The judge denied class certification, citing our economic analysis for the defendants several times.

The joint defense team retained Cornerstone Research to work with three economic experts—Kenneth Elzinga, Joseph Kalt, and Catherine Morrison Paul—to address allegations that the largest Southeastern milk processors allocated the market and fixed prices for fluid milk from 2002 to 2009. The members of the purported class purchased processed milk directly from the defendants. The case history includes a decision by the Sixth Circuit prior to the denial of class certification by the U.S. District Court for the Eastern District of Tennessee.

Cornerstone Research’s analysis demonstrated that the plaintiffs’ model assumed common impact for all class members rather than testing for it.

**Common Impact**
Class certification hinged on whether the plaintiffs offered a methodology that proved classwide impact. The plaintiffs’ expert testified that a regression model could estimate how much prices were “elevated” for each class member. Our analysis showed that the model could not meet this objective. Prices to customers in the same zip code often moved in substantially different directions, contradicting the assumption of common movement embedded in the plaintiffs’ model. Cornerstone Research’s analysis demonstrated that the plaintiffs’ model assumed common impact for all class members rather than testing for it.

**Damages Model**
We also showed that the plaintiffs’ model could not reliably measure the alleged damages caused by the conduct at issue because it yielded “false positives.” Specifically, the plaintiffs’ damages model resulted in a positive damages estimate for the lead named plaintiff’s purchases, even though the lead plaintiff purchased pursuant to a price formula contract that was established before the

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alleged conspiracy began. Cornerstone Research’s analysis demonstrated that the plaintiffs’ model also found positive damages estimates in areas outside the Southeast where there was no allegation of conspiracy.