

No. S106877 Vancouver Registry

In the Supreme Court of British Columbia

Between:

DAMON GREEN

Plaintiff

and:

TECUMSEH PRODUCTS OF CANADA LIMITED;
TECUMSEH PRODUCTS CO.; TECUMSEH
COMPRESSOR COMPANY; DANFOSS A/S; DANFOSS,
INC.; DANFOSS COMMERCIAL COMPRESSORS LTD.;
DANFOSS SCROLL TECHNOLOGIES, LLC.; DANFOSS
TURBOCOR COMPRESSORS, INC.; DANFOSS
COMPRESSOR, LLC; ACC USA LLC; APPLIANCES
COMPONENTS COMPANIES Sp.A.; PANASONIC
CORPORATION, PANASONIC CANADA INC.;
WHIRLPOOL CANADA LP; EMBRACO NORTH
AMERICA; and WHIRLPOOL CORPORATION

Defendants

ORDER MADE AFTER APPLICATION

BEFORE THE HONOURABLE MADAM JUSTICE GROPPER

28/AUG/2015

ON THE APPLICATION of the plaintiff coming on for hearing at the Courthouse, 800 Smithe Street, Vancouver, BC, on 28/Aug/2015 and on hearing David G.A. Jones and Julie Facchin counsel for the plaintiff Damon Green, William McNamara and James Gotowiec for the defendants Tecumseh Products of Canada Limited, Tecumseh Products Co. and Tecumseh Compressor Company, Christopher Naudie for the defendants Danfoss A/S, Danfoss Inc., Danfoss Commercial Compressors Ltd., Danfoss Scroll Technologies, LLC, Danfoss Turbocor Compressors, Inc. and Danfoss Compressor, LLC, John Rook, Q.C. and Emrys Davis for the defendants Panasonic Corporation and Panasonic Canada Inc., and Sandra Forbes for the defendants

Whirlpool Canada LP, Embraco North America and Whirlpool Corporation and reading the material filed:

THIS COURT ORDERS that:

- 1. Danfoss Flensburg GmbH is added as a defendant for settlement purposes and removing Appliances Components Companies SpA and ACC USA LLC as defendants and amending the style of cause accordingly;
- 2. the plaintiff is granted leave to amend its claim and file a Second Further Amended Notice of Civil Claim in the form set forth in Schedule "A" to this Notice of Application;
- 3. the short-form and long-form of the notice of settlement approval hearing ("Notice of Hearing") are hereby approved substantially in the form attached respectively as Schedules "B" and "C":
- 4. the plan of dissemination of the Notice of Hearing to putative settlement class members (the "Plan of Dissemination") in the form attached as Schedule "D" and that the Notice of Hearing shall be disseminated in accordance with the Plan of Dissemination;
- 5. NPT RicePoint Class Action Services Inc. is appointed to disseminate the notices of settlement approval hearing in accordance with the terms of the Order;
- 6. the order is contingent upon the Ontario Superior Court of Justice in 1355741 Ontario Inc. operating as Zero Zone Mechanical and Servicerite Inc. v. Tecumseh Products of Canada Limited et al., Court File No. 61559CP (London Registry) and the Quebec Superior Court in Émilien Chassé v. Tecumseh Products of Canada Limited et al., File No. 200-06-000127-103 (District of Quebec), respectively, granting relief parallel to that granted in paragraphs 1-5 of this order; and

7. endorsement of this Order by counsel for the Defendants is dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of lawyer for the Plaintiff Damon Green

Julie Facchin

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Signature of lawyer for the defendants Tecumseh Products of Canada Limited, Tecumseh Products Co., and Tecumseh Compressor Company

At James Gotowiec

Signature of lawyer for the defendants Panasonic Corporation and Panasonic Canada Inc.

John F. Rook, Q.C.

Signature of lawyer for the defendants Whirlpool Canada LP; Embraco North America; and Whirlpool Corporation

&Sandra Forbes

Signature of lawyer for the defendants Danfoss A/S; Danfoss, Inc.; Danfoss Commercial Compressors Ltd.; Danfoss Scroll Technologies, LLC.; Danfoss Turbocor Compressors, INC.; Danfoss Compressor, LLC; and Danfoss Flensburg GmbH

Christopher Naudie

By the Court Mapper J.

Registrar

Amended pursuant to the Order of Madam Justice Maisonville entered November 27, 2012, and pursuant to Supreme Court Rule 6-2(7). Original filed on October 15, 2010 and Amended April 14, 2011.

SCHEDULE "A"

No. S106877 Vancouver Registry

In the Supreme Court of British Columbia

Between:

DAMON GREEN

Plaintiff

and:

TECUMSEH PRODUCTS OF CANADA LIMITED; TECUMSEH PRODUCTS CO.;TECUMSEH COMPRESSOR COMPANY; DANFOSS A/S; DANFOSS, INC.; DANFOSS COMMERCIAL COMPRESSORS LTD.; DANFOSS SCROLL TECHNOLOGIES, LLC.; DANFOSS TURBOCOR COMPRESSORS, INC.; DANFOSS COMPRESSOR, LLC; DANFOSS FLENSBURG GMBH; ACC USA LLC; APPLIANCES COMPONENTS COMPANIES S.p.A; PANASONIC CORPORATION, PANASONIC CANADA INC.; WHIRLPOOL CANADA LP; EMBRACO NORTH AMERICA; and WHIRLPOOL CORPORATION

Defendants

BROUGHT UNDER THE CLASS PROCEEDINGS ACT, R.S.B.C. 1996, c. 50

SECOND FURTHER AMENDED NOTICE OF CIVIL CLAIM

THIS ACTION HAS BEEN STARTED BY THE PLAINTIFF(S) FOR THE RELIEF SET OUT IN PART 2 BELOW.

If you intend to respond to this action, you or your lawyer must

- (a) file a response to civil claim in Form 2 in the above-named registry of this court within the time for response to civil claim described below, and
- (b) serve a copy of the filed response to civil claim on the plaintiff.

If you intend to make a counterclaim, you or your lawyer must

(c) file a response to civil claim in Form 2 and a counterclaim in Form 3 in the above-named registry of this court within the time for response to civil claim described below, and

(d) serve a copy of the filed response to civil claim and counterclaim on the plaintiff and on any new parties named in the counterclaim.

JUDGMENT MAY BE PRONOUNCED AGAINST YOU IF YOU FAIL to file the response to civil claim within the time for response to civil claim described below.

TIME FOR RESPONSE TO CIVIL CLAIM

A response to civil claim must be filed and served on the plaintiff(s),

- if you reside anywhere in Canada, within 21 days after the date on which a copy of the filed notice of civil claim was served on you,
- (b) if you reside in the United States of America, within 35 days after the date on which a copy of the filed notice of civil claim was served on you,
- (c) if you reside elsewhere, within 49 days after the date on which a copy of the filed notice of civil claim was served on you, or
- (d) if the time for response to civil claim has been set by order of the court, within that time.

CLAIM OF THE PLAINTIFF(S)

PART 1: STATEMENT OF FACTS

THE REPRESENTATIVE PLAINTIFF

1. The plaintiff, Damon Green, is a businessman resident in Vancouver, British Columbia and a retail purchaser of a refrigerator during the proposed Class Period (as defined below).

THE CLASS AND THE CLASS PERIOD

2. This action is brought on behalf of members of a class (the "Class Members") consisting of the plaintiff and all persons resident in British Columbia who, during the period commencing from at least January 1, 2004, through December 31, 2008 (the "Class Period"), purchased hermetically sealed cooling compressors of less than one horsepower and products containing hermetically sealed cooling compressors of less than one horsepower ("Cooling Compressors") manufactured by the defendants or such other class definition or class period as the Court may ultimately decide on the motion for certification. Cooling Compressors do not include compressors used in air conditioners.

FACTUAL BACKGROUND

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- 3. A cooling compressor is a device which forms the central component of a cooling, refrigeration or air conditioning apparatus. The device operates by compression and expansion of gas contained in it. Through this operation the device is able to absorb and transfer heat, thus producing a cooling effect.
- 4. Cooling Compressors are designed for a variety of household and commercial applications including refrigerators, ice makers, water coolers, room air conditioners, freezers, chillers, dehumidifiers and vending machines.
- 5. Most cooling compressors have hermetic motor assemblies. The hermetic seal makes access to the motor assembly difficult. As a result, the common response to damage to a hermetic cooling compressor is replacement rather than repair of the unit.
- 6. In 2008, the North American market for Cooling Compressors consisted of approximately 39,720,000 units sold with a total value of approximately \$6,570,000,000 (U.S.D.).

THE DEFENDANTS

7. Various persons and/or firms involved in the manufacturing, marketing, selling and/or distribution of Cooling Compressors to customers throughout Canada, not named as defendants, participated as co-conspirators in the alleged violations and may have performed acts and made agreements in furtherance of them. The named defendants are jointly and severally liable for the actions of, and damages allocable to, the unnamed co-conspirators.

The "Tecumseh" Defendants

8. The defendant, Tecumseh Products of Canada Limited, is a Canadian corporation with its principal place of business in the City of London, in the Province of Ontario. Tecumseh Products of Canada Limited is a subsidiary of the defendant, Tecumseh Products Co. During the Class Period, Tecumseh Products of Canada Limited manufactured, sold and distributed Cooling Compressors throughout Canada.

- 9. The defendant, Tecumseh Products Co., is a Michigan corporation with its principal place of business in the City of Ann Arbor, in the State of Michigan. During the Class Period, Tecumseh Products Co. manufactured, sold and distributed Cooling Compressors throughout Canada.
- 10. The defendant, Tecumseh Compressor Company, is a Delaware corporation with its principal place of business in Ann Arbour, Michigan. Tecumseh Compressor Company is a wholly-owned subsidiary of Tecumseh Products Co. During the Class Period, Tecumseh Compressor Company manufactured, sold and distributed Cooling Compressors throughout Canada.
- 11. The business and operations of the defendants, Tecumseh Products of Canada Limited, Tecumseh Products Co. and Tecumseh Compressor Company (together "Tecumseh"), and their respective parent corporations, subsidiaries, and affiliates in respect of the manufacture, distribution and sale of Cooling Compressors in Canada are inextricably interwoven such that each is the agent of the other.

The "Danfoss" Defendants

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- 12. The defendant, Danfoss A/S is a privately-held Danish company with its principal place of business in Nordborg, Denmark. During the Class Period, Danfoss A/S manufactured, sold and distributed Cooling Compressors throughout Canada.
- 12.13. The Defendant, Danfoss Flensburg GmbH is a German company with its principal place of business in Flensburg, Germany. Danfoss Flensburg GmbH is a subsidiary of Danfoss A/S. During the Relevant Period, Danfoss Flensburg GmbH manufactured, marketed, sold and/or distributed Cooling Compressors and/or Cooling Compressor Products throughout Canada, through affiliates.
- 13.14. The defendant, Danfoss, Inc., is a Delaware corporation with its principal place of business in the City of Baltimore, in the State of Maryland. Danfoss Inc. is an indirectly-owned subsidiary of Danfoss A/S. Danfoss, Inc. operates a place of business in Canada in the City of Mississauga in the Province of Ontario. During the Class Period, Danfoss, Inc. manufactured, sold and distributed Cooling Compressors throughout Canada.

14.15. The defendant, Danfoss Commercial Compressors Ltd., is a Delaware corporation with its principal place of business in the City of Lawrenceville, in the State of Georgia. Danfoss Commercial Compressors Ltd. is a wholly-owned subsidiary of Danfoss, Inc. During the Class Period, Danfoss Commercial Compressors Ltd. manufactured, sold and distributed Cooling Compressors throughout Canada.

15.16. The defendant, Danfoss Scroll Technologies, LLC, is a Delaware limited liability company with its principal place of business in the City of Arkadelphia, in the State of Arkansas. Danfoss Scroll Technologies, LLC is a subsidiary of Danfoss, Inc. During the Class Period, Danfoss Scroll Technologies, LLC manufactured, sold and distributed Cooling Compressors throughout Canada.

16.17. The defendant, Danfoss Turbocor Compressors, Inc., is a Delaware corporation with its principal place of business in the City of Tallahassee, in the State of Florida. Danfoss Turbocor Compressors, Inc. is a subsidiary of Danfoss, Inc. During the Class Period, Danfoss Turbocor Compressors, Inc. manufactured, sold and distributed Cooling Compressors throughout Canada.

17.18. The defendant, Danfoss Compressor, LLC, is a limited liability company with its principal place of business in the City of Arkadelphia, in the State of Arkansas. Danfoss Compressor, LLC is a subsidiary of Danfoss, Inc. During the Class Period, Danfoss Compressor, LLC manufactured, sold and distributed Cooling Compressors throughout Canada.

18.19. The business and operations of the defendants, Danfoss A/S, Danfoss, Inc., <u>Danfoss</u> <u>Flensburg GmbH</u>, Danfoss Commercial Compressors Ltd., Danfoss Scroll Technologies, LLC, Danfoss Turbocor Compressors, Inc. and Danfoss Compressor, LLC (together "Danfoss"), and their respective parent corporations, subsidiaries, and affiliates in respect of the manufacture, distribution and sale of Cooling Compressors in Canada are inextricably interwoven such that each is the agent of the other.

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19.20. The defendant, ACC USA LLC, is a Delaware limited liability company with its principal place of business in Alabama. ACC USA LLC is a wholly-owned subsidiary of the

defendant Appliances Components Companies S.p.A. During the Class Period, ACC USA LLC manufactured, sold and distributed cooling compressors throughout Canada.

20.21. The defendant Appliances Components Companies S.p.A. ("ACC") is an Italian corporation headquartered in Pordeone, Italy. During the Class Period, ACC, manufactured, sold and distributed cooling compressors throughout Canada.

21.22. The business and operations of the defendants ACC and ACC USA LLC and their respective parent corporations, subsidiaries, and affiliates in respect of the manufacture, distribution and sale of Cooling Compressors in Canada are inextricably interwoven such that each is the agent of the other.

The "Panasonic" Defendants

22.23. The defendant Panasonic Corporation is a Japanese entity with its principal place of business at 1006 Oaza Kadoma, Kadoma, Osaka 571-8501, Japan. During the Class Period, Panasonic Corporation manufactured, marketed, sold and/or distributed Cooling Compressors to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates or subsidiaries.

23.24. The defendant Panasonic Canada Inc., is a Canadian corporation with its principal place of business in the City of Mississauga in the Province of Ontario. Panasonic Canada Inc. is an indirect subsidiary of Panasonic Corporation. During the Class Period, Panasonic Canada Inc. manufactured, sold and distributed Cooling Compressors throughout Canada.

24.25. The business and operations of the defendants, Panasonic Corporation and Panasonic Canada Inc. (together "Panasonic"), and their respective parent corporations, subsidiaries, and affiliates in respect of the manufacture, distribution and sale of Cooling Compressors in Canada are inextricably interwoven such that each is the agent of the other.

The "Whirlpool" Defendants

25.26. The defendant, Whirlpool Canada LP, is a Canadian limited partnership with its principal place of business in the City of Mississauga in the Province of Ontario. Whirlpool Canada LP is

a subsidiary of the Defendant, Whirlpool Corporation. During the Class Period, Whirlpool Canada LP manufactured, sold and distributed Cooling Compressors throughout Canada.

26.27. The defendant, Embraco North America, Inc., (Embraco NA), is a Delaware corporation with its principal place of business in the City of Suwannee, in the State of Georgia. Embraco NA is a subsidiary of the defendant, Whirlpool Corporation. During the Class Period, Embraco NA manufactured, sold and distributed Cooling Compressors throughout Canada.

27.28. The defendant, Whirlpool Corporation, is a Delaware corporation with its principal place of business in the City of Benton Harbour, in the State of Michigan. During the Class Period, Whirlpool Corporation manufactured, sold and distributed Cooling Compressors throughout Canada.

28.29. The business and operations of the defendants, Whirlpool Canada LP, Embraco NA and Whirlpool Corporation (together "Whirlpool"), and their respective parent corporations, subsidiaries, and affiliates, specifically including but not limited to Whirlpool S.A., in respect of the manufacture, distribution and sale of Cooling Compressors in Canada are inextricably interwoven such that each is the agent of the other.

The Defendants' Co-Conspirators

29.30. The identity of each of the defendants' co-conspirators is not known to the plaintiff at this time. During the Class Period, each of the defendants' co-conspirators was engaged in the business of manufacturing, distributing and selling Cooling Compressors in Canada and elsewhere.

30.31. Whirlpool S.A. is alleged to be a co-conspirator acting in concert with the defendants, specifically Whirlpool Corporation, its parent corporation, and Whirlpool Canada LP, its affiliated corporation.

REGULATORY INVESTIGATIONS

31.32. On February 18, 2009 the European Commission announced that it had carried out unannounced inspections at the premises of producers of Cooling Compressors with respect to allegations of a price-fixing cartel.

32.33. On February 19, 2009, Whirlpool and Tecumseh each acknowledged that they had received grand jury subpoenas from the United States Department of Justice in connection with allegations of a price-fixing cartel.

33.34. On February 23, 2008 Tecumseh disclosed that it was cooperating with authorities in the United States investigation and that it had received conditional amnesty from the United States Department of Justice.

34.35. At or about the same time, Danfoss announced that it was under investigation in Germany, Denmark and the United States with respect to allegations that it was a member of a price-fixing cartel.

35.36. On September 30, 2010, the United States Department of Justice ("DOJ") announced that Panasonic Corporation and Embraco NA had agreed to plead guilty in the USA and to pay \$49.1 million U.S. and \$91.8 million U.S. respectively in criminal fines for their role in an international conspiracy to fix the prices of refrigerant compressors.

36.37. On October 25, 2010 and November 2, 2010 respectively, Embraco NA and Panasonic Corporation entered into guilty pleas in Canada in respect of the sale and supply of hermetic refrigeration compressors of less than one horsepower. In particular Embraco NA and Panasonic Corporation pleaded guilty to conduct that was contrary to section 45(1)(c) of the *Competititon Act*.

38. On October 3, 2011, Danfoss Flensburg GmbH entered into a guilty plea in the United States regarding price-fixing in the market for "light commercial compressors".

37.39. In its 2009 Annual Report, Tecumseh Products Co. disclosed it received conditional amnesty from the DOJ and is cooperating with the DOJ in its investigation.

38.40. In its 2009 Annual Report, the Danfoss Group indicated that it was being investigated by the DOJ and European Comission.

41. On December 7, 2011, the European Commission fined Appliances Components Companies S.p.A., Elettromeccanica S.p.A., Danfoss A/S, Danfoss Flensburg GmbH, Embraco

Europe S.r.l., Whirlpool S.A., and Panasonic Corporation €161 million relating to price-fixing in the market for household and commercial refrigeration compressors.

39.42. The defendant Appliances Components Companies SpA is being investigated by the European Commission and DOJ in respect of pricing in the compressor market.

THE CONSPIRACY

40.43. During the Class Period, senior executives and employees of the defendants and unnamed co-conspirators, acting in their capacities as agents for the defendants and unnamed co-conspirators, engaged in communications, conversations and attended meetings with each other at times and places, some of which are unknown to the Plaintiff, and as a result of the communications and meetings the defendants and unnamed co-conspirators unlawfully conspired or agreed:

- (a) to enhance unreasonably the prices of Cooling Compressors globally including Canada;
- (b) to fix, maintain, increase or control the prices of Cooling Compressors globally including Canada;
- to exchange information in order to monitor and enforce adherence to the agreed upon prices for Cooling Compressors;
- (d) to allocate the market share, customers, or to set specific sales volumes of Cooling Compressors that each defendant and unnamed co-conspirator would supply in Canada and elsewhere; and
- (e) to lessen unduly competition in the production, manufacture, sale or supply of Cooling Compressors globally including Canada.

41.44. In furtherance of the conspiracy, during the Class Period, the following acts were done by the defendants, the unnamed co-conspirators and their servants and agents:

(a) they increased or maintained the prices of Cooling Compressors globally including Canada;

- (b) they allocated the volumes of sales of cooling compressors and products containing cooling compressors, and of customers and markets for Cooling Compressors among themselves;
- (c) they reduced the supply of Cooling Compressors;
- (d) they communicated secretly, in person and by telephone, to discuss and fix prices and volumes of sales of Cooling Compressors;
- (e) they exchanged information regarding the prices and volumes of sales of Cooling Compressors for the purposes of monitoring and enforcing adherence to the agreed upon prices, volumes of sales and markets;
- (f) they refrained from submitting truly competitive bids for Cooling Compressors in Canada and elsewhere;
- (g) they submitted collusive, non-competitive and rigged bids for Cooling Compressors in Canada and elsewhere;
- (h) they took active steps to, and did, conceal the unlawful conspiracy from their customers; and
- (i) they disciplined any corporation which failed to comply with the conspiracy.
- 42.45. The defendants and unnamed co-conspirators were motivated to conspire and their predominant purposes and predominant concerns were:
 - (a) to harm the plaintiff and other Class Members by requiring them to pay an artificially induced overcharge (the "Overcharge") on prices for Cooling Compressors; and
 - (b) to illegally increase their profits on the sale of Cooling Compressors.

43.46. The Canadian defendants who are subsidiaries of the foreign defendants and unnamed coconspirators participated in and furthered the objectives of the conspiracy by knowingly modifying their competitive behaviour in accordance with instructions received from their

respective parent companies and thereby acted as agents in carrying out the conspiracy and are liable for such acts.

44.47. The acts alleged in this claim to have been done by each corporate defendant were authorized, ordered and done by each corporate defendant's officers, directors, agents, employees or representatives while engaged in the management, direction, control or transaction of its business affairs.

CAUSES OF ACTION

Civil Conspiracy

45.48. The acts particularized in paragraphs 43-4740-44-were unlawful acts directed towards the plaintiff and other Class Members, which unlawful acts the defendants knew in the circumstances would likely cause injury to the Plaintiff and other Class Members and, as such, the defendants are liable for the tort of civil conspiracy. Further, or alternatively, the predominant purpose of the acts particularized in paragraphs 40-44 was to injure the plaintiff and the other Class Members and the defendants are liable for the tort of civil conspiracy.

Breach of the Competition Act

46.49. Further, or alternatively, the acts particularized in paragraphs 43-4740-44 are in breach of s. 45 of the Competition Act, R.S.C. 1985, c. 19 (2nd Suppl.) ("Competition Act") and render the defendants liable to pay damages and costs of investigation pursuant to s. 36 of the Competition Act. Further, the Canadian subsidiaries of the foreign defendants are liable to the plaintiff and the other Class Members pursuant to s. 36 of the Competition Act for acts in contravention of s. 46(1) of the Competition Act.

Unlawful Interference with Economic Interests

47.50. Further, or alternatively, the acts particularized in paragraphs 43-4740-44 were unlawful acts undertaken by the defendants with the intent to injure the plaintiff and the other Class Members, and the defendants are liable for the tort of unlawful interference with economic interests.

48.51. The plaintiff and the other Class Members suffered damages as a result of the defendants' unlawful interference with their economic interests.

Unjust Enrichment and Waiver of Tort, and Constructive Trust

49.52. Further, the plaintiff waives the tort and pleads that he and the other Class Members are entitled to recover under restitutionary principles.

50.53. The defendants have each been enriched by the receipt of the ill-gotten Overcharge on the sale of cooling compressors and products containing cooling compressors. The Plaintiff and other Class Members have suffered a corresponding deprivation. There is no juristic reason for the enrichment as the defendants' receipt of the Overcharge is the result of wrongful or unlawful acts. As such, there is and can be no juridical reason justifying the defendants' retention of the Overcharge and, in particular, any contracts upon which the defendants purport to rely to receive the Overcharge are void and illegal.

51. The defendants are constituted as constructive trustees in favour of the plaintiff and other Class Members for the Overcharge from the sale of Cooling Compressors because, among other reasons:

- (a) the defendants were unjustly enriched by receipt of the Overcharge;
- (b) the plaintiff and other persons similarly situated suffered a deprivation because of the Overcharge;
- (c) the defendants engaged in wrongful conduct and committed unlawful acts in conspiring to fix the price of Cooling Compressors and allocate market share and volume of Cooling Compressors;
- (d) the Overcharge was acquired in such circumstances that the defendants may not in good conscience retain it;
- (e) justice and good conscience require the imposition of a constructive trust;
- (f) the integrity of the marketplace would be undermined if the court did not impose a constructive trust; and

FORM 1 (RULE 3-1 (1))

(g) there are no factors that would render the imposition of a constructive trust unjust.

52.54. The plaintiff pleads that equity and good conscience requires the defendants to make restitution to to hold in trust for the plaintiff and the other Class Members of the artificially induced Overcharge from the sale of Cooling Compressors and to disgorge the Overcharge to the plaintiff and other Class Members.

DAMAGES

53.55. The plaintiff and the other Class Members suffered the following damages:

- (a) the price of Cooling Compressors has been enhanced unreasonably by imposition of the non-competitive Overcharge; and
- (b) competition in the sale of Cooling Compressors has been unduly restrained.

54.56. During the period covered by this claim, the plaintiff and the other Class Members purchased Cooling Compressors. By reason of the alleged violations of the Competition Act and the common law, the plaintiff and the other Class Members paid more for Cooling Compressors by way of the Overcharge than they would have paid in the absence of the illegal conspiracy and, as a result, they have been injured in their business and property and have suffered damages in an amount presently undetermined.

PUNITIVE DAMAGES

55.57. The plaintiff pleads that the defendants' conduct as particularized in paragraphs 43-4740-44 was high-handed, outrageous, reckless, wanton, entirely without care, deliberate, callous, disgraceful, wilful, in contumelious disregard of the plaintiff's rights and the rights of each Class Member, indifferent to the consequences and, as such, renders the defendants liable to pay punitive damages.

JURISDICTION

56.58. There is a real and substantial connection between British Columbia and the facts alleged in this proceeding and the plaintiff and other Class Members plead and rely upon the *Court Jurisdiction and Proceedings Transfer Act RSBC 2003 Ch. 28* (the "*CJPTA*") in respect of these

defendants. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to ss.10 (f) – (i) CJPTA because this proceeding:

- (f) concerns restitutionary obligations that, to a substantial extent, arose in British Columbia;
- (g) concerns a tort committed in British Columbia;
- (h) concerns a business carried on in British Columbia; and
- (i) is a claim for an injunction ordering a party to do or refrain from doing anything in British Columbia.

PART 2: RELIEF SOUGHT

57.59. The plaintiff, on its own behalf, and on behalf of the Class Members, claims against the defendants:

- a declaration that the defendants conspired with each other to raise, maintain, fix and/or stabilize the price of Cooling Compressors and products containing cooling compressors during the Class Period;
- (b) an order certifying this action as a class proceeding and appointing the plaintiff as representative plaintiff;
- (c) general damages for conspiracy and unlawful interference with economic interests,
- (d) general damages for conduct that is contrary to Part VI of the Competition Act;
- (e) an injunction enjoining the defendants from conspiring with each other or with any unnamed co-conspirators to raise, maintain, fix and/or stabilize the price of Cooling Compressors and products containing Cooling Compressors;
- (f) a declaration that the defendants have been unjustly enriched at the expense of the plaintiff and the other Class Members by their receipt of the ill-gotten Overcharge;

- (g) a declaration that the defendants <u>must make restitution to hold the ill-gotten</u>

 Overcharge in a constructive trust for the benefit of the plaintiff and the other

 Class Members of all of the Overcharge;
- (h) an order directing the defendants to disgorge their ill-gotten Overcharge;
- (i)(h) punitive damages;
- (j)(i) costs of investigation and prosecution of this proceeding pursuant to s.36 of the Competition Act;
- (k)(i) pre-judgment and post-judgment interest pursuant to the Court Order Interest Act, R.S.B.C. 1996, c. 78, s. 128; and
- (1)(k) such further and other relief as to this Honourable Court may seem just.

PART 3: LEGAL BASIS

58.60. The plaintiff pleads and relies upon the Class Proceedings Act, R.S.B.C., 1996 c. 50, the Competition Act and the CJPTA.

59.61. Further, the plaintiff claims that the acts particularized in paragraphs <u>PART 1:4343-PART 1:474740-44</u> were unlawful acts directed towards the plaintiff and the other Class Members which unlawful acts the defendants knew in the circumstances would likely cause injury to the plaintiff and the other Class Members, and the defendants are liable for the tort of civil conspiracy.

60.62. Further, the predominant purpose of the acts particularized in paragraphs PART 1:4343-PART 1:474740-44 was to injure the plaintiff and the other Class Members and the defendants are liable for the tort of civil conspiracy.

61.63. Further, the acts particularized in paragraphs <u>PART 1:4343-PART 1:474740-44</u> were unlawful acts intended to cause the plaintiff and the other Class Members economic loss and constituted unlawful interference with the economic interests of the Class Members and render the defendants liable to pay the resulting damages.

62.64. In the alternative, the plaintiff waives the tort and pleads that the plaintiff and the other Class Members are entitled to recover damages under restitutionary principles.

63.65. The defendants have each been unjustly enriched by the receipt of the Overcharge on the sale of Cooling Compressors. The plaintiff and other Class Members have suffered a deprivation in the amount of the Overcharge attributable to the sale of Cooling Compressors in British Columbia.

64.66. Since the Overcharge received by the defendants from the plaintiff and each Class Member resulted from the defendants' wrongful or unlawful acts, there is and can be no juridical reason justifying the defendants' retaining any part of the Overcharge.

65. The defendants are constituted as constructive trustees in favour of the Class Members for all of the Overcharge from the sale of Cooling Compressors, among other reasons:

- (a) the defendants were unjustly enriched by receipt of the Overcharge;
- (b) the Class Members suffered a deprivation because of the Overcharge;
- (c) the defendants engaged in inappropriate conduct and committed a wrongful act in conspiring to fix the price of Cooling Compressors and allocate market share and volume of Cooling Compressors;
- (d) the Overcharge was acquired in such circumstances that the defendants may not in good conscience retain it;
- (e) justice and good conscience require the imposition of a constructive trust;
- (f) the integrity of the marketplace would be undermined if the court did not impose a constructive trust; and
- (g) there are no factors that would, in respect of the Overcharge, render the imposition of a constructive trust unjust.

66.67. The plaintiff pleads that equity and good conscience requires the defendants to <u>make</u> restitution to hold in trust for the plaintiff and the other Class Members for all of the Overcharge

from the sale of Cooling Compressors—and to disgorge this Overcharge to the plaintiff and the other Class Members.

Plaintiff's address for service:

CAMP FIORANTE MATTHEWS #400 – 856 Homer Street Vancouver, BC V6B 2W5

Tel: (604) 689-7555 Fax: (604) 689-7554

E-mail:service@cfmlawyers.ca

Defendants' address for service:

TO:

Tecumseh Products of Canada Limited 185 Asland Avenue London, ON N5W 4E1

AND TO:

Tecumseh Products Co. 1136 Oak Valley Drive Ann Arbor, Michigan United States 48108

AND TO:

Tecumseh Compressor Company 1136 Oak Valley DriveAnn Arbor, Michigan United States 48108-9624

AND TO:

Danfoss A/S Nodborgvej 81 6430 Nordborg Denmark

AND TO:

<u>Danfoss Flensburg GmbH</u>
<u>Mads-Clausen-Strasse 7</u>
<u>24939 Flensburg</u>
<u>Germany</u>

AND TO:

Danfoss, Inc. 7941 Corporate Drive Baltimore, Maryland United States 21236

AND TO:

Danfoss Commercial Compressors Ltd. 1775 Macleod Drive Lawrenceville, Georgia United States 30043

AND TO:

Danfoss Turbocor Compressors, Inc. 1769 E. Paul Dirac Drive Tallahassee, Florida United States 32310

AND TO:

Danfoss Scroll Technologies, LLC 1 Scroll Drive Arkadelphia, Arkansas United States 71923

AND TO:

Danfoss Compressor, LLC 1 Scroll Drive Arkadelphia, Arkansas United States 71923

AND TO:

ACC USA LLC 113 Jetplex Circle, Suite 81 Madison, Alabama United States 35758

AND TO:

Appliances Components Companies S.p.A. Viale Lino Zanussi 11-33170 Pordenone-Italy113 Jetplex Circle, Suite B1

AND TO:

Panasonic Corporation 1006, Oaza Kadoma, Kadoma-shi, Osaka 571-8501 Japan

AND TO:

Panasonic Canada Inc. 5770 Ambler Drive Mississauga, Ontario L4W 2T3

AND TO:

Whirlpool Canada LP 1901 Minnesota Court Mississauga, Ontario L5N 3A7

AND TO:

Embraco North America 2800 Vista Ridge Drive NE Suwanee, Georgia United States 30024-3510

AND TO:

Whirlpool Corporation Whirlpool Center 2000 North M-63 Benton Harbor, Michigan United States 49022-2692

Place of trial: Vancouver Law Courts

The address of the registry is:

800 Smithe Street, Vancouver, B.C. V6Z 2E1

Date: October 15, 2010

Signature of lawyer for plaintiff

J.J. Camp, Q.C.

ENDORSEMENT ON ORIGINATING PLEADING OR PETITION FOR SERVICE OUTSIDE BRITISH COLUMBIA

There is a real and substantial connection between British Columbia and the facts alleged in this proceeding and the plaintiff and other Class Members plead and rely upon the Court Jurisdiction and Proceedings Transfer Act RSBC 2003 Ch. 28 (the "CJPTA") in respect of these defendants. Without limiting the foregoing, a real and substantial connection between British Columbia and the facts alleged in this proceeding exists pursuant to ss.10 (f) - (i) CJPTA because this proceeding:

- (f) concerns restitutionary obligations that, to a substantial extent, arose in British Columbia;
- (g) concerns a tort committed in British Columbia;
- (h) concerns a business carried on in British Columbia; and
- (i) is a claim for an injunction ordering a party to do or refrain from doing anything in British Columbia.

Rule 7-1 (1) of the Supreme Court Civil Rules states:

- (1) Unless all parties of record consent or the court otherwise orders, each party of record to an action must, within 35 days after the end of the pleading period,
 - (a) prepare a list of documents in Form 22 that lists
 - (i) all documents that are or have been in the party's possession or control and that could, if available, be used by any party at trial to prove or disprove a material fact, and
 - (ii) all other documents to which the party intends to refer at trial, and
 - (b) serve the list on all parties of record.

APPENDIX

PART 1: CONCISE SUMMARY OF NATURE OF CLAIM:

This proposed class action claim involves allegations of a price fixing conspiracy by manufacturers of optical disc drives and products containing optical disc drives causing harm to purchasers of such products in British Columbia.

PART 2: THIS CLAIM ARISES FROM THE FOLLOWING:

A personal injury arising out of:	
	a motor vehicle accident
	medical malpractice
	another cause
A dispute concerning:	
	contaminated sites
	construction defects
	real property (real estate)
	personal property

\bowtie	the provision of goods or services or other general commercial matters
	investment losses
	the lending of money
	an employment relationship
	a will or other issues concerning the probate of an estate
	a matter not listed here
PART 3: THIS CLAIM INVOLVES:	
\boxtimes	a class action
	maritime law
	aboriginal law
	constitutional law
	conflict of laws
	none of the above
	do not know
PART 4:	
1.	Class Proceedings Act, R.S.B.C., 1996 c. 50
2.	Competition Act, R.S. 1985, c. 19, (2nd Supp.)

SCHEDULE "B"

Did you purchase hermetically sealed cooling compressors of less than one horsepower ("Cooling Compressors") or products containing Cooling Compressors (including household refrigerators or freezers, but excluding air conditioners) between 2004 and 2008?



A Cooling Compressor is the component in many household and some light commercial refrigerators and freezers that provides the cooling function. Class actions have been commenced in Canada alleging price-fixing in the market for Cooling Compressors.



Settlements in the aggregate of \$4,770,000 have been reached in the class actions with the Panasonic, Embraco, and Tecumseh defendants, and with Danfoss Flensburg GmbH. The settlements will resolve the litigation. The settlements are a compromise of disputed claims and are not an admission of liability.

The settlements must be approved by the Ontario, British Columbia and Quebec courts. A joint hearing is scheduled for ●, 2015 at 10:00 a.m. PST / 1:00 EST.

At the joint hearing, the courts will be asked to approve a protocol for distribution of the settlement funds (plus interest, less approved expenses and counsel fees).

Settlement Class Members may express their views to the courts about the proposed settlements and distribution of settlement funds. See www.classaction.ca/cooling-compressors for instructions.

Register to receive future notices at www.classaction.ca/cooling-compressors. Keep copies of any records of purchases between 2004-2008.

For more information, visit www.classaction.ca/cooling-compressors, email compressors@cfmlawyers.ca or call 604-697-2481

SCHEDULE "C"

COOLING COMPRESSORS CLASS ACTION LITIGATION NOTICE OF SETTLEMENT APPROVAL HEARING

PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS.

TO: All persons in Canada who between January 1, 2004 and December 31, 2008 purchased hermetically sealed cooling compressors of less than one horsepower, excluding those used in air conditioners ("Cooling Compressors") and products containing Cooling Compressors, excluding air conditioners ("Cooling Compressor Products") in Canada, except the Defendants and certain parties related to the Defendants (the "Settlement Class").

I. BACKGROUND

Class action lawsuits have been commenced in Ontario, British Columbia, and Quebec alleging that the Defendants conspired to fix prices in the market for Cooling Compressors (collectively, the "Class Actions")

Cooling Compressors means hermetically sealed cooling compressors of less than one horsepower. Cooling Compressor Products means products containing Cooling Compressors. A Cooling Compressor is the component in many household and some light commercial refrigerators and freezers that provides the cooling function. Air conditioners, as well as cooling compressors used in them, are excluded.

The following entities were named as Defendants in one or more provinces in the Class Actions: Tecumseh Products of Canada Limited, Tecumseh Products Co., Tecumseh Compressors Company, Danfoss A/S, Danfoss Inc., Danfoss Commercial Compressors Ltd., Danfoss Scroll Technologies, LLC, Danfoss Turbocor Compressors, Inc., Danfoss Compressors LLC, Appliances Components Companies S.p.A., ACC USA LLC, Panasonic Corporation, Panasonic Canada Inc., Whirlpool Canada LP, Embraco North America Inc. and Whirlpool Corporation. The Defendants are manufacturers of Cooling Compressors or Cooling Compressor Products.

II. PREVIOUS SETTLEMENT

A previous settlement was reached with Appliances Components Companies S.p.A. and ACC USA LLC (collectively "ACC"). Under the terms of the ACC settlement agreement, ACC agreed to pay \$50,000 for the benefit of the settlement class in Canada and up to \$50,000 towards the cost of notice. Settlement funds were used to fund out-of-pocket costs incurred by class counsel in the litigation. Under the terms of the settlement agreement, ACC agreed to provide cooperation to the Plaintiffs in pursuing their claims against the remaining Defendants. The Class Actions were certified against ACC for settlement purposes and the ACC settlement was approved by the Ontario, British Columbia and Quebec Courts.

III. PROPOSED SETTLEMENTS

Settlements have been reached with Danfoss Flensburg GmbH ("Danfoss Flensburg") (who at the time of settlement was not a party to the proceedings), Embraco North America, Inc. ("Embraco"), Panasonic Corporation and Panasonic Canada Inc. (collectively "Panasonic"), and Tecumseh Products of Canada Limited, Tecumseh Products Co., and Tecumseh Compressor Company

(collectively "Tecumseh"). The settlements will result in dismissal or discontinuance of proceedings against all Danfoss, Embraco, Panasonic, and Tecumseh defendants.

The Settling Defendants have agreed to pay the following amounts for the benefit of Settlement Class Members, in exchange for a full release of claims against them and their related entities:

- Danfoss Flensburg \$300,000, plus \$100,000 towards the cost of notice and administration
- Embraco \$1,400,000

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- Panasonic \$2,350,000
- Tecumseh \$620,000

The settlements represent a resolution of disputed claims. The Settling Defendants do not admit, and expressly deny, any wrongdoing or liability.

A joint motion to approve the settlements and certify/authorize the Class Actions as against Danfoss Flensburg, Embraco, Panasonic and Tecumseh for settlement purposes will be heard before the Ontario, British Columbia and Quebec courts on •, 2015 at 10:00 a.m. PST / 1:00 EST. At the joint hearing, the courts will determine whether the settlements are fair, reasonable, and in the best interests of the Settlement Class.

Settlement Class Members who do not oppose the proposed settlements need not appear at the joint hearing or take any other action at this time.

Settlement Class Members are entitled to file written submissions and/or appear and make submissions at the joint hearing. Settlement Class Members who wish to exercise either of these rights should submit written submissions to the appropriate class counsel at the addresses listed below postmarked no later than •. The written submissions should state the nature of any comments or objections, and whether the settlement class member intends to appear at the joint hearing. Class counsel will forward all such submissions to the courts. All timely written submissions will be considered by the courts. If you do not file a written submission by the relevant deadline, you might not be entitled to participate, through oral submissions or otherwise, in the joint hearing.

IV. PROPOSED DISTRIBUTION OF THE SETTLEMENT FUNDS

At the joint hearing, the Courts will be asked to approve a protocol for distributing the aggregate settlement funds, plus accrued interest, less court approved legal fees and other expenses. A copy of the proposed distribution protocol is available at www.classaction.ca/cooling-compressors or from Class Counsel.

The protocol is designed to compensate direct and indirect purchasers of Cooling Compressors and Cooling Compressor Products in a manner that generally reflects the anticipated impact of the alleged price-fixing.

For the purposes of the distribution protocol, where the Settlement Class Member is able to provide documentation establishing the price of the compressor (whether as a standalone product or a component of another product), the compressor will be valued at that price. In all other

circumstances, the compressor will be valued at \$50 as a default unless the Settlement Class Member can otherwise demonstrate an acceptable basis for a higher value.

After the value of the compressor is established, settlement benefits will be distributed based on a percentage of that value. The applicable percentage varies between 0.5% to 3%. The applicable percentages are set out on page 9 of the distribution protocol and depend on the following factors:

- 1. whether the Settlement Class Members:
 - a. purchased directly from a Defendant or an entity related to a Defendant; or
 - b. purchased from some other entity
- 2. the purpose of the purchase:
 - a. purchased for a Settlement Class Member's own use and not for commercial resale;
 - b. purchased for straight resale;
 - c. purchased for use in providing repair services; or
 - d. purchased to build into another product.

Notwithstanding the foregoing, subject to further order of the Ontario Court, all claims will be assigned a minimum value of \$20. This includes end consumers who submit a claim for the purchase of a household refrigerator or freezer.

If there is not sufficient funds to pay eligible Settlement Class Members the percentages specified on page 9 of the distribution protocol, the settlement benefits payable to eligible Settlement Class Members shall be reduced pro-rata (i.e. proportionally) based on the value of the Settlement Class Member's claim as a proportion of the value of all valid claims.

Similarly, if there are surplus funds available after all eligible Settlement Class Members have been paid the percentages specified on page 9 of the distribution protocol, the settlement benefits payable to eligible Settlement Class Members shall be increased pro-rata (i.e. proportionally) based on the value of the Settlement Class Member's claim as a proportion of the value of all valid claims.

Payments to Quebec Settlement Class Members are subject to deductions payable to the Fonds d'aide aux recours collectifs, calculated in accordance with the governing regulations.

If the distribution would result in an unfair result to some or all settlement class members, further directions will be sought from the Ontario Court.

V. APPLYING FOR SETTLEMENT FUNDS

Information about how to apply for settlement funds under the distribution protocol will be available in a future notice and will be posted online at www.classaction.ca/cooling-compressors after the joint hearing. If you did not receive this notice by mail or email, please register online at www.classaction.ca/cooling-compressors or by telephone at 1-800-461-6166 ext 2446 to ensure that further notices will be sent to you directly, by mail or email.

The deadline and procedure for applying for settlement funds will also be reviewed at the joint hearing and will be made public in a further notice regarding the claims process.

VI. CLASS COUNSEL

The law firms of HARRISON PENSA ^{LLP} and SISKINDS ^{LLP} represent Settlement Class Members in Ontario and in all provinces other than British Columbia and Quebec, as well as corporations of more than 50 employees in Quebec.

Siskinds ^{LLP} can be reached at 1-800-461-6166 ext. 2446, <u>coolingcompressors@siskinds.com</u> or 680 Waterloo Street, London, Ontario N6A 3V8, Attention: Charles Wright. Harrison Pensa ^{LLP} can be reached at 1-800-263-0489 ext.775, <u>iforeman@harrisonpensa.com</u> or 450 Talbot Street, London, Ontario N6A 4K3, Attention: Jonathan Foreman.

The law firm of Camp Fiorante Matthews Mogerman ("CFM") represents Settlement Class Members in British Columbia. CFM can be reached at 1-800-689-2322, compressors@cfmlawyers.ca or #400 – 856 Homer Street, Vancouver, BC V6B 2W5, Attention: Reidar Mogerman.

The law firm of Bouchard Pagé Tremblay Avocats represents individuals and corporations of 50 or less employees who are Settlement Class Members in Quebec. Quebec class counsel can be reached at 1-855-768-6667, brianagarneau@bptavocats.com or 825, boul. Lebourgneuf, bureau 510, Québec, QC G2J 0B9, Attention: Brian Garneau.

Class counsel legal fees and disbursements must be approved by the courts. Class counsel will collectively be requesting legal fees of up to 25% of the Danfoss Flensburg, Embraco, Panasonic and Tecumseh settlement funds, plus disbursements and applicable taxes to be approved by the courts and paid out of the settlement funds.

VII. QUESTIONS

Settlement Class Members are encouraged to review the complete settlement agreements and distribution protocol online at www.classaction.ca/cooling-compressors. If you have questions that are not answered online at www.classaction.ca/cooling-compressors, please contact the appropriate class counsel based on your province of residence.

VIII. INTERPRETATION

This notice contains a summary of some of the terms of the settlement agreements. If there is a conflict between the provisions of this notice and the settlement agreements, the terms of the settlement agreements shall prevail.

This notice has been authorized by the Ontario, British Columbia, and Quebec courts.

SCHEDULE "D"

PLAN OF DISSEMINATION NOTICE OF SETTLEMENT APPROVAL HEARING IN THE MATTER OF COOLING COMPRESSORS CLASS ACTION LITIGATION – DANFOSS FLENSBURG, EMBRACO, PANASONIC AND TECUMSEH SETTLEMENTS

As soon as practicable after orders are obtained approving the below notices, the Notice of Settlement Approval Hearing shall be distributed in the following manner:

Short-Form Notice:

- 1. Published once in the following newspapers, no larger than 1/8 newsprint page, in either English or French, as is appropriate for each newspaper, subject to each having reasonable publication deadlines and costs:
 - (a) The Globe and Mail, national edition;
 - (b) National Post, national edition;
 - (c) Le Journal de Montréal;
 - (d) Montréal Gazette and
 - (e) Le Soleil (Québec City).
- 2. Sent to the following industry associations, in English and French, requesting voluntary distribution to their membership and/or that a copy of the notice or information about the actions be posted on their website:
 - (a) Association of Independent Compressor Distributors ("AICD");
 - (b) Heating, Refrigeration and Air Conditioning Institute of Canada ("HRAI");
 - (c) Installation, Maintenance & Repair Sector Council and Trade Association ("IMR");
 - (d) Mechanical Contractors Association of Canada ("MCA Canada");
 - (e) Refrigeration Service Engineers Society Canada ("RSES");
 - (f) Electro-Federation Canada ("EFC");
 - (g) Retail Council of Canada; and
 - (h) Conseil québécois du commerce de detail (Quebec Council of Retail Trade).

Long-Form Notice:

- 3. Posted in English and French by class counsel on class counsel's respective websites.
- 4. Sent by direct mail or email, within seven days of the first publication of the short-form notice, to anyone who has inquired with class counsel regarding the class action, to the extent that class counsel has their name and address information. Where the person is located in Quebec, the notice will be sent in English and French.
- 5. Sent by direct mail, within seven days of the first publication of the short-form notice, to the direct purchaser customers in Canada (where applicable) of Appliances Components Companies S.p.A. and ACC USA LLC (collectively "ACC"), Danfoss Inc. (Canada), Embraco North America, Inc. ("Embraco"), Panasonic Corporation and Panasonic Canada Inc. (collectively "Panasonic"), Tecumseh Products of Canada Limited, Tecumseh Products Co. and Tecumseh Compressor Company (collectively "Tecumseh") based on the customer information provided by these entities pursuant to the terms of ACC, Danfoss Flensburg, GmbH, Embraco, Panasonic and Tecumseh's respective settlement agreements, provided that such information is provided in a timely manner. Where the person is located in Quebec, the notice will be sent in English and French.