

EXHIBIT 7

UNITED STATES DISTRICT COURT

DISTRICT OF VERMONT

Case No. 5:09-CV-00230-CR

- - - - - X

ALICE H. ALLEN, et al.,

Plaintiffs,

v.

DAIRY FARMERS OF AMERICA, INC., et al.,

Defendants.

- - - - - X

VOLUME I

VIDEOTAPED DEPOSITION OF ALICE H. ALLEN

Friday, January 14, 2011, 8:26 a.m.

Downs Rachlin Martin PLLC

90 Prospect Street

St. Johnsbury, Vermont 05819

Reporter: Kimberly A. Smith, CRR, RDR

DIGITAL EVIDENCE GROUP

1299 Pennsylvania Ave, NW, Suite 1130E

Washington, DC 20004

(202) 232-0646

<p>1 exactly specific about it. But it's -- the trend 2 that was happening, it just raised flags among us, 3 and it was just difficult to accept. 4 Q. Did you do anything at that time to 5 investigate any anticompetitive effects of the 6 outsourcing? 7 A. No. But you also have to remember that as 8 a dairy farmer, my time for investigating, which I'm 9 not -- I don't consider myself an investigator -- 10 is really pretty limited. 11 But it raised flags among us all, and 12 just knowing the direction that things were going. 13 And the government wasn't paying attention to 14 different things. And the big co-ops weren't -- 15 we just didn't feel that any of the co-ops were 16 working for their members. 17 Q. Ms. Allen, are you aware that Dean Foods 18 has reached an agreement with plaintiffs to settle 19 this case? 20 A. Yes. 21 Q. Do you know what the terms of the 22 settlement agreement are?</p> <p style="text-align: right;">Page 174</p>	<p>1 Q. There also is a Hall? 2 A. Yes, there is. Donna. Yes. 3 Q. Do you recall what the terms of the 4 settlement -- Well, strike that. 5 Did you receive a copy of the proposed 6 settlement at that time? 7 A. Yes, we did. 8 Q. Do you recall what the terms of that 9 settlement were? 10 A. The injunctive relief of 30 months of 11 Dean needing to outsource their milk, minimum of 12 10 percent of their milk from non-DFA/DMS sources 13 and \$30 million settlement money-wise. 14 Q. To your understanding, are those same terms 15 in the final settlement agreement? 16 A. I believe they are. 17 Q. When you read the first proposed settlement 18 agreement that you received in, say, November of 19 2010, did you think about whether it was a good 20 settlement for the dairy farmers who are members of 21 the proposed class? 22 A. Yes.</p> <p style="text-align: right;">Page 176</p>
<p>1 A. Yes. 2 Q. When did you first learn about the 3 settlement? 4 A. The date? 5 Q. Yes. 6 A. Well, it was before the settlement was -- 7 was filed. We discussed it with our attorneys. 8 They discussed it at length with us, with the 9 plaintiffs. I don't remember the exact date. 10 It might have been November, early November. But I 11 don't remember exactly. But we did discuss it at 12 length: hours and hours on the phone. 13 Q. When you say the attorneys discussed it 14 with plaintiffs, which plaintiffs are you referring 15 to? 16 A. Myself, Garret and Ralph Sitts. We were on 17 a conference call with them. And we spoke with -- 18 on a conference call with the other plaintiffs, 19 Jonathan and Claudia. I can't remember their last 20 name at the moment. Hall, I believe. 21 Q. Haar? 22 A. Haar, okay. H.</p> <p style="text-align: right;">Page 175</p>	<p>1 Q. What considerations did you take into 2 account in evaluating the settlement? 3 MR. BROWN: I'm going to advise you to 4 be careful in how you answer this question. I don't 5 want you to answer anything about the assessment of 6 the case that you talked about with your lawyers or 7 the substance of any of our conversations. 8 So it's going to be difficult, I think, 9 for you to answer the question without going into 10 that. But I do want you to try your best to answer 11 this without talking about anything that we talked 12 about or that you learned from us about litigation 13 strategy. 14 THE WITNESS: Okay. Could you repeat 15 the question, please. 16 BY MS. WEBB: 17 Q. What considerations did you take into 18 account in evaluating the settlement? 19 A. It would be hard for me as just a farmer to 20 evaluate the settlement. I believe that the 21 attorneys worked their best to come to a settlement 22 that would be acceptable to -- to the farmers and</p> <p style="text-align: right;">Page 177</p>

1 that Dean would agree to. That's all I can say.
 2 Q. Did you yourself conduct any analysis to
 3 figure out what effect the settlement would have on
 4 pay prices for members of the proposed class?
 5 A. Could you repeat that, please.
 6 Q. Yes. Did you conduct any analysis to
 7 determine what effect the settlement would have on
 8 pay prices for the members of the proposed class?
 9 A. No, I did not.
 10 Q. In reading the settlement agreement, did
 11 you formulate any view as to how much you thought
 12 pay prices would increase, if at all, as a result of
 13 the settlement?
 14 A. I don't believe I looked at it in relation
 15 to pay prices, if you're meaning the price we're
 16 getting in our milk check. Is that what you're
 17 referring to?
 18 Q. Yes.
 19 A. No, I don't believe I looked at the
 20 settlement with that effect in mind.
 21 Q. Can you explain how the settlement advances
 22 the interests of dairy farmers who are part of the

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1 proposed class?
 2 MR. BROWN: I'm just going to advise you
 3 of the same thing. Because we've talked about, in
 4 confidence, some of the ways that dairy farmers
 5 would be advantaged by this settlement. And I don't
 6 want you to talk about anything that pertains to our
 7 litigation strategy, either against Dean or against
 8 the defendants who are represented at this
 9 deposition today.
 10 But you should try to answer the
 11 question to the extent that you can without talking
 12 about any of that information that we discussed
 13 before.
 14 THE WITNESS: Okay. Could you repeat
 15 the question, please.
 16 BY MS. WEBB:
 17 Q. Sure. Can you explain -- Let me make it a
 18 little more specific, but it's the same idea. And I
 19 think the same instruction will apply.
 20 A. Um-hum.
 21 Q. Can you explain how the settlement advances
 22 the interest of dairy farmers who are part of the

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1 proposed class and who ship their milk through DMS?
 2 A. (Pause.)
 3 MR. BROWN: Let me just . . .
 4 I don't want you to -- We've talked a
 5 lot about the settlement obviously and at great
 6 length. In fact, I'd welcome a question where you
 7 talk about -- where you might ask her how much we
 8 talked about what the settlement means.
 9 So many of our conversations about the
 10 settlement are intertwined with kind of the
 11 litigation strategy in the case and the strengths
 12 and weaknesses of our case, that I think the witness
 13 may be having a hard time trying to answer this.
 14 So I'll just -- I just want to give one
 15 more instruction, which is to the extent that you're
 16 not certain about whether going into a topic area
 17 and trying to answer the question will involve
 18 litigation strategy, then don't answer that.
 19 But to the extent that you -- and again,
 20 it's just to the extent -- to the extent you can
 21 answer any aspect of that question without divulging
 22 any of our communications about litigation strategy,

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1 how the settlement, why the settlement may or may
 2 not be justified, you know, what it means for the
 3 continuing case, et cetera, then you're welcome to
 4 do that.
 5 THE WITNESS: Would you repeat the
 6 question one more time, please.
 7 BY MS. WEBB:
 8 Q. Yes. Can you explain how the settlement
 9 advances the interest of dairy farmers who are part
 10 of the proposed class and who ship their milk
 11 through DMS?
 12 A. No, I -- not without discussing things that
 13 are between the attorney and the plaintiffs.
 14 Q. Aside from conversations you've had with
 15 your counsel, have you personally thought about
 16 whether the settlement advances the interest of
 17 dairy farmers who ship their milk through DMS?
 18 A. Yes.
 19 Q. Can you explain -- again, aside from
 20 communications with counsel -- what your views are?
 21 MR. BROWN: I just -- I think she's
 22 tried that. And I think it's just -- and I do think

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1 made that statement?
 2 A. No. I know I said that.
 3 Q. And this article was written before the
 4 Suiza/Dean merger; is that correct?
 5 A. I believe so, yes.
 6 Q. After their merger, the merged entity was
 7 called Dean; is that correct?
 8 A. Yes.
 9 Q. Do you believe today that Dean wants to pay
 10 its farmers as little as possible?
 11 A. Yes.
 12 Q. When Dean, pursuant to paragraph 9.2, is
 13 deciding what the competitive market price will be,
 14 do you believe that it will be a lower price than
 15 that which Dean is paying today?
 16 MR. BROWN: Objection to form.
 17 THE WITNESS: Could you repeat the
 18 question again, please.
 19 BY MS. WEBB:
 20 Q. Sure. When Dean is deciding, pursuant to
 21 paragraph 9.2, what the competitive market price is
 22 for the milk that it's purchasing, do you believe

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1 that that price will be a lower price than Dean is
 2 paying today?
 3 A. I wouldn't believe it would be a lower
 4 price than they're paying today.
 5 Q. Do you believe it will be a higher price?
 6 A. One would certainly hope so.
 7 Q. And what gives you hope that it will be a
 8 higher price?
 9 A. The case itself, I would think. It wouldn't
 10 make sense for them to be paying a lower price.
 11 That absolutely doesn't make any sense to me.
 12 Q. You sued Dean, correct?
 13 A. Yes.
 14 Q. Did you sue Dean because you believed they
 15 were trying to drive down the price paid for milk?
 16 A. Yes.
 17 Q. So if Dean is now getting to unilaterally
 18 decide how much to pay for milk, do you think Dean
 19 will want to pay more money for milk?
 20 A. I don't think they want to pay more for
 21 milk, but they are under severe scrutiny.
 22 MR. BROWN: I think maybe you just

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1 misspoke. I just --
 2 THE WITNESS: Do you want to repeat the
 3 question?
 4 BY MS. WEBB:
 5 Q. Sure. If Dean is now getting to decide
 6 unilaterally how much money they're going to pay for
 7 the milk purchased at these plants, what makes you
 8 think that Dean will end up paying more money for
 9 that milk?
 10 A. I don't think I really understand what
 11 you're saying. Do you want to try to rephrase that
 12 question, please.
 13 Q. Can you tell me what you don't understand
 14 about it?
 15 A. You're asking me if in -- after the
 16 settlement when Dean in this injunctive part and
 17 Dean has to buy non-DFA milk, if they're going to
 18 pay less, why would the result of this be farmers
 19 getting less money?
 20 MR. BROWN: Are you asking why would
 21 farmers accept less?
 22 THE WITNESS: Yes.

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1 MR. BROWN: Okay.
 2 BY MS. WEBB:
 3 Q. Okay. Is there anything in paragraph 9.2
 4 that gives the farmers a say in what price Dean
 5 proposes -- at what price Dean purchases the milk at
 6 these three plants?
 7 A. Is there anything that gives the farmers a
 8 say?
 9 Q. Yes.
 10 A. No, not that I understand.
 11 Q. Am I correct that you believe that the
 12 price that Dean is going to pay for the milk it's
 13 purchasing at these three plants is going to be
 14 higher than the price it is currently paying?
 15 A. Okay. Since you're asking me these
 16 questions, I'm going to say I don't know.
 17 Q. Why don't you know?
 18 MR. BROWN: Objection. Objection to
 19 form.
 20 BY MS. WEBB:
 21 Q. Have you -- have you thought about whether
 22 or not the price that Dean is going to be paying at

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1 these three plants will be higher or lower than the
 2 price it's currently paying?
 3 A. To be honest, no, I haven't, not until
 4 you've asked me these questions.
 5 MS. WEBB: I don't actually have too
 6 much more; but since we're at the 5-minute warning
 7 on the tape, why don't we change it so that we won't
 8 be interrupted.
 9 MR. BROWN: Sure. Good.
 10 THE VIDEOGRAPHER: The time is 2:00
 11 o'clock, and that completes Tape No. 4 of the
 12 deposition of Alice Allen, and we're going off the
 13 record.
 14 (Recess at 2:00 p.m.,
 15 resumed at 2:08 p.m.)
 16 THE VIDEOGRAPHER: The time is 2:09 and
 17 we're back on the record with Tape No. 5 of the
 18 deposition of Alice Allen.
 19 BY MS. WEBB:
 20 Q. Ms. Allen, I'd like to continue looking at
 21 paragraph 9.2. Paragraph 9.2 says that the quantity
 22 of milk that Dean will purchase from suppliers other
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1 than DFA or DMS is not to exceed 60 million pounds
 2 per month; is that correct?
 3 A. That's what it says.
 4 Q. Do you know whether there are DFA members
 5 or individuals who ship their milk through DMS who
 6 currently ship to those plants and who will now have
 7 to send their milk elsewhere because of the
 8 settlement?
 9 A. I don't know that.
 10 Q. Did you look into that -- attempt to look
 11 into that at all?
 12 A. No. It hadn't -- No.
 13 Q. What is your understanding of who will
 14 receive money as a result of the settlement?
 15 A. Every farmer in the class.
 16 Q. Can you look at paragraph 9.1, please.
 17 And can you take a moment to read that to yourself,
 18 please.
 19 Can -- Do you agree that the settlement
 20 fund is worth \$30 million?
 21 A. Do I agree?
 22 Q. Yes. Looking at that.
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1 A. I believe that's the figure that was
 2 determined.
 3 Q. Do you know whether your lawyers will get
 4 any money as a result of the settlement?
 5 A. I don't know that for a fact.
 6 Q. Did you -- Do you know whether any money
 7 that your lawyers receive -- whether any money --
 8 Let me start over.
 9 If your lawyers are going to receive any
 10 money under the settlement agreement, do you know
 11 whether it will come out of the \$30 million fund?
 12 A. I don't know anything about that.
 13 Q. Did you think that was an important
 14 consideration to consider before -- Strike that.
 15 In evaluating whether the settlement
 16 agreement will benefit the dairy farmers who are
 17 members of the proposed class, do you think it's
 18 important to know how much, if any, the lawyers will
 19 be getting paid out of the \$30 million fund?
 20 A. I believe it's a consideration. But there
 21 must be limits on what the lawyers can receive.
 22 Q. What type of a limit do you think would be
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1 reasonable?
 2 A. I have no idea.
 3 Q. Can you give a ballpark?
 4 A. A third maybe. I don't know.
 5 Q. And do you agree that a third of the
 6 settlement fund would be \$10 million?
 7 A. Using rapid math.
 8 Q. That's probably the easiest math we've done
 9 all day. Do you believe that \$10 million would be a
 10 reasonable amount to pay the lawyers for the amount
 11 of work that has been done on this case?
 12 A. I have no concept of money in relation to
 13 that at all, personally.
 14 Q. Can you turn to paragraph 12.1, please.
 15 And that's on page 22. I'm going to read to you
 16 part of paragraph 12.1.
 17 "Settling defendant will have no
 18 responsibility to pay plaintiffs' attorneys' fees
 19 and expenses. Plaintiffs' counsel may apply to the
 20 court for payment of attorneys' fees and expenses
 21 from the settlement fund. Under no condition will
 22 plaintiffs seek an amount of attorneys' fees in
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<p>1 excess of 33-1/3 percent of the settlement fund plus 2 reimbursement for reasonable litigation and 3 administrative expenses. Settling defendant will 4 not oppose an application for attorneys' fees or 5 expenses submitted by settlement class counsel 6 consistent with this limitation." 7 Do you see that? 8 A. Um-hum. 9 MR. BROWN: Wait. Before you answer any 10 questions, I would remind you, you have the right to 11 read the whole paragraph in context before you 12 answer any questions about it. 13 MS. WEBB: We can actually read that 14 part into the record. So it says, "In the event the 15 court disapproves of, or reduces the amount sought 16 in any such application, such disapproval or 17 reduction shall have no effect on the terms of the 18 agreement. Settling defendant also will not oppose 19 a request for a reasonable incentive award from the 20 settlement fund to named class representatives." 21 BY MS. WEBB: 22 Q. Do you see the rest of 12.1?</p> <p style="text-align: right;">Page 198</p>	<p>1 and the court approves a payment of \$10 million for 2 the lawyers, that the dairy farmer class members 3 will receive only \$20 million? 4 A. Using rapid math. 5 Q. Can you look back at our very first exhibit, 6 the complaint, which was Exhibit 37. And 7 specifically I'd like you to look at paragraph 192. 8 And just to make sure, are you on the revised 9 complaint? 10 A. No. 11 Q. Okay. 12 A. Do you want the revised complaint? 13 Q. Yes. 14 MR. BROWN: Sorry. Which paragraph? 15 MS. WEBB: 192. 16 BY MS. WEBB: 17 Q. And I'll just read it out loud into the 18 record. "As a direct and proximate result of the 19 antitrust violations alleged herein, plaintiffs and 20 class members have been injured and have sustained 21 damages in that the prices received for raw Grade A 22 milk, specifically over-order premiums, have been</p> <p style="text-align: right;">Page 200</p>
<p>1 A. Yes. 2 Q. What do you understand this paragraph to 3 mean? 4 A. Well, my interpretation is that they -- 5 that the attorneys could get -- "Under no condition 6 will plaintiffs seek an amount of attorneys' fees in 7 excess of 33-1/3 percent of the settlement fund plus 8 reimbursement for reasonable litigation and 9 administrative expenses." 10 And at the end it says, "Settling 11 defendant also will not oppose a request for a 12 reasonable incentive award from the settlement fund 13 to named class representatives." 14 Q. Do you understand that -- this to mean that 15 your lawyers can seek an amount of attorneys' fees 16 up to 33-1/3 percent of the \$30 million settlement 17 fund? 18 A. That's my interpretation. 19 Q. And do you agree that that amount would be 20 \$10 million? 21 A. Again, using rapid math. 22 Q. Do you agree that if the lawyers request</p> <p style="text-align: right;">Page 199</p>	<p>1 artificially reduced below levels they would have 2 received but for defendants' unlawful agreement not 3 to compete in the raw Grade A milk market in the 4 Northeast. As a result of this conspiracy, 5 defendants have reaped hundreds of millions of 6 dollars of profits that would have otherwise been 7 paid to plaintiffs and class members for their raw 8 Grade A milk." 9 Do you see that? 10 A. Yes. 11 Q. Do you think that it is a fair settlement 12 to split \$20 million among all of the proposed class 13 members for the 9 years of injury and hundreds of 14 millions of dollars of injury that you alleged? 15 A. Do I think it's fair? 16 Q. Yes. 17 A. In a perfect world, we'd like a lot more 18 money. But . . . 19 Given the -- given the circumstances 20 and -- I don't really know how to answer that. 21 Because any farmer would say they would want more -- 22 more money. But there comes a limit to what can be</p> <p style="text-align: right;">Page 201</p>