

If Your Farm Produced Grade A Milk In the Southeast Since 2001

A Class Action Lawsuit May Affect Your Rights.

A court authorized this notice. You are not being sued.

You could be affected by a class action lawsuit involving the prices paid to dairy farmers for Grade A milk that was produced and sold in the Southeast.

A Court has ruled that this lawsuit can go forward as a class action that includes dairy farmers who produced and sold Grade A milk within Federal Milk Market Orders 5 and 7 ("Southeast"). Orders 5 and 7 include Alabama, Arkansas, Mississippi, Louisiana, North Carolina, and South Carolina, and parts of Florida, Georgia, Indiana, Kentucky, Missouri, Tennessee, Virginia, and West Virginia.

The case is currently scheduled to go to trial where a jury will determine whether Defendants (*see* Question 3) have violated the antitrust laws. Your rights are affected, and you have a choice to make now.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

DO NOTHING	Stay in this lawsuit. Await the outcome. Share in possible benefits. Give up certain rights. By doing nothing, you will remain a part of the Class suing the Defendants, you keep the possibility of getting money or other benefits that may come if Plaintiffs win at trial or the case settles. But, you give up any rights to sue the Defendants on your own about the same legal claims in this lawsuit. If money or benefits are obtained at trial or by settlement, you will be notified about how to ask for a share.
EXCLUDE YOURSELF	Get out of this lawsuit. Get no benefits from it. Keep rights. If you ask to exclude yourself from this lawsuit and money or benefits are later awarded, you won't share in those. But, you keep any rights to sue the Defendants on your own about the same legal claims in this lawsuit. The process for excluding yourself is explained in this notice.

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION Page 2

1. Why was this notice issued?
2. Why is this a class action?
3. Who are the Defendants and alleged Co-Conspirators?
4. What is this lawsuit about?
5. Who is a member of the Class?
6. What are the Plaintiffs asking for?
7. Is there money available now?

YOUR RIGHTS AND OPTIONS Page 3

8. What happens if I do nothing?
9. What if I don't want to be in the Class?

THE LAWYERS REPRESENTING YOU Page 4

10. Do I have a lawyer in the case?
11. How will the lawyers be paid?

A TRIAL Page 4

12. How and when will the Court decide who is right?
13. Will I get money after the trial?

GETTING MORE INFORMATION Page 4

14. How do I get more information?

BASIC INFORMATION

1. **Why was this notice issued?**

This lawsuit has been “certified” as a Class Action. This means that the lawsuit meets the requirements for class actions and may proceed to trial. Because you may be included in the Class, you may have decisions to make about your legal rights and options before the jury decides whether the claims against the Defendants on your behalf are correct. This notice explains these decisions.

Judge J. Ronnie Greer, of the United States District Court for the Eastern District of Tennessee, is currently overseeing this case. The case is known as *Sweetwater Valley Farm, Inc., et al. v. Dean Foods Co., et al.*, No. 2:07-CV-208. The people who sued are called Plaintiffs and the people and companies they sued are called Defendants (see Question 3 below).

2. **Why is this a class action?**

In a class action, one or more people, called class representatives, sue on behalf of people who have similar claims. All these people are a class or class members, except for those who exclude themselves from the class.

In this case, the representative dairy farmers for the class include: Barbara and Victor Arwood, d/b/a VBA Dairy; James and Eva Baisley, d/b/a Baisley Farms; Jeffrey Bender; Stephen Cornett; Randel Davis, d/b/a Davis Bros. Dairy; Farrar & Farrar Dairy, Inc.; William Frazier and Branson McCain, d/b/a McCain Dairy; Jerry Holmes; Fred Jaques; John Moore; D.L. Robey Farms; Robert Stoots; Sweetwater Valley Farm, Inc.; Thomas Watson, d/b/a Dawn Dairy; and Virgil Willie (the “Plaintiffs”).

3. **Who are the Defendants and alleged Co-Conspirators?**

Plaintiffs brought this litigation against nine Defendants and 10 alleged Co-Conspirators involved in the marketing, sale, purchase, and processing of Grade A milk produced by dairy farmers in the Southeast.

Current Defendants: Dean Foods Co. (“Dean”), National Dairy Holdings LP (“NDH”), Dairy Farmers of America, Inc. (“DFA”), Dairy Marketing Services, LLC (“DMS”), Mid-Am Capital LLC, (“Mid-Am”), Southern Marketing Agency, Inc., (“SMA”), James Baird, (“Baird”), Gary Hanman, (“Hanman”), and Gerald Bos, (“Bos”).

Current Alleged Co-Conspirators: Dairy.Com, Inc., The Kroger Co., Prairie Farms Dairy, Inc., Robert W. Allen, Jay Bryant, Herman Brubaker, Gregg L. Engles, Michael J. McCloskey, Allen A. Meyer, and Pete Schenkel.

4. **What is this Lawsuit about?**

In the lawsuit Plaintiffs claim that Defendants and their alleged Co-Conspirators violated the antitrust laws by unlawfully conspiring to monopolize and to eliminate competition for the marketing, sale, and purchase of raw Grade A milk in the Southeast and to fix and suppress prices lower than they would have been in a competitive market. This lawsuit seeks to stop Defendants from engaging in the alleged unlawful conduct, and monetary damages for the alleged illegal conduct. Defendants deny that they did anything illegal. Neither the Court nor a jury has yet decided whether Plaintiffs’ claims are correct or that Defendants have done anything illegal.

Defendants deny that they violated the antitrust laws as alleged by Plaintiffs.

Although the Court has ordered that you be sent this notice, you should not interpret the notice as an expression by the Court as to the merits of the claims or any defenses.

5. **Who is a member of the Class?**

The Class includes:

All dairy farmers, whether individuals or entities, who produced Grade A milk within Orders 5 or 7 and sold Grade A milk directly or through an agent to Defendants or Co-Conspirators in Orders 5 and/or 7 during any time from January 1, 2001 to the present. The following persons are excluded from the class: a) Defendants, b) Defendants’ co-conspirators, and c) current and former directors and officers of DFA and SMA.

There are two groups of farmers in the Class:

- **Independent Dairy Farmer and Independent Cooperative Member Subclass** - All independent dairy farmers and independent cooperative members (whether individuals or entities) who produced Grade A milk within Orders 5 or 7 and sold Grade A milk directly or through an agent to Defendants or Co-Conspirators in Orders 5 or 7 during any time

from January 1, 2001 to the present. The terms “independent dairy farmer” and “independent cooperative member” refer to Southeast dairy farmers who were not members of DFA at the time of their Grade A milk sales.

- **DFA Member Dairy Farmer Subclass** - All DFA members (whether individuals or entities) who produced Grade A milk within Orders 5 or 7 and sold Grade A milk directly or through an agent to Defendants or Co-Conspirators in Orders 5 or 7 during any time from January 1, 2001 to the present. The term “DFA member dairy farmer” refers to Southeast dairy farmers who were members of DFA at the time of their Grade A milk sales.

If there are multiple owners of your dairy farm, please forward this Notice to all of the owners. If this Notice reached you at an address other than the one on the mailing label, or if your address changes, please send your correct address to the Notice Administrator at the address in question 9.

6. What are the Plaintiffs asking for?

Plaintiffs are asking for monetary damages for what they contend are illegally suppressed prices paid to dairy farmers for raw Grade A milk. Plaintiffs also seek an injunction (court order) to change the way Defendants are allowed to do business. These changes include:

- Enjoining Defendants from continuing to commit the alleged violations of antitrust law;
- Declare null and void the full supply agreements by and between Dean, NDH and DFA (these agreements are described in Plaintiffs’ consolidated amended complaint which can be found at www.SoutheastDairyClass.com);
- Enjoining Dean, DFA, DMS, NDH, SMA, Mid-Am, Baird, Bos and Hanman, and/or any entity controlled by any of them, from entering into full-supply agreements (these agreements are described in Plaintiffs’ consolidated amended complaint which can be found at www.SoutheastDairyClass.com); and
- Ordering Dean, NDH, DFA, Mid-Am, their subsidiaries or joint ventures, to sell some of their fluid Grade A milk bottling plants.

If successful in this lawsuit, Plaintiffs also seek an award of attorneys’ fees and costs.

7. Is there any money available now?

Plaintiffs seek money damages in an amount to be determined at trial; however, no money or benefits are available now because a jury has not yet decided whether any of the Defendants did anything unlawful, and the parties have not settled the case. The case is set for trial in August, 2011, where these issues will be decided. There is no guarantee that money or benefits will be obtained. If they are, you will be notified about how to ask for a share.

YOUR RIGHTS AND OPTIONS

The Court has ordered that you be sent this notice now because you have to decide whether to stay in the Class or whether to remove yourself from the Class before trial, and you have to decide this by **June 17, 2011**.

8. What happens if I do nothing?

If you do nothing you will automatically remain in the Class. You will be bound by all Court orders and jury verdicts, good or bad. If any benefit is awarded, you may need to take action (including filing a claim form to request your share) in order to receive any benefits but a future notice will be sent to let you know.

9. What if I don’t want to be in the Class?

If you decide not to participate in the lawsuit, you must exclude yourself – this is sometimes referred to as “opting out.” If you exclude yourself, you will not receive any benefit that may be obtained as a result of this lawsuit. If you exclude yourself, you will not be bound by any Court orders or jury verdicts and you keep your right to sue Defendants on your own regarding the issues in this case.

To exclude yourself from the Class: You must either: 1) Mail a letter that says you want to be excluded from Southeastern Milk Class, or 2) fill out and mail the Exclusion Request form included in this mailing or available at the website www.SoutheastDairyClass.com. Include your name, the name of your farm, address, telephone number, and signature(s) of all farm owners. You must mail your Exclusion Request postmarked by **June 17, 2011**, to:

SE Dairy Farm Class Exclusions
c/o Rust Consulting, Inc.
P.O. BOX 2392
Faribault, MN 55021-9092

Call 1-800-874-2297 if you have any questions about how to get out of the Class.

THE LAWYERS REPRESENTING YOU

10. Do I have a lawyer in the case?

Yes. The Court has appointed Robert G. Abrams, Esq. of Baker & Hostetler LLP as Class Counsel (1050 Connecticut Ave. NW, Ste. 1100, Washington, DC 20036; Website: www.bakerlaw.com; Telephone (202) 861-1500). You will not be charged for this lawyer. If you want to be represented by another lawyer, you may hire one to appear in Court for you at your own expense. If you do get your own attorney or wish to represent yourself, you must notify the Court through the address listed above, making reference to this lawsuit and providing your lawyer's name and mailing address for future communications.

11. How will the lawyers be paid?

You will not have to directly pay any of the fees and expenses of Class Counsel. Class counsel may request that their fees and expenses be deducted from any money obtained for the Class, or paid separately by the Defendants.

A TRIAL

12. How and when will the Court decide who is right?

If the case is not dismissed or settled, Plaintiffs will have to prove their claims at a trial that is scheduled to begin on August 15, 2011 in the United States District Court for the Eastern District of Tennessee, 220 W. Depot Street, Greeneville, TN 37743. During the trial, a jury will hear evidence, so that a decision can be reached about whether Plaintiffs or Defendants are right about the claims in the lawsuit.

13. Will I get money after the trial?

If Plaintiffs obtain money or benefits as a result of a trial or settlement, you will be notified about how to ask for your share and what other benefits are available. These things are not known now. Information about the case will be posted on the website, www.SoutheastDairyClass.com, as it becomes available.

GETTING MORE INFORMATION

14. How do I get more information?

You can get more information at www.SoutheastDairyClass.com, by calling 1-800-874-2297, by emailing info@SoutheastDairyClass.com, or by writing to: SE Dairy Farm Class, c/o Rust Consulting, Inc., PO Box 2392, Faribault, MN 55021-9092. Please do not contact the Clerk of the Court or the Judge.

All references in the Notice to the pleadings and Court Orders are only summaries. The Complaint and other documents filed in this action are available for review during normal business hours at the offices of the Clerk of Court, United States District Court for the Eastern District of Tennessee, 220 West Depot Street, Suite 200, Greeneville, TN 37743.

Dated: May 18, 2011

BY ORDER OF:
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE