Appeal with prejudice. See Settlement Agreement, ¶19.

<sup>8</sup> Angeion was subsequently appointed by the Court as Settlement Administrator pursuant to its Order dated July 19, 2018. DE No. 985, ¶6.

<sup>9</sup> The time of the final settlement hearing has been changed to 9:00 a.m. The Settlement website has been updated to reflect this change.

Released Parties”)<sup>10</sup> on behalf of all members of the Direct Purchaser Settlement Class (who do not request exclusion). *See* Settlement Agreement, ¶15. This release does not affect Direct Purchaser Class Plaintiffs’ claims against any of the Non-Settling Defendants.

23. Pursuant to the Settlement, the GEO Settling Parties have no right of reversion, and thus members of the Direct Purchaser Settlement Class will receive the full benefit of the Net Settlement Fund (*i.e.*, the Settlement Funds (defined below) after payment of any taxes, administration expenses, and Court-approved attorneys’ fees, expenses and Case Contribution Awards). The Net Settlement Fund will be distributed to eligible Direct Purchaser Settlement Class Members after the Court grants final approval to the Settlement, all claims have been fully processed by the Settlement Administrator and the Court has authorized distribution of the Net Settlement Fund.<sup>11</sup>

**ii. The Settlement Terms**

**1. The Monetary Recovery**

24. As set forth in the Settlement Agreement, GEO has agreed to pay, on behalf of itself and the GEO Settling Parties: (1) \$10,796,800 in cash, and (2) up to \$13,527,400 from a sale of all or substantially all of GEO’s equity interests, a merger of GEO and another entity, or a sale of all or substantially all of GEO’s assets (collectively, a “Sale”), EBITDA-based payments, and/or shareholder dividends. The foregoing amounts and any accrued interest are referred to herein as the “Settlement Funds.”

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<sup>10</sup> The GEO Released Parties are the GEO Settling Parties, the GEO Settling Parties’ heirs or executors, and GEO’s current and former, direct and indirect parents, subsidiaries, affiliates, insurers, directors, officers, shareholders, and employees, other than Alex Avraamides, who shall not be deemed a Party to or a third-party beneficiary of the Settlement Agreement, and who is in no way released from any claims asserted by Direct Purchasers in the Consolidated Proceedings.

<sup>11</sup> The proposed Plan for Distribution of the Net Settlement Fund for the GEO Direct Purchaser Settlement is being submitted concurrently herewith.

25. With respect to the \$10,796,800 in cash, GEO will use its best efforts to cause its insurers to pay \$6,198,926 directly into the Direct Purchaser Escrow Account within 30 days of Final Judgment (“First Installment”). GEO will make two additional payments into the Direct Purchaser Escrow Account: the first, in the amount of \$1,361,437, on or before the first anniversary of the First Installment, and the second, in the amount of \$3,236,437, on or before the second anniversary of the First Installment. *See* Settlement Agreement, ¶¶8 (a) & (b).

26. With respect to the \$13,527,400 component, GEO will undertake a marketing process for a Sale that will commence no later than 30 days after entry of Final Judgment. If this marketing process is successful, upon the closing of the Sale, the Direct Purchaser Settlement Class shall be entitled to receive from GEO additional compensation pursuant to an equity value formula (set forth in Exhibit B to the Settlement Agreement), in an amount up to \$13,527,400. *See* Settlement Agreement, ¶8(c). Payments in connection with mid-point projections of EBITDA and shareholder distributions occurring prior to the closing of a Sale may be made to the Direct Purchaser Settlement Class and credited against the \$13,527,400. *Id.*, ¶¶8 (d) & (e).<sup>12</sup> As a result, the total Settlement - in the event of a Sale - would be \$24,324,200.

## **2. Cooperation in Ongoing Litigation Efforts**

27. In addition to the monetary recovery provided by the Settlement (as detailed above), another critical component of the Settlement is the GEO Settling Parties’ agreement to

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<sup>12</sup> In the event that, prior to the closing of a Sale, GEO’s EBITDA in any of fiscal years 2018, 2019 or 2020 is at least 250% above the mid-point projections of EBITDA for each of the years 2018, 2019 and 2020 prepared by GEO and by the financial advisor(s) retained by Direct Purchaser Class Plaintiffs, the Direct Purchaser Settlement Class shall be entitled to payment of 25% of such excess up to \$13,527,400 in the aggregate and credited against the \$13,527,400 from a Sale. Likewise, in the event that GEO makes any distributions to its shareholders prior to the closing of a Sale, the Direct Purchaser Settlement Class shall be entitled collectively to a pro rata share of such distributions as if such distributions were proceeds of a Sale. These distributions shall be credited against the \$13,527,400 from a Sale.

provide extensive cooperation to the Direct Purchaser Class Plaintiffs through their counsel in connection with the ongoing litigation of the Action against the Non-Settling Defendants. The full extent of this cooperation is set forth in ¶9 of the Settlement Agreement and consists of, among other things, (i) completing production of documents requested by Direct Purchaser Class Plaintiffs' first and second requests for production; (ii) providing information and answering questions concerning the transactional data produced by GEO; (iii) using reasonable best efforts to respond to reasonable requests for information for the purpose of assisting with the pursuit of claims against any Non-Settling Defendant in the Coordinated Proceedings; (iv) submitting to interviews conducted by Interim DPP Lead Counsel; (v) providing declarations and deposition testimony; and (vi) appearing at trial, if reasonably requested. *See* Settlement Agreement, ¶9.

#### **COMPLIANCE WITH THE COURT-APPROVED NOTICE PLAN**

28. Pursuant to its July 19, 2018 Order, the Court appointed Angeion as the Settlement Administrator for the Settlement and instructed Angeion to, among other things: (i) disseminate copies of the Notice and Claim Form by mail to all Direct Purchaser Settlement Class Members readily and reasonably identified by or previously identified by GEO; identified by or previously identified by Non-Settling Defendants or identified by Interim DPP Lead Counsel; and (ii) publish the Summary Notice as soon as practicable after the mailing date. DE No. 985, at ¶¶9-10. Working in conjunction with Interim DPP Lead Counsel, Angeion completed these tasks in accordance with the Court's Order. *See generally* Declaration of Charles E. Ferrara dated September 14, 2018 ("Ferrara Declaration").

29. The Notice contains important information concerning the Action and the Settlement, including the definition of the Direct Purchaser Settlement Class, a description of the Settlement and information regarding the claims asserted in the Action. The Notice also provides

information for Direct Purchaser Settlement Class Members to determine whether to (i) participate in the Settlement and be eligible for a payment from the Net Settlement Fund by submitting a claim, (ii) object to the Settlement, Plan of Distribution, and/or Interim DPP Lead Counsel's motion for attorneys' fees and expenses, including Case Contribution Awards to Direct Purchaser Class Plaintiffs, or (iii) request exclusion from the Direct Purchaser Settlement Class, as well as instructions for effectuating any of the foregoing. The Notice also informs recipients of Interim DPP Lead Counsel's intention to apply for attorneys' fees up to 33.3% of the total consideration made available to the Direct Purchaser Settlement Class, payment of the costs and expenses advanced on behalf of the Direct Purchaser Settlement Class, and Case Contribution Awards of no more than \$40,000 for each of the Direct Purchaser Class Plaintiffs who served as proposed class representatives while the case was pending.

30. Angeion has disseminated a total of 9,773 copies of the Notice and Claim Form to potential Direct Purchaser Settlement Class Members by First-Class Mail. *See* Ferrara Decl. at ¶7. Angeion also caused the Summary Notice to be published in the September 2018 edition of *The Municipal*, which had a hard copy distribution date of August 23, 2018. *Id.* at ¶9.

31. Interim DPP Lead Counsel also worked with Angeion to establish a website dedicated to the Settlement, [www.LiquidAluminumDirectSettlement.com](http://www.LiquidAluminumDirectSettlement.com). The website provides Direct Purchaser Settlement Class Members with information concerning the Settlement and the important dates and deadlines in connection therewith, as well as access to downloadable copies of the Notice and Claim Form and other Settlement documents. Ferrara Decl. at ¶¶10-11.<sup>13</sup> The website also provides Direct Purchaser Settlement Class Members the ability to submit a claim

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<sup>13</sup> Once filed, Interim DPP Lead Counsel will also cause this declaration, along with its complete submission in support of final approval of the Settlement and motion for attorneys' fees and expenses, to be posted on the website.

online. Additionally, Angeion maintains a Settlement-specific toll-free telephone number to respond to inquiries regarding the Settlement. *Id.* at ¶¶12-13. Direct Purchaser Settlement Class Members also can contact Angeion by e-mail at info@LiquidAluminumDirectSettlement.com.

32. The Court-ordered deadline for Direct Purchaser Settlement Class Members to file objections to the Settlement, Plan of Distribution, and/or Interim DPP Lead Counsel's motion for attorneys' fees and expenses, including Case Contribution Awards to Direct Purchaser Class Plaintiffs, or to submit a request for exclusion from the Direct Purchaser Settlement Class, is October 2, 2018. To date, there have been no objections of any kind, and not one Direct Purchaser Settlement Class Member – besides the 18 entities<sup>14</sup> who have already been deemed by the Court, pursuant to Order dated August 3, 2018 (DE No. 1022), to have opted out of the Settlement – has requested exclusion. Ferrara Decl. at ¶14. Should any objections or requests for exclusion be received after the date of this submission, Interim DPP Lead Counsel will address them in its reply papers to be filed with the Court on or before November 7, 2018.

### **PLAINTIFFS' COUNSEL'S LODESTAR AND EXPENSES**

#### **A. Plaintiffs' Counsel's Diligent Efforts and Out-of-Pocket Expenses**

33. Interim DPP Lead Counsel, along with the other Plaintiffs' Counsel firms, vigorously prosecuted this Action against the GEO Settling Parties and continue to prosecute the Consolidated Proceedings against the Non-Settling Defendants. Indeed, Plaintiffs' Counsel have devoted substantial time and advanced the funds necessary to prosecute this case with no

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<sup>14</sup> These entities are the Mayor and City Council of Baltimore, the City of Richmond, Washington Suburban Sanitary Commission, Fairfax County Water Authority, Appomattox River Water Authority, County of Chesterfield, County of Henrico, City of Lynchburg, City of Newport News, City of Norfolk, Rivanna Water & Sewer Authority, South Central Wastewater Authority, City of Springfield, Commissioners of Public Works of the City of Charleston (d/b/a Charleston Water System), Grand Strand Water & Sewer Authority, City of Spartanburg, City of Winston-Salem, and the South Carolina Public Service Authority (d/b/a Santee Cooper).

assurance of compensation or repayment. To date, neither Interim DPP Lead Counsel nor any of the other Plaintiffs' Counsel firms that have assisted in the prosecution of the Action have been paid for their efforts or reimbursed for any of their out-of-pocket expenses. Instead, their compensation and expense reimbursement are entirely contingent upon obtaining a recovery.

34. Here Plaintiffs' Counsel have diligently and skillfully prosecuted the Action against the Defendants – including the GEO Settling Parties – for more than two years in the face of formidable opposition. As detailed above, these efforts include, among others: (i) conducting a thorough investigation into the Direct Purchaser Settlement Class's claims; (ii) drafting a detailed amended complaint; (iii) successfully opposing Defendants' motions to dismiss; (iv) participating in GEO's bankruptcy proceedings and consulting with bankruptcy experts in connection therewith; (v) engaging in extensive fact discovery, including the review of over 13 million pages of documents produced by Defendants; and (vi) reviewing, with respect to GEO in particular, information and documents provided as part of the criminal investigation as well as the guilty pleas acknowledging the conspiracy. Plaintiffs' Counsel, primarily through Interim DPP Lead Counsel, also engaged in protracted settlement negotiations with the GEO Settling Parties, including numerous in-person meetings, formal mediation and a Court-led settlement conference as well as consultation with financial experts and bankruptcy counsel regarding GEO's ability to fund a settlement or future judgment in the Action.

35. Moreover, in the context of its efforts regarding the GEO Settling Parties, Interim DPP Lead Counsel will continue to perform legal work on behalf of the Direct Purchaser Settlement Class through the final settlement hearing and beyond. Additional resources will be expended assisting Direct Purchaser Settlement Class Members with their claims, if requested,

and related inquiries and working with Angeion to ensure the smooth progression of claims processing and distribution of the Net Settlement Fund.

36. Plaintiffs' Counsel are comprised of some of the preeminent plaintiffs' class action and antitrust litigation firms in the country, with decades of experiences prosecuting such complex actions. Here, Plaintiffs' Counsel applied their knowledge and experience to obtain a favorable result for the Direct Purchaser Settlement Class from the GEO Settling Parties, taking into consideration the risks of further litigation against these Defendants and the financial circumstances of GEO.

37. Plaintiffs' Counsel's efforts against the Defendants to date have required a substantial investment of time. Plaintiffs' Counsel have necessarily expended thousands of hours over more than two years of litigation, including negotiating the Settlement with the GEO Settling Parties. As detailed below, the substantial amount of time (and resulting lodestar) devoted to this Action through August 31, 2018 clearly supports Interim DPP Lead Counsel's fee request of 33.3% of the Settlement Funds received.

**B. Plaintiffs' Counsel's Lodestar**

**i. Interim DPP Lead Counsel's Time**

38. The schedule attached hereto as Exhibit 1 is a summary indicating the amount of time spent by each attorney and professional support staff employee of my firm, Carella Byrne, who was involved in the Action, and the lodestar calculation based on my firm's current billing rates. For personnel who are no longer employed by my firm, the lodestar calculation is based upon the billing rates for such personnel in his or her final year of employment by my firm. The schedule was prepared from contemporaneous daily time records regularly prepared and

maintained by my firm, which are available at the request of the Court. Time expended in preparing this application for fees and reimbursement of expenses has not been included.

39. The hourly rates for the attorneys and professional support staff in my firm included in Exhibit 1 are the same as the regular rates that would be charged for their services in non-contingent matters and/or which have been accepted in other class action or antitrust litigation.

40. The total number of hours expended on this Action by my firm from the inception of the Action through August 31, 2018 is 4,908.60. The total lodestar for my firm for that period is \$3,724,390.00, consisting of \$3,625,065.00 for attorneys' time and \$99,325.00 for professional support staff time.

41. My firm's lodestar figures are based upon the firm's billing rates, which rates do not include charges for expense items. Expense items are billed separately and such charges are not duplicated in my firm's billing rates. *See* ¶48 below.

**ii. Other Plaintiffs' Counsel's Time**

42. Following my appointment as Interim Lead Counsel and Chair of the PSC in April 2016, a procedure for monthly reporting of time and expenses for all firms actively involved in the Consolidated Proceedings was established. This allowed the PSC to monitor the reported work of the firms, allocate work among the firms, and to understand on an ongoing basis the time and expenses being billed/incurred. These monthly submissions included both lodestar and expense reports.

43. In connection with this application, since the lodestar vastly exceeds the fee we seek, we are only including time submissions from certain of the PSC firms. In addition, as a

general rule, we excluded all pre-MDL time with the exception of my firm and two other firms that were particularly integral to organizing and bringing the MDL to New Jersey.

44. Along with my firm’s time/lodestar submission detailed above, eight other Plaintiffs’ Counsel firms are submitting declarations setting forth the time their attorneys and professional support staff devoted to the Action through August 31, 2018. These submissions are based on the time reports these firms regularly prepared and provided to the PSC. Through August 31, 2018, these eight Plaintiffs’ Counsel firms have expended an additional 23,587.63 hours prosecuting this complex, entirely contingent litigation against Defendants, resulting in an additional lodestar of \$13,870,786.35 at current rates.

45. The below table summarizes the aggregate time and lodestar of Interim DPP Lead Counsel as well as the other Plaintiffs’ Counsel firms that have submitted detailed time submissions in connection with this fee application. The daily time records supporting these submissions are available for review should the Court wish to examine them.

| <b>Firm</b>  | <b>Total Hours</b> | <b>Lodestar</b> |
|--|--------------------|-----------------|
| Carella, Byrne, Cecchi, Olstein, Brody & Agnello, P.C. | 4,908.60           | \$3,724,390.00  |
| Critchley, Kinum & Denoia, LLC                         | 284.00             | \$172,740.00    |
| Keller Rohrback L.L.P.                                 | 2,253.90           | \$1,192,637.90  |
| Kessler Topaz Meltzer & Check, LLP                     | 1,031.80           | \$479,512.50    |
| Lieff Cabraser Heimann & Bernstein, LLP                | 2,566.30           | \$1,205,864.00  |
| Nussbaum Law Group P.C.                                | 6,709.45           | \$3,907,177.75  |
| Quinn Emanuel Urquhart & Sullivan LLP                  | 3,712.88           | \$2,985,170.70  |
| Robbins Geller Rudman & Dowd LLP                       | 4,356.90           | \$2,499,516.50  |
| Seeger Weiss LLP                                       | 2,672.40           | \$1,428,167.00  |

|                             |                    |                        |
|-----------------------------|--------------------|------------------------|
| <b>TOTAL FOR ALL FIRMS:</b> | <b>\$28,496.23</b> | <b>\$17,595,176.35</b> |
|-----------------------------|--------------------|------------------------|

46. As the time submissions of Plaintiffs' Counsel described herein and filed concurrently herewith reflect all of their time (through August 31, 2018) incurred prosecuting the Action against Defendants (not just the GEO Settling Parties), this time may also be used to support future requests for attorneys' fees commensurate with additional settlements and/or judgments that may be obtained in the Action.

**C. Plaintiffs' Counsel's Out-of-Pocket Expenses**

47. In connection with this Settlement, Interim DPP Lead Counsel seeks reimbursement of certain out-of-pocket expenses that were reasonably incurred by Plaintiffs' Counsel in the Action in the amount of \$2,109,260.17. These expenses were advanced by Plaintiffs' Counsel and reimbursement of such expenses was fully contingent on a successful outcome. The bulk of the funds invested in the Action were placed into a litigation fund which was maintained by my office and the \$2,109,260.17 requested by Interim DPP Lead Counsel reflect expenses that were paid from the litigation fund. Interim DPP Lead Counsel requests that these expenses be paid from the First Installment.

48. As detailed in the schedule attached hereto as Exhibit 2, my firm, Carella Byrne, has incurred a total of \$579,748.16 in unreimbursed expenses in connection with the prosecution of this Action. \$550,000.00 of this amount was our contribution to the litigation fund. These expenses are reflected on the books and records of my firm. These books and records are prepared from expense vouchers, check records and other source materials and are an accurate record of the expenses incurred.

49. As set forth in their supporting declarations submitted herewith, the other eight Plaintiffs' Counsel firms incurred an additional \$1,384,674.46 in out-of-pocket expenses. The

table below provides a breakdown of the expenses, by firm, including each firm’s contribution to the litigation fund.

| <b>Firm</b>                             | <b>Total Expenses</b> | <b>Amount of Firm’s Total Expenses Representing Contribution to Litigation Fund</b> |
|---|-----------------------|---|
| Critchley, Kinum & Denoia, LLC          | \$50,492.00           | \$50,000.00   |
| Keller Rohrback L.L.P.                  | \$27,720.92           | \$25,000.00   |
| Kessler Topaz Meltzer & Check, LLP      | \$121,336.09          | \$115,000.00  |
| Lieff Cabraser Heimann & Bernstein, LLP | \$213,673.09          | \$200,000.00  |
| Nussbaum Law Group P.C.                 | \$202,674.89          | \$200,000.00  |
| Quinn Emanuel Urquhart & Sullivan LLP   | \$281,239.45          | \$250,000.00  |
| Robbins Geller Rudman & Dowd LLP        | \$274,816.56          | \$250,000.00  |
| Seeger Weiss LLP                        | \$212,721.46          | \$200,000.00  |
| <b>TOTAL:</b>                           | <b>\$1,384,674.46</b> | <b>\$1,290,000.00</b>   |

50. In addition to the litigation fund contributions made by my firm, Carella Byrne, and the eight Plaintiffs’ Counsel firms set forth in the chart above, other firms involved in the prosecution of the MDL – which I have not asked to submit a fee declaration – made deposits into the litigation fund. These deposits include the following:

|                             |          |
|-----------------------------|----------|
| Berger & Montague PC        | \$50,000 |
| Block & Leviton LLP         | \$50,000 |
| Cohen Milstein              | \$50,000 |
| Heins Mills & Olson, P.L.C. | \$10,000 |

|                                       |          |
|---------------------------------------|----------|
| Lite Depalma Greenberg, LLC           | \$10,000 |
| Lockridge Grindal Nauen P.L.L.P.      | \$25,000 |
| Milberg Tadler Phillips Grossman LLP  | \$50,000 |
| Nast Law LLC                          | \$10,000 |
| Roberts Law Firm                      | \$10,000 |
| Schnader Harrison Segal and Lewis LLP | \$25,000 |
| Zwerling, Schacter & Zwerling, LLP    | \$10,000 |

51. The below chart provides a breakdown of the expenses that have been paid from the litigation fund, by category. Paragraphs ¶¶ 52-53 below provide additional detail regarding certain of these expenses.

| <b>Summary of Total Expenses Paid from Litigation Fund</b> |                       |
|--|-----------------------|
| <b>Expense</b>   | <b>Amount</b>         |
| Experts  | \$1,844,769.19        |
| Document Hosting / Litigation Support                      | \$179,001.54          |
| Mediation  | \$85,489.44           |
| <b>TOTAL EXPENSES:</b>                                     | <b>\$2,109,260.17</b> |

52. The cost of Direct Purchaser Class Plaintiffs’ experts (totaling \$1,844,769.19) represents the largest component of the expenses paid from the litigation fund, encompassing approximately 88% of these expenses. Plaintiffs’ Counsel worked with several experts and consultants at different stages of the Action. With respect to the GEO Settling Parties in particular, financial experts and experienced bankruptcy counsel were retained to provide an analysis of GEO’s financial situation and its ability to fund a larger settlement or satisfy a judgment in the future. These experts also provided assistance to Interim DPP Lead Counsel on

how to structure the Settlement. These experts and consultants have been essential to the prosecution of this Action and the Settlement with the GEO Settling Parties.

53. Another large component of Plaintiffs' Counsel's expenses relates to the voluminous document production. To effectively and efficiently review and analyze the more than 13 million pages of documents produced by Defendants in this litigation, Interim DPP Lead Counsel retained an outside vendor to host a document database. The amount incurred in connection with database hosting as well as other related litigation support costs represents approximately 8% of the expenses paid from the litigation fund.

54. As Interim DPP Lead Counsel is requesting only those expenses paid from the litigation fund (*i.e.*, \$2,109,260.17) in connection with this Settlement, it reserves the right to seek reimbursement of the additional expenses incurred by Plaintiffs' Counsel at a later time.

#### **THE EFFORTS OF DIRECT PURCHASER CLASS PLAINTIFFS**

55. Interim DPP Lead Counsel also seeks Case Contribution Awards of \$15,000 for each of the Direct Purchaser Class Plaintiffs<sup>15</sup> (an aggregate amount of \$150,000) for their work, to date, representing the Direct Purchaser Settlement Class in the Action.<sup>16</sup> Each of the Direct Purchaser Class Plaintiffs has been committed to pursuing the Direct Purchaser Settlement Class's claims since they became involved in the litigation. Specifically, Direct Purchaser Class Plaintiffs provided information necessary for filing the Complaint, and has undergone significant

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<sup>15</sup> For purposes of this request, Direct Purchaser Class Plaintiffs SUEZ Water Environmental Services Inc.; SUEZ Water New Jersey Inc.; SUEZ Water Princeton Meadows Inc.; SUEZ Water New York Inc.; and SUEZ Water Pennsylvania Inc. are being treated as one plaintiff.

<sup>16</sup> As the Action is ongoing, Interim DPP Lead Counsel may request additional Case Contribution Awards for the Direct Purchaser Class Plaintiffs in connection with future settlements and/or judgments obtained.

efforts to produce their own documents in response to Defendants' document requests. The time and resources expended by representatives for the Direct Purchaser Class Plaintiffs would have otherwise been devoted to their regular employment duties. Moreover, the efforts expended by Direct Purchaser Class Plaintiffs during the course of the Action are precisely the types of activities courts have found to support Case Contribution Awards.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: September 17, 2018

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JAMES E. CECCHI

**CERTIFICATE OF SERVICE**

I hereby certify that on September 17, 2018, I caused the foregoing to be filed electronically via the Court's CM/ECF system, which will send electronic notification of filing to the registered participants as identified on the Notice of Electronic Filing (NEF). The foregoing document is also available for viewing and downloading from the ECF system.

*/s/ James E. Cecchi*

\_\_\_\_\_  
James E. Cecchi

# Exhibit 1

**EXHIBIT 1**  
**Liquid Aluminum Sulfate**  
**Carella, Bynre, Cecchi, Olstein, Brody & Agnello, P.C.**  
 Inception through August 31, 2018

**REPORTED HOURS AND CURRENT RATES**

| NAME                  | TOTAL HOURS       | CURRENT HOURLY RATE | LODESTAR               |
|-----------------------|-------------------|---------------------|------------------------|
| James Cecchi (P)      | 734.70            | \$ 975.00           | \$ 716,332.50          |
| John Agnello (P)      | 74.90             | \$ 975.00           | \$ 73,027.50           |
| Lindsey Taylor (P)    | 732.70            | \$ 900.00           | \$ 659,430.00          |
| Caroline Bartlett (P) | 40.30             | \$ 850.00           | \$ 34,255.00           |
| James O'Brien (OC)    | 86.20             | \$ 750.00           | \$ 64,650.00           |
| Donald Ecklund (P)    | 93.10             | \$ 850.00           | \$ 79,135.00           |
| Zach Bower (P)        | 2,346.10          | \$ 850.00           | \$ 1,994,185.00        |
| Michael Innes (A)     | 6.00              | \$ 675.00           | \$ 4,050.00            |
| Laura Tempesta (PL)   | 298.40            | \$ 125.00           | \$ 37,300.00           |
| Jeff Falduto (PL)     | 322.10            | \$ 125.00           | \$ 40,262.50           |
| Mary Ellen Rago (PL)  | 17.90             | \$ 125.00           | \$ 2,237.50            |
| Michael Heitmann (LC) | 3.90              | \$ 125.00           | \$ 487.50              |
| Jenn Menjivar (LC)    | 1.20              | \$ 125.00           | \$ 150.00              |
| Tyler Pierson (LC)    | 20.80             | \$ 125.00           | \$ 2,600.00            |
| Kaitlyn Utkewicz (LC) | 117.30            | \$ 125.00           | \$ 14,662.50           |
| Jay Stephens (LC)     | 13.00             | \$ 125.00           | \$ 1,625.00            |
|                       |                   |                     |                        |
| <b>TOTAL:</b>         | <b>4,908.60</b>   |                     | <b>\$ 3,724,390.00</b> |
|                       |                   |                     |                        |
| (P)                   | Partner           |                     |                        |
| (OC)                  | Of Counsel        |                     |                        |
| ( C )                 | Counsel           |                     |                        |
| (A)                   | Associate         |                     |                        |
| (LC)                  | Law Clerk         |                     |                        |
| (CA)                  | Contract Attorney |                     |                        |
| (PL)                  | Paralegal         |                     |                        |
|                       |                   |                     |                        |
|                       |                   |                     |                        |
|                       |                   |                     |                        |

## Exhibit 2

**EXHIBIT 2**  
**Liquid Aluminum Sulfate**  
**Carella, Bynre, Cecchi, Olstein, Brody & Agnello, P.C.**  
 Inception through August 31, 2018

**EXPENSE REPORT**

| CATEGORY                                     | AMOUNT INCURRED      |
|--|----------------------|
| Professional Fees (Investigator, Consulting) | \$ 1,406.10          |
| Travel, Airfare, Transportation              | \$ 12,266.63         |
| Hotel  | \$ 867.70            |
| Meals  | \$ 1,000.00          |
| Photocopies Outside                          | \$ 930.59            |
| Experts, Transcripts                         | \$ 6,540.55          |
| Filing Fees                                  | \$ 4,326.00          |
| Litigation Fund                              | \$ 550,000.00        |
| Telephone                                    | \$ 989.73            |
| Computer Research                            | \$ 276.00            |
| FedEx  | \$ 1,144.86          |
| <b>Total:</b>                                | <b>\$ 579,748.16</b> |
|  |                      |
|  |                      |
|  |                      |
|  |                      |