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9 UNITED STATES DISTRICT COURT  
10 FOR THE CENTRAL DISTRICT OF CALIFORNIA  
11 WESTERN DIVISION

12 DMSD RESTAURANTS, INC.; FEAST  
13 AMERICAN DINERS, LLC; and FEAST  
14 RESTAURANTS, LLC, individually and  
15 on behalf of all persons similarly situated,

16 Plaintiffs,

17 v.

18 CAL-MAINE FOODS, INC.;  
19 DAYBREAK FOODS, INC.;  
20 HILLANDALE FARMS OF PA, INC.;  
21 HILLANDALE-GETTYSBURG, L.P.;  
22 ROSE ACRE FARMS, INC.; OPAL  
23 FOODS, LLC; VERSOVA HOLDINGS  
24 LLP; URNER BARRY PUBLICATIONS,  
25 INC. d/b/a EXPANA; EGG  
26 CLEARINGHOUSE, INC.; and UNITED  
27 EGG PRODUCERS d/b/a EGG  
28 FARMERS OF AMERICA,

Defendants.

Case No.

CLASS ACTION COMPLAINT  
JURY TRIAL DEMAND

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1 Plaintiffs DMSD Restaurants, Inc.; Feast American Diners, LLC; and Feast  
2 Restaurants, LLC (together, “Plaintiffs”) bring this civil antitrust action on behalf of  
3 themselves individually and on behalf of a proposed Class against Defendants Cal-Maine  
4 Foods, Inc.; Daybreak Foods, Inc.; Hillandale Farms of PA, Inc.; Hillandale-Gettysburg,  
5 L.P.; Rose Acre Farms, Inc.; Opal Foods, LLC; Versova Holdings LLP (together,  
6 “Producer Defendants”); Uner Barry Publications, Inc. d/b/a Expana; Egg  
7 Clearinghouse, Inc.; and United Egg Producers d/b/a Egg Farmers of America.

## 8 I. INTRODUCTION

9 1. This action challenges a multi-year conspiracy among the largest producers  
10 of Conventional Eggs<sup>1</sup> to fix, raise, maintain, and stabilize prices for shell eggs sold  
11 throughout the United States. Plaintiffs’ preliminary economic analysis demonstrates that  
12 the skyrocketing egg prices seen during the conspiracy cannot be explained by  
13 competitive market forces like supply, demand, and costs and instead reflect coordinated  
14 manipulation of price formation and industry output.

15 2. At the center of the scheme is the Uner Barry Market—the dominant  
16 pricing benchmark for Conventional Eggs in the United States. The Uner Barry Market  
17 functions as the *de facto* reference price for the overwhelming majority of Conventional  
18 Egg transactions in the United States, including both spot sales and long-term formula-  
19 priced contracts. Plaintiffs’ economic study of publicly available data demonstrates a  
20 97% correlation between the Uner Barry benchmark and observed egg prices during the  
21 Class Period. In a market where prices are mechanically tied to a single benchmark,  
22 coordinated manipulation of the benchmark is tantamount to price fixing.

23 3. The Uner Barry Market is unusually susceptible to manipulation. Its daily  
24 benchmark is derived from (a) producer-submitted, non-public information about supply  
25

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26 <sup>1</sup> “Conventional Eggs” refers to standard white or brown shell eggs produced in non-specialty housing systems (including  
27 traditional caged, enriched colony, and cage-free systems that are *not* specialty, organic, pasture-raised, or similarly  
28 differentiated). Conventional Eggs account for the vast majority of eggs sold in the wholesale market in the United States.

1 conditions, availability, and transactions; and (b) trades on the thinly traded Egg  
2 Clearinghouse, Inc. (“ECI”) spot market, which represents only a small fraction of  
3 national egg sales but is heavily weighted in Urner Barry’s methodology. In such a  
4 structure, small shifts in reported data or limited-volume trades can move the entire  
5 industry’s benchmark, causing nationwide price movements untethered to actual  
6 competitive conditions.

7 4. Beginning no later than 2022, Defendants orchestrated a coordinated scheme  
8 to inflate and sustain the Urner Barry benchmark by simultaneously (1) restricting output  
9 of Conventional Eggs and (2) manipulating the information on which Urner Barry’s daily  
10 assessments are based. Because nearly all large producers price their eggs through  
11 formula contracts tied directly to the Urner Barry benchmark, coordinated conduct  
12 affecting the benchmark results in immediate, automatic, and uniform price increases  
13 across the market.

14 5. Plaintiffs’ expert economist conducted multiple empirical analyses  
15 confirming that the magnitude and persistence of the price increases observed since 2022  
16 cannot be explained by supply disruptions, input costs, or demand conditions. These  
17 preliminary analyses show that the relationship between egg prices and traditional  
18 economic drivers broke down during the Class Period, with prices rising far beyond  
19 levels predicted by historical patterns or standard supply-and-demand models.

20 6. For example, although feed costs—the primary input in egg production—  
21 remained relatively stable after a modest increase in 2022, egg prices increased by  
22 multiples far exceeding any cost-based justification. Similarly, while avian flu outbreaks  
23 reduced flock size modestly, the resulting supply impact was insufficient to account for  
24 the unprecedented price increases. Regression analyses controlling for feed costs, avian  
25 flu impacts, demand, and seasonality confirm that these factors do not explain the  
26 observed price behavior.

1           7.     The industry’s response to high prices was inconsistent with independent,  
2 profit-maximizing behavior. In competitive markets, elevated prices create strong  
3 incentives for firms to expand output. Here, however, Producer Defendants executed  
4 uniform and synchronized output-suppression strategies—including delaying flock  
5 repopulation after Highly Pathogenic Avian Influenza (“HPAI”), reducing chick  
6 placements, performing parallel cage-space transitions that limited usable barn capacity,  
7 refusing to activate idle or easily restorable facilities, and withholding eggs through cold-  
8 storage practices. These reductions occurred during the most profitable period in industry  
9 history, when competitive firms acting independently would have been incentivized to  
10 rapidly expand production.

11           8.     The timing and magnitude of price movements provide additional economic  
12 evidence of collusion. Prices began rising sharply in 2022 without corresponding changes  
13 in underlying market fundamentals and remained elevated for an extended period. Then,  
14 following public disclosure of an antitrust investigation by the U.S. Department of Justice  
15 in March 2025, prices fell abruptly and in parallel across the industry—declining far  
16 more rapidly than historical price volatility would predict. Plaintiffs’ economist  
17 conducted an event-study analysis showing that this price decline was several multiples  
18 larger than expected under historic market conditions.

19           9.     Producer Defendants’ financial results confirm the conspiracy’s effects.  
20 Throughout the Class Period, Producer Defendants reported extraordinary, historically  
21 unprecedented profits and margins, far exceeding any increases in feed, energy, labor, or  
22 other production costs. These windfall profits persisted only because Defendants  
23 restrained output and jointly inflated the benchmark that sets the price for Conventional  
24 Eggs nationwide.

25           10.    Plaintiffs and members of the Class purchased Conventional Eggs directly  
26 from one or more Producer Defendants at prices artificially increased by Defendants’  
27 unlawful agreement. Plaintiffs seek treble damages, injunctive relief, and all other  
28

1 appropriate remedies under federal antitrust law to restore competition to the U.S. market  
2 for Conventional Eggs.

## 3 II. PARTIES

### 4 A. Plaintiffs

5 11. Plaintiffs are Denny’s, Inc. franchisees who are among the most significant  
6 purchasers of Conventional Eggs in United States foodservice. As America’s iconic 24-  
7 hour breakfast chain, shell eggs are a key, indispensable input to a Denny’s franchise.  
8 The company’s menu is centered on all-day breakfast offerings that prominently feature  
9 eggs, including omelets, scrambles, fried egg platters, and signature dishes such as the  
10 “Grand Slam” and “Moons Over My Hammy.” Defendants’ conspiracy to artificially  
11 inflate prices of Conventional Eggs forced Denny’s to undermine its brand—  
12 long associated with affordable, accessible breakfast dining—by imposing unprecedented  
13 surcharges on customers with every meal that included eggs throughout much of 2025.

14 12. Plaintiff DMSD Restaurants, Inc. (“DMSD”) is a corporation organized  
15 under the laws of California that operates Denny’s Inc. franchises located in the San  
16 Diego, California metropolitan area. DMSD purchased Conventional Eggs from Family  
17 Tree Produce. Family Tree Produce purchased Conventional Eggs directly from one or  
18 more Defendants and assigned its claim to DMSD.

19 13. Plaintiff Feast American Diners, LLC (“Feast American Diners”) is a limited  
20 liability company organized under the laws of Delaware that operates Denny’s Inc.  
21 franchises located in Arizona and New York. Feast American Diners purchased  
22 Conventional Eggs from Family Tree Produce. Family Tree Produce purchased  
23 Conventional Eggs directly from one or more Defendants and assigned its claim to Feast  
24 American Diners.

25 14. Plaintiff Feast Restaurants, LLC (“Feast Restaurants”) is a limited liability  
26 company organized under the laws of Delaware that operates Denny’s Inc. franchises  
27 located in California and Washington. Feast Restaurants purchased Conventional Eggs  
28

1 from Family Tree Produce. Family Tree Produce purchased Conventional Eggs directly  
2 from one or more Defendants and assigned its claim to Feast Restaurants.

3 **B. Defendants**

4 **1. Cal-Maine**

5 15. Defendant Cal-Maine Foods, Inc. (“Cal-Maine”) is a public corporation  
6 organized, existing, and doing business under the laws of the State of Delaware, with its  
7 offices and principal place of business located at 1052 Highland Colony Parkway, Suite  
8 200, Ridgeland, Mississippi, 39157.

9 16. Cal-Maine was founded in 1957. Today, it is the largest producer and  
10 marketer of Conventional Eggs in the United States. It operates 49 shell egg production  
11 plants, which house up to 51.8 million layer hens. Cal-Maine processes and packages  
12 approximately 674,700 dozen shell eggs per hour.

13 17. In 2023, Cal-Maine achieved record sales of \$3.15 billion with over 1.15  
14 billion dozens sold.

15 18. In July of 2024, Cal-Maine purchased ISE America, a top-25 shell egg  
16 producer, in what was Cal-Maine’s 25th acquisition since 1989. Cal-Maine credits its  
17 success to, *inter alia*, its “disciplined acquisition strategy.”<sup>2</sup>

18 19. Cal-Maine is also known for being wholly vertically integrated. In a 2025  
19 investor presentation, Cal-Maine explained that “[f]ully integrated operations allow for  
20 scaled production and distribution capacity.”<sup>3</sup> It owns breeding facilities, hatcheries, feed  
21 mills, and more.

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26 <sup>2</sup> Cal-Maine Foods, “Our History,” <https://www.calmainefoods.com/history> (last visited Apr. 15, 2025).

27 <sup>3</sup> Cal-Maine Foods, “2Q 2025 Investor Presentation” (Jan. 2025), available at [https://irp.cdn-  
website.com/79e86203/files/uploaded/CALM\\_FY25\\_2Q\\_Investor\\_Presentation\\_Accessible.pdf](https://irp.cdn-website.com/79e86203/files/uploaded/CALM_FY25_2Q_Investor_Presentation_Accessible.pdf).



1 27. Hillandale Farms is a vertically integrated entity. It touts itself as being  
2 “directly involved in every aspect of egg production and distribution.”<sup>4</sup>

3 28. Hillandale Farms was recently acquired by Luxembourg-based company  
4 Global Eggs for over \$1 billion. Global Eggs, which is operated by Brazil’s “Egg King”  
5 Ricardo Faria, is the world’s second largest egg producer, with 93 farms across 3  
6 continents and over 13 billion eggs produced annually.

7 **4. Rose Acre**

8 29. Defendant Rose Acre Farms, Inc. (“Rose Acre”) is a corporation organized,  
9 existing, and doing business under the laws of the State of Indiana, with its offices and  
10 principal place of business located at 1657 W Tipton Street, Seymour, Indiana, 47274.

11 30. Founded in the 1930s, Rose Acre is now among the largest Conventional  
12 Egg producers in the United States. It produces shell eggs, specialty eggs, liquid eggs,  
13 dried eggs, and egg protein powder. Rose Acre operates sixteen farms in seven states, and  
14 employs an estimated 2,400 workers.

15 **5. Opal Foods, LLC**

16 31. Defendant Opal Foods, LLC (“Opal Foods”) is a limited liability corporation  
17 with its offices and principal place of business located at 16194 Highway 59, Neosho,  
18 Missouri 64850.

19 32. Opal Foods is a producer of Conventional Eggs and, since 2020, has  
20 operated as a joint venture owned by Cal-Maine and Weaver Brothers, Inc.

21 33. Opal Foods has acquired other producers of Conventional Eggs, including  
22 Sparboe Farms, Inc. In 2021, the Minnesota Attorney General accused Sparboe of price-  
23 gouging during the COVID-19 pandemic and alleged that Sparboe “almost exclusively  
24 ties the sale prices of its eggs” to the Uner Barry benchmark.<sup>5</sup>

25 <sup>4</sup> Hillandale Farms, Press Release: “Hillandale Farms Appoints Kevin Jackson Chief Executive Officer” (July 28, 2022),  
26 <https://www.globenewswire.com/news-release/2022/07/28/2487513/0/en/Hillandale-Farms-Appoints-Kevin-Jackson-Chief-Executive-Officer.html>.

27 <sup>5</sup> First Am. Compl. ¶49, *State of Minnesota v. Sparboe Farms, Inc.*, Case No. 27-cv-21-10810 (Mn. Ct., Hennepin Cnty.  
28 2021), available at [https://www.ag.state.mn.us/Office/Communications/2021/docs/Sparboe\\_Complaint.pdf](https://www.ag.state.mn.us/Office/Communications/2021/docs/Sparboe_Complaint.pdf).

1           **6. Versova Holdings LLP**

2           34. Defendant Versova Holdings LLP (“Versova”) is a limited liability  
3 partnership organized under the laws of Iowa, with its offices and principal place of  
4 business located at 241 St. Andrews Way, Sioux Center, Iowa, 51250.

5           35. Versova is a holding company of seven family farms located in seven states.  
6 It employs over 2,000 workers and produces almost 8 billion eggs per year. Versova is  
7 one of the largest producers of Conventional Eggs in the United States.

8           36. In 2025, Versova Holdings transitioned to become an agricultural  
9 cooperative, now operating under the name Versova Management Cooperative.

10           **7. Urner Barry Publications, Inc. d/b/a Expana**

11           37. Defendant Urner Barry Publications, Inc. d/b/a Expana is a corporation  
12 organized, existing, and doing business under the laws of the State of New Jersey, with  
13 its offices and principal place of business located at 1001 Corporate Cir, Toms River,  
14 New Jersey, 08755.

15           38. With a history tracing back to price circulars in the 1850s, Urner Barry is the  
16 leading provider of pricing intelligence to the poultry, egg, meat, and seafood industries.

17           39. In 2000, Urner Barry created COMTELL (“Commodity Intelligence”),  
18 which it calls “the most accessible, accurate and timely source for news, quotes and  
19 research” in several food-related industries, including eggs.<sup>6</sup> COMTELL subscribers “are  
20 updated several times a day on the most impactful market conditions.”<sup>7</sup> This includes  
21 daily benchmark assessments for shell eggs, including the Midwest Large quotation,  
22 which serves as the primary reference price for formula-priced transactions.

23           40. Urner Barry was previously a subsidiary of AgriBriefing Limited, which was  
24 acquired by the U.K.-based Mintec Group in 2023. In 2024, the Mintec Group  
25 consolidated all of its operations under the brand “Expana.”

26  
27 <sup>6</sup> Urner Barry, “Our History,” <https://www.urnerbarry.com/OurHistory> (last visited Apr. 15, 2026).

<sup>7</sup> Urner Barry, “Market Prices,” <https://www.comtell.com/Marketing/Market-Prices> (last visited Apr. 15, 2026).

1 41. The Producer Defendants are all users of Urner Barry.

2 **8. Egg Clearinghouse, Inc.**

3 42. Defendant Egg Clearinghouse, Inc. is corporation organized, existing, and  
4 doing business under the laws of the State of Delaware, with its offices and principal  
5 place of business located at 122 Broadway, Dover, New Hampshire, 03820.

6 43. ECI describes itself as an “exchange to help determine and establish the  
7 market value for eggs and egg products.”<sup>8</sup> It operates the only online spot market that  
8 allows members (farmers and egg buyers) to bid on eggs listed for sale.

9 44. In 2024, 2.6 billion eggs and 39 million pounds of egg products, valued at  
10 more than \$600 million, were traded on the ECI online platform.

11 45. ECI data feeds directly into Urner Barry.

12 **9. United Egg Producers**

13 46. Defendant United Egg Producers d/b/a Egg Farmers of America (“UEP”) is  
14 a corporation organized, existing, and doing business under the laws of the State of  
15 Maine, with its offices and principal place of business located at 6455 East Johns  
16 Crossing, Suite 410, Johns Creek, Georgia, 30097

17 47. UEP is a national cooperative of egg farmers representing the ownership of  
18 approximately 11 out of every 12 eggs produced in the United States. It is a policy and  
19 lobbying organization that works to “address legislative, regulatory and advocacy issues  
20 impacting egg production.”<sup>9</sup> UEP says that its members “directly guide the future of egg  
21 farming.”<sup>10</sup>

22 48. UEP formed the United Egg Association (“UEA”) in 1983. UEA serves as a  
23 national trade association for egg producers and packers, further processors, and allied  
24 members. It also operates EGGPAC, a political action committee.

25  
26 <sup>8</sup> Egg Clearinghouse, Inc., <https://www.eggs.org/> (last visited Apr. 15, 2026).

27 <sup>9</sup> United Egg Producers, “About,” <https://unitedegg.com/about/> (last visited Apr. 15, 2026).

28 <sup>10</sup> *Id.*

### III. AGENTS AND CO-CONSPIRATORS

1 49. Various individuals, partnerships, corporations and associations not named  
2 as Defendants in this Complaint have participated as co-conspirators in the violations of  
3 law alleged herein and have performed acts and made statements in furtherance thereof.  
4 The identity of all co-conspirators is unknown at this time and will require discovery.

5 50. The anticompetitive and unlawful acts alleged against the Defendants in this  
6 Complaint were authorized, ordered, or performed by Defendants' respective officers,  
7 agents, employees, or representatives, while actively engaged in the management,  
8 direction, or control of Defendants' businesses or affairs. Defendants are also liable for  
9 acts done in furtherance of the alleged conspiracy by companies they acquired through  
10 mergers or acquisitions.

11 51. Each corporate Defendant's agents operated under the authority and  
12 apparent authority of its respective principals.

13 52. Each corporate Defendant, through its respective subsidiaries, affiliates, and  
14 agents, operated as a single unified entity.

15 53. Various persons and/or firms not named as Defendants herein may have  
16 participated as co-conspirators in the violations alleged herein and may have performed  
17 acts and made statements in furtherance thereof. Defendants are jointly and severally  
18 liable for the acts of these co-conspirators, whether or not they are named as Defendants  
19 in this Complaint.

20 54. Each Defendant acted as the principal or agent of, or for, other Defendants  
21 with respect to the acts, violations, and common course of conduct alleged herein.

22 55. When Plaintiffs refer to a corporate family or companies by a single name in  
23 alleging participation in the conspiracy, Plaintiffs are alleging that one or more  
24 employees or agents of entities within the corporate family engaged in conspiratorial acts  
25 or meetings on behalf of all the Defendant companies within that family. Because  
26 Defendants market themselves as corporate families, individual participants in the  
27

1 conspiratorial acts did not always know the corporate affiliation of their counterparts, nor  
2 did they recognize the distinction between the entities within a corporate family. Thus, all  
3 Defendant entities within the corporate families were active, knowing participants in the  
4 conspiracy to maintain supracompetitive prices of Conventional Eggs.

#### 5 **IV. JURISDICTION AND VENUE**

6 56. This case arises under Section 1 of the Sherman Act (15 U.S.C. § 1) and  
7 Sections 4 and 16 of the Clayton Act (15 U.S.C. §§ 15 & 26). Plaintiffs seek treble  
8 damages for their injuries, and those suffered by members of the proposed Class,  
9 resulting from Defendants' anticompetitive conduct; to enjoin Defendants'  
10 anticompetitive conduct; and for such other relief as is afforded under the laws of the  
11 United States.

12 57. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331  
13 (federal question) and § 1337(a) (antitrust), as well as 15 U.S.C. § 15 (antitrust). This  
14 Court also has jurisdiction over this action pursuant to 28 U.S.C. § 1332(d) because this  
15 is a class action in which the aggregate amount in controversy exceeds \$5,000,000,  
16 exclusive of interest and costs, and at least one member of the proposed Class is a citizen  
17 of a state different from that of each Defendant.

18 58. This Court has personal jurisdiction over all of the Defendants because each  
19 of them transacted business, maintained substantial contacts, and committed acts in  
20 furtherance of the alleged antitrust conspiracy in this District, which has a direct,  
21 foreseeable, and intended effect of causing injury to the business or property of persons  
22 and entities residing in, located in, or doing business throughout the United States,  
23 including in this District.

24 59. Venue is proper in this District pursuant to Section 12 of the Clayton Act, 15  
25 U.S.C. § 22, and under the federal venue statute, 28 U.S.C. § 1391, because certain  
26 unlawful acts by the Defendants were performed in this District, and because a  
27  
28

1 substantial portion of interstate commerce affected by the conspiracy alleged herein  
2 occurred in this District.

## 3 V. FACTUAL ALLEGATIONS

### 4 A. Background on Eggs

#### 5 1. Eggs Are a Vital Consumer Good

6 60. Eggs are an essential staple in the kitchens of a vast majority of U.S.  
7 households.

8 61. The U.S. Department of Agriculture has described eggs as “among the most  
9 nutritious foods on earth.”<sup>11</sup> As reported by the American Heart Association, “eggs are an  
10 efficient, rich source of protein and vitamins” and are linked to promoting healthy  
11 metabolism, liver function, and fetal brain development.<sup>12</sup>

12 62. Eggs and egg products may be cooked and eaten directly or consumed after  
13 being incorporated into various foods like baked goods and mayonnaise.

14 63. Due largely to their nutritional value and their versatility in cooking, eggs  
15 are a fundamental food staple in 93% of U.S. households. More than 4 in 5 Americans  
16 “always” keep eggs in their fridge.

17 64. The government estimated that, in 2024, residents of the United States  
18 consumed over 284 eggs per year per person.

19 65. Egg consumption remains comparatively steady. This is because demand for  
20 eggs is relatively inelastic—that is, consumers do not purchase fewer eggs when prices  
21 rise. There are no substitutes for eggs; purchasers cannot switch to other products to  
22 make the price increase unprofitable for producers.

---

25 <sup>11</sup> U.S. Dep’t of Agriculture, Food Safety & Inspection Serv., “Shell Eggs from Farm to Table,” available at  
26 <https://www.fsis.usda.gov/food-safety/safe-food-handling-and-preparation/eggs/shell-eggs-farm-table> (last visited Apr. 15,  
2026).

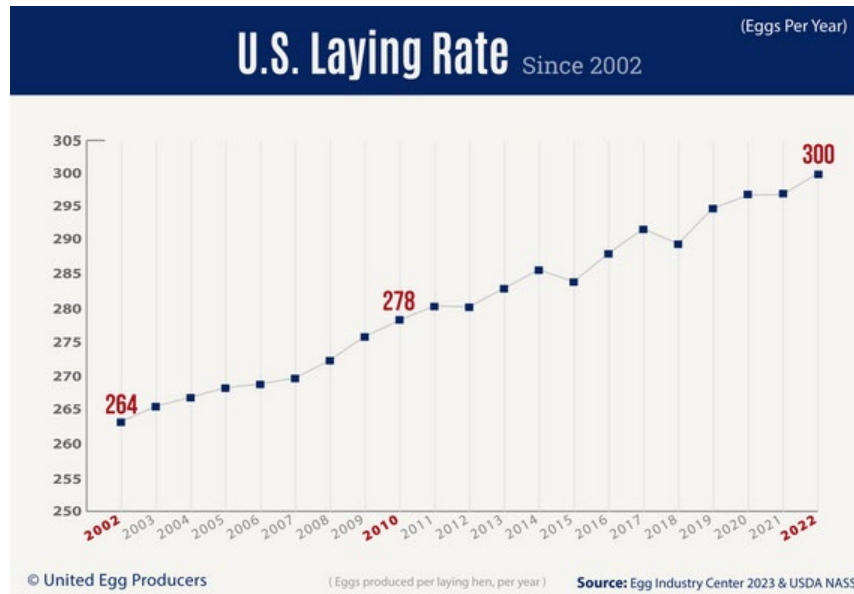
27 <sup>12</sup> Am. Heart Ass’n, “Are Eggs Good for You or Not?” (Aug. 16, 2018), <https://www.heart.org/en/news/2018/08/15/are-eggs-good-for-you-or-not>.

## 2. The United States Egg Market

66. According to an industry analyst, the egg market in the United States is worth approximately \$10 billion annually.

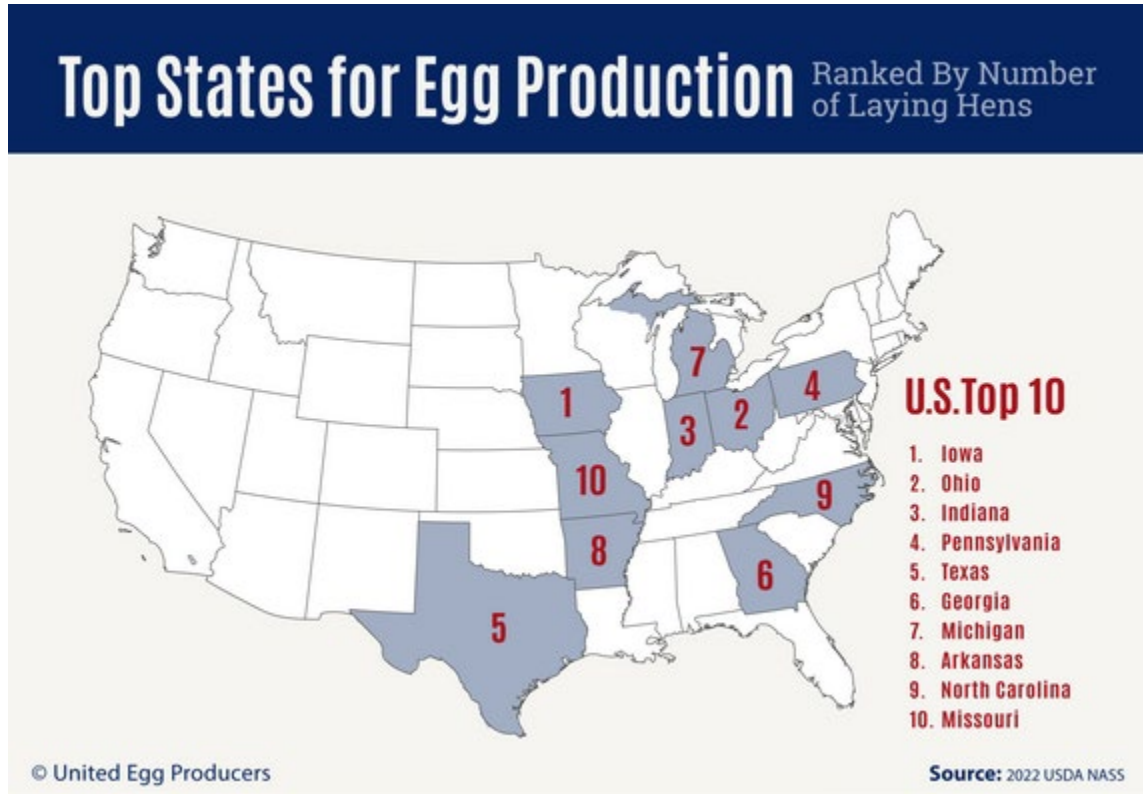
67. Defendants market and sell their eggs throughout the United States and compete with each other in the national market. Food products such as eggs are regulated on a national scale, such that Defendants would not be constrained by regional or statewide geographic factors in selling products to customers like Plaintiffs.

68. U.S. table egg production totaled 92.6 billion eggs in 2022, a 3% decrease from 2021. The U.S. had 308 million commercial laying hens at the end of 2022, down 4.5% from 2021. The daily rate of lay averaged 82 eggs per 100 layers in 2022. On average, each laying hen produces 300 eggs per year.

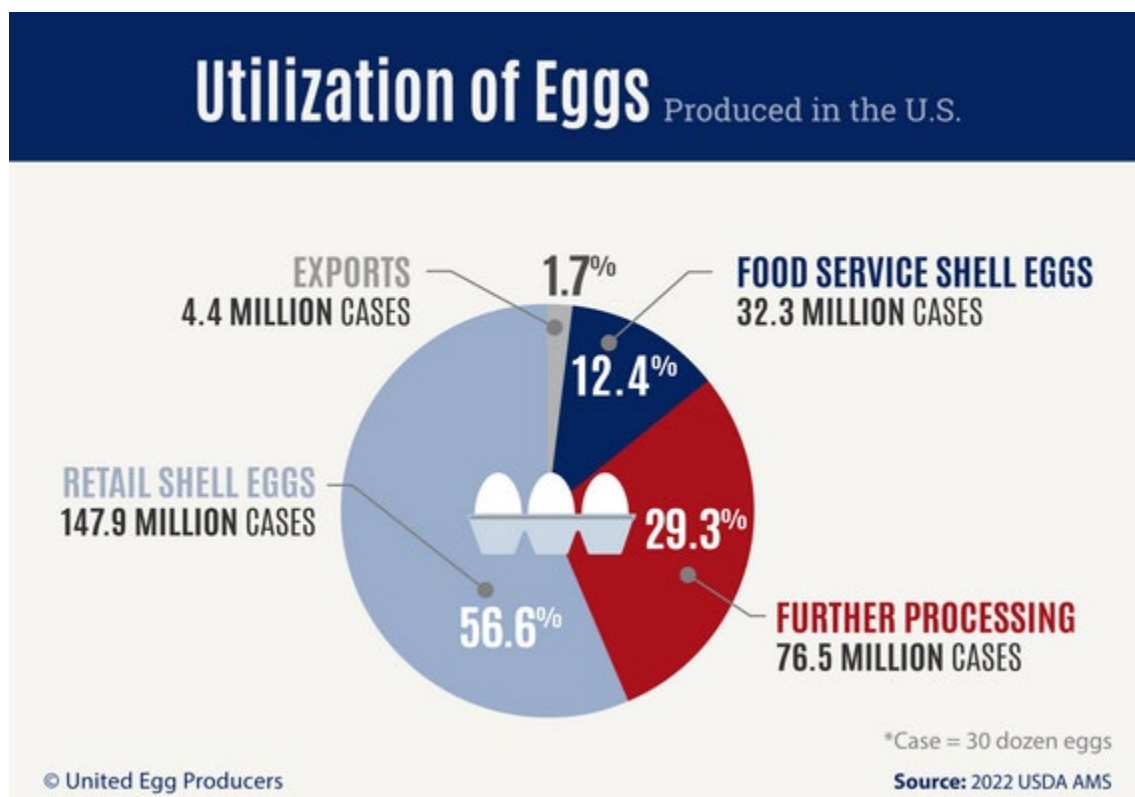


69. Egg production is a significant contributor to the economy and employment in several states. The five largest shell egg-producing states are home to approximately 44% of all laying hens in the U.S., and the top 10 states comprise more than 65% of egg production.

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70. Of the 261 million cases of eggs produced in 2022, more than half were sold as shell eggs through retail outlets. Over one-fourth of eggs produced were further processed into products for food service, manufacturing, retail, and export. The vast majority of U.S. egg production is consumed domestically, with under 160.8 million (table eggs plus egg products in shell egg equivalent) eggs exported in 2022.



14 71. Egg production in the United States has traditionally been a low margin  
15 industry, meaning that profit levels were low but steady. That has recently changed.

### 16 3. The Conventional Eggs Market

17 72. The domestic egg sector consists primarily of “table eggs,” which are shell  
18 eggs sold for direct consumer consumption. As the industry puts it: “Envision any all-  
19 American egg, just waiting to get cracked. That’s a shell egg.”<sup>13</sup> The overwhelming  
20 majority of shell eggs produced in the United States fall into the category of  
21 **Conventional Eggs**—standard white or brown eggs produced in non-specialty systems  
22 and sold through retail and foodservice channels.

23 73. Conventional Eggs are distinct from specialty eggs such as cage-free,  
24 organic, free-range, or pasture-raised eggs. Specialty eggs represent a minority of total  
25 production and are sold at premium prices based on specific animal-welfare,  
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27 <sup>13</sup> United Egg Producers, “Facts & Stats,” <https://unitedegg.com/facts-stats/> (last visited Apr. 15, 2026).

1 environmental, or certification standards. By contrast, Conventional Eggs are the industry  
2 standard product and constitute the vast bulk of all eggs sold in the United States.

3 74. The egg industry is highly vertically integrated. Most large producers—  
4 including the Producer Defendants—control nearly every stage of production, from  
5 breeding and hatching to feeding, housing, husbandry, processing, packaging, and  
6 marketing. This vertical control gives producers substantial visibility into the supply  
7 decisions of their competitors and significant discretion over the volume of Conventional  
8 Eggs produced.

9 75. Several Producer Defendants operate their own hatcheries and produce their  
10 own layer-hen stock. For example, Cal-Maine can hatch more than 600,000 chicks per  
11 week. Other producers obtain day-old chicks from commercial hatcheries, but still raise  
12 them internally through the pullet and laying cycles.

13 76. Young female chickens, known as pullets, are grown in pullet facilities until  
14 roughly 18 weeks of age. At maturity, pullets are transferred to laying facilities, where  
15 they begin producing eggs. Peak egg production generally occurs between 30 and 32  
16 weeks of age.

17 77. As hens age, egg production declines. When production falls to  
18 approximately 50 percent—typically around 60 to 70 weeks of age—producers may  
19 choose to molt the flock. Molting halts egg production for roughly eight weeks while  
20 hens regrow feathers, after which production temporarily increases. Molting therefore  
21 reduces short-term supply but can extend the productive life of a flock.

22 78. Hens may be molted a second time before ultimately becoming “spent  
23 hens.” Spent hens, typically between 100 and 130 weeks old, are depopulated once they  
24 can no longer produce eggs at profitable levels.

25 79. Shell eggs are collected on belts and transported to storage coolers or egg-  
26 processing centers. Eggs usually reach a processing center within twelve to fourteen  
27

1 hours after laying, where they are washed, inspected for cracks or defects, graded, and  
2 packaged for sale or further processing.

3 80. In addition to producing table eggs, Producer Defendants also produce  
4 “breaking eggs,” which are sold into the egg-products sector.

5 81. The egg-products sector includes dried, frozen, and liquid egg products that  
6 have been removed from their shells and processed through breaking, filtering, blending,  
7 pasteurizing, cooling, freezing, drying, and packaging.

8 82. Products such as Egg Beaters®, sugared yolks, frozen egg patties, and  
9 peeled hard-boiled eggs are examples of processed egg products commonly sold in food  
10 manufacturing, foodservice, and retail channels.

#### 11 **4. Conventional Eggs Are a Commodity Product**

12 83. Conventional Eggs are considered a commodity product because they are  
13 highly interchangeable. The Conventional Eggs produced and tracked by Defendants are  
14 nearly identical in terms of quality, appearance, and use. This makes them fungible in the  
15 eyes of customers and indirect consumers. Government grading standards make all  
16 Conventional Eggs functionally equivalent.

17 84. As the U.S. Department of Justice has explained: “The more standardized a  
18 product is, the easier it is for competing firms to reach agreement on a common price  
19 structure.”<sup>14</sup>

20 85. Conventional Eggs are commodities that are reasonably interchangeable by  
21 consumers for the same purposes.

22 86. This is especially true in the market for Conventional Eggs, as many  
23 producers market their eggs under the same brands like Eggland’s Best, such that it is  
24 difficult for a consumer to determine which company actually produced the eggs.

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25  
26 <sup>14</sup> *Price Fixing, Bid Rigging, and Market Allocation Schemes: What They Are and What to Look For*, UNITED STATES  
27 DEPARTMENT OF JUSTICE: ANTITRUST DIVISION, <https://www.justice.gov/d9/pages/attachments/2016/01/05/211578.pdf> (last  
28 updated Feb. 2021).

1 87. As interchangeable commodity products, Conventional Eggs are  
 2 differentiated almost exclusively based on price.

3 **5. Conventional Egg Production is Dominated by Producer Defendants**  
 4 **and Consolidating**

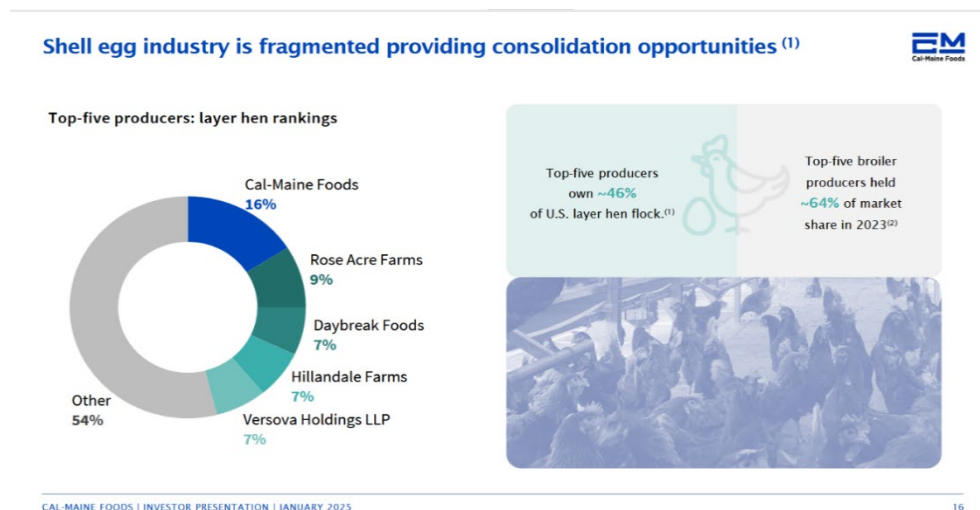
5 88. Producer Defendants are among the largest Conventional Egg producers in  
 6 the country.

7 89. In 1982, half of all egg-laying hens lived on farms with 62,000 hens or less.  
 8 By 2012, half of all hens lived on farms with 925,000 hens or more.

9 90. Egg production has been consolidating even more quickly in recent years,  
 10 making anticompetitive coordination easier. Between January 2023 and January 2025, the  
 11 top five egg producers' share of the U.S. layer hen flock grew from 37% to 46%.

12 91. In 2023 alone, Cal-Maine acquired Fassio Egg Farms, while Daybreak  
 13 Foods acquired Hen Haven LLC and Schipper Eggs LLC, and MPS Egg Farms (the  
 14 sixth-largest egg producer) acquired Country Charm Eggs.

15 92. Today, the largest Conventional Egg producer, Cal-Maine, has significantly  
 16 more hens than its next largest competitor and controls a large chunk of the market.



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 26 93. Cal-Maine, which is the only public company among the Producer  
 27 Defendants, is clear about its focus on a growth strategy through acquisition in its

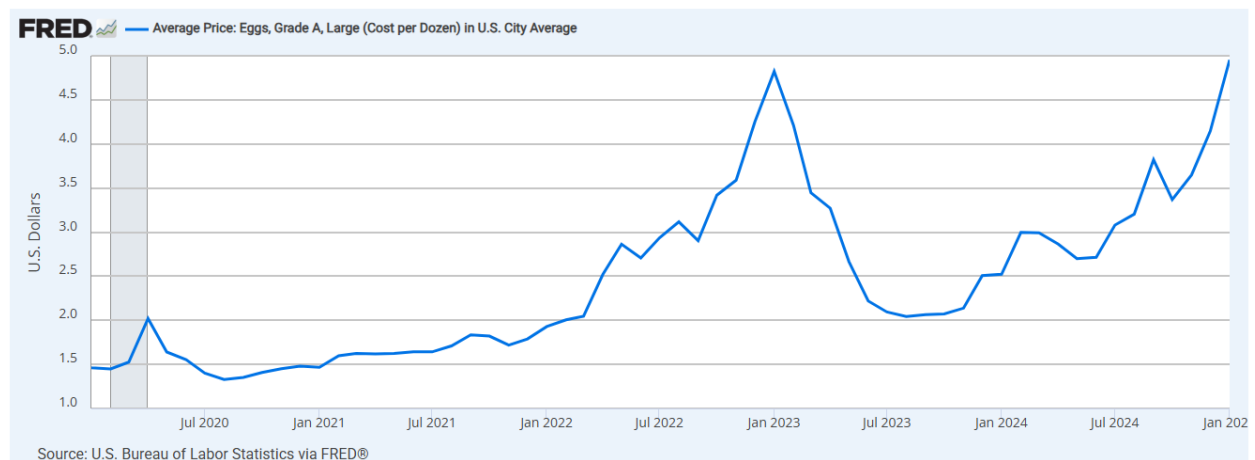
1 investor materials, emphasizing the importance of a “[s]teady flow of M&A  
2 opportunities.”<sup>15</sup>

3 94. Industry analysts expect consolidation to continue.

4 95. According to an industry publication, as of 2025, Cal-Maine had 50.61  
5 million layer hens, Rose Acre had 25.5 million, Daybreak had 23.3 million, Hillandale  
6 had 18.34 million, and Versova had more than 20 million.

### 7 **6. The Price of Conventional Eggs Has Skyrocketed Since 2022**

8 96. The wholesale price of Grade-A, Large, White, Shell Eggs surged from  
9 around \$0.50–\$1.30 per dozen in 2021 to \$1.50–\$5.00 per dozen in 2022. This represents  
10 a 200-285% increase.

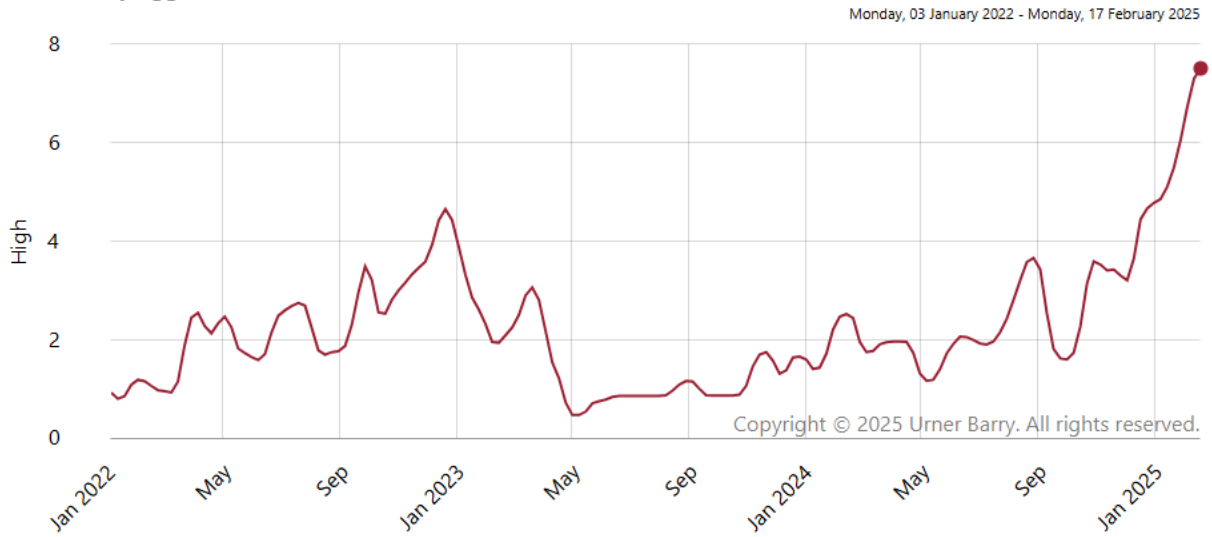


19 97. While there was a dip in 2023, prices began climbing again by August 2024,  
20 reaching \$3.00–\$6.00 per dozen by the end of the year.

21 98. The Urner Barry Egg Index, described below, reflects the same  
22 unprecedented trend.

26  
27 <sup>15</sup> Cal-Maine Foods, “Investor Presentation Q4 FY2025” (July 2025), available at [https://irp.cdn-website.com/79e86203/files/uploaded/CALM\\_FY25\\_2Q\\_Investor\\_Presentation\\_Accessible.pdf](https://irp.cdn-website.com/79e86203/files/uploaded/CALM_FY25_2Q_Investor_Presentation_Accessible.pdf).

Urner Barry Egg Index EBP



99. As of February of 2025, the national index of weekly prices for Grade-A, Large eggs had risen to \$7.00–\$9.00 per dozen. The national average cost of a dozen Large, white shell eggs was \$8.07. These are pricing levels that have never before been seen in the egg industry.

**7. Industrywide Conventional Egg Prices Are Set by “Formula Pricing” that Has Significant, Confidential Input from Producer Defendants**

100. The vast majority of Conventional Egg sales in the United States are made under contracts between egg producers and their customers, including retailers, distributors, and foodservice companies.

101. These contracts frequently use formula pricing, under which the price for each shipment or transaction is tied directly to an external benchmark quotation. Once the parties agree on the formula, contract prices fluctuate automatically with movements in the benchmark.

102. Formula pricing has long been recognized as a vulnerability in commodity markets. When a market is dominated by a small number of large producers and

1 transactions are tied to a single benchmark, producers have both the incentive and the  
2 ability to influence the benchmark price through coordinated changes in their conduct.

3 103. In the Conventional Egg market, formula prices are typically based on  
4 quotations issued by Urner Barry (now known as Expana). Urner Barry publishes daily  
5 benchmark assessments for shell eggs, including the Midwest Large quotation, which  
6 serves as the primary reference price for formula-priced transactions.

7 104. Urner Barry incorporates various sources of market information into its  
8 assessments, including data derived from the spot market operated by Egg Clearinghouse,  
9 Inc. (“ECI”), the sole venue for spot egg trading in the United States.

10 105. The spot egg market is atypical among agricultural commodities. Unlike  
11 markets for hogs, corn, wheat, soybeans, cattle, and nearly all other agricultural  
12 products—which have multiple trading venues and deep, competitive spot markets—the  
13 ECI spot market is the *only* national platform for spot egg transactions, and its pricing  
14 feeds directly into the Urner Barry benchmark. As a result, movements in ECI pricing  
15 have an outsized impact on the benchmark prices used in formula contracts throughout  
16 the industry.

17 **i. Egg Clearinghouse, Inc.**

18 106. ECI is the primary—if not the only—national spot market for eggs in the  
19 United States. For decades, ECI has functioned as the central venue for the limited  
20 number of spot transactions that occur in the shell egg industry, and it is widely  
21 recognized as the sole organized spot exchange for shell eggs nationwide.

22 107. ECI was established in or around 1971 after both the New York Mercantile  
23 Exchange and the Chicago Mercantile Exchange ceased egg trading due to declining  
24 volumes and persistent concerns over thin liquidity. With the closure of those exchanges,  
25 there was no centralized venue for discovering spot prices. ECI was created to fill that  
26 vacuum, providing a single platform through which producers and processors could post  
27 offers, solicit bids, and execute sporadic spot trades.

1           108. ECI was founded by Fred R. Adams Jr., the longtime chief executive of Cal-  
2 Maine. Since its formation, ECI’s governance has been dominated by egg-industry  
3 participants, including producers and processors with substantial commercial interests in  
4 egg pricing. Adams served on ECI’s board for many years, as did his successor at Cal-  
5 Maine, Adolphus Baker. This executive overlap has historically ensured that the nation’s  
6 largest egg producers maintained direct influence over the operation of the only spot  
7 market for eggs.

8           109. A 1978 market study analyzing ECI identified several structural features that  
9 made the exchange vulnerable to manipulation. It observed that ECI’s membership  
10 consisted primarily of producers and processors, many of whom shared an interest in  
11 achieving the “highest possible quotation” to increase profits.<sup>16</sup> The study further warned  
12 that members could “bid higher on ECI than current market conditions would warrant”  
13 and, because ECI’s volume represented “less than 1% of all eggs produced,” such bids  
14 could nevertheless elevate the benchmark prices used throughout the industry.<sup>17</sup> The  
15 study noted that ECI pricing was particularly susceptible to distortion because members  
16 could bid up prices “when there are no eggs offered without fear of receiving a load,”<sup>18</sup>  
17 allowing price increases to occur faster than justified by actual supply-and-demand  
18 conditions.

19           110. These vulnerabilities persist today. ECI conducts only a small number of  
20 trades relative to national egg production. Despite this thin volume, ECI acknowledges  
21 that its “trading levels . . . help determine prices on the wholesale level,”<sup>19</sup> and ECI’s  
22 posted trades are widely viewed as influential inputs into the Uner Barry assessments  
23 that form the basis for formula pricing across the industry.

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25 <sup>16</sup> Gene Newsom, *Egg Pricing in a Thin Market* at 52 (1978), available at  
26 <https://ageconsearch.umn.edu/record/303075?v=pdf>,

<sup>17</sup> *Id.* at 52-53.

<sup>18</sup> *Id.* at 53.

<sup>19</sup> Egg Clearinghouse, Inc., <https://www.eggs.org/> (last visited Apr. 15, 2026).

1           111. ECI operates a proprietary online auction platform in which registered  
2 members may post offers, place bids, and view trade results. Trading is conducted using a  
3 “blind bidding” process in which participants do not know one another’s identities until  
4 after a trade is executed. The exchange publishes summaries of completed trades,  
5 including price, quantity, and delivery region. Although ECI does not itself produce eggs,  
6 its auction results are treated as a key source of “price discovery” for the entire industry.

7           112. ECI’s board of directors continues to include executives from major egg  
8 producers. Current directors include Matt Arrowsmith of Cal-Maine, John Grominski of  
9 Hillandale, and Mike Bowman of Versova. Only ECI members—typically producers,  
10 processors, and certain institutional buyers—are permitted to trade. Because ECI is the  
11 industry’s only organized spot market and because its reported trades are incorporated  
12 into the Urner Barry Market, coordinated behavior among producers on or around the  
13 ECI exchange can have direct and immediate effects on benchmark egg prices throughout  
14 the United States.

15                           **ii. The Urner Barry Benchmark for Conventional Eggs**

16           113. Urner Barry, now part of Mintec’s Expana family of brands, publishes the  
17 benchmark price assessments used throughout the United States for Conventional Eggs.  
18 Urner Barry’s quotations are treated as the industry standard for evaluating wholesale  
19 market conditions and pricing Conventional Eggs in commercial transactions.

20           114. Urner Barry sells access to its pricing data through its proprietary platform  
21 COMTELL, which publishes daily benchmark quotations for several categories of shell  
22 eggs, including the Midwest Large Conventional Egg quotation, which is the most  
23 influential benchmark in the domestic market.

24           115. The Midwest Large Conventional Egg quotation is the dominant reference  
25 point in the industry because it serves as the base formula price in a substantial  
26 percentage of contracts between Conventional Egg producers and their customers. Once  
27

1 parties agree to a formula referencing Uner Barry's Midwest Large benchmark, the price  
2 for each shipment moves automatically with Uner Barry's daily assessments.

3 116. Uner Barry relies on two primary sources of information to generate its  
4 benchmark quotations for Conventional Eggs.

5 117. First, it incorporates quantitative trading data from ECI the industry's sole  
6 organized spot market for shell eggs. Uner Barry has described ECI trades as its only  
7 objective, numeric inputs for the Conventional Egg market. Uner Barry typically  
8 includes only those ECI trades involving egg producers with more than one million  
9 layers, because these transactions are viewed as more representative of commercial-scale  
10 Conventional Egg production. As a result, even a small number of ECI trades—if placed  
11 at elevated or depressed prices—can exert a material influence on Uner Barry's  
12 benchmark for Conventional Eggs.

13 118. Second, Uner Barry's Conventional Egg assessments are informed by  
14 qualitative, non-public information obtained directly from industry participants. These  
15 communications include private calls and discussions with major Conventional Egg  
16 producers, distributors, retailers, and foodservice buyers. Uner Barry gathers market  
17 sentiment, available volume, delivered pricing, and perceived tightness or looseness in  
18 supply from these participants.

19 119. Because these qualitative inputs depend heavily on what producers choose to  
20 report, the Producer Defendants possess significant influence over the benchmark.  
21 Through coordinated supply behavior or coordinated messaging about market conditions,  
22 the Defendants can shape the narrative that Uner Barry relies upon when forming its  
23 Conventional Egg assessments.

24 120. Uner Barry publishes its Conventional Egg quotations each business day,  
25 usually in the late afternoon. Information gathered after the release of a given day's  
26 report is incorporated into the following day's assessment.

1 121. The daily nature of Urner Barry’s process means that changes in ECI  
2 trading, reported availability, or producer-submitted information can affect benchmark  
3 prices for Conventional Eggs within twenty-four hours. This gives the Producer  
4 Defendants the practical ability to cause immediate increases or decreases in the  
5 benchmark price used in formula contracts throughout the market.

6 122. The Urner Barry benchmark for Conventional Eggs has an outsized impact  
7 on national egg prices because so many commercial transactions reference it directly.  
8 Even small movements in the Midwest Large benchmark can significantly increase  
9 purchasers’ total egg spend, and sustained upward movements translate into substantial  
10 overcharges across the industry.

11 123. As a result, the combination of a single spot market (ECI), limited  
12 quantitative price discovery, reliance on confidential producer reports, and widespread  
13 formula pricing makes the Conventional Egg market particularly vulnerable to  
14 coordinated supply restrictions and benchmark manipulation.

15 **B. Defendants’ Coordinated Scheme to Inflate the Price of Conventional Eggs**

16 124. Defendants’ scheme to raise and stabilize the price of Conventional Eggs  
17 operated through two coordinated components: (1) manipulating the benchmark price by  
18 supplying information to Urner Barry and trading on the Egg Clearinghouse, Inc. (“ECI”)  
19 spot market; and (2) restricting industry capacity to ensure that elevated benchmark  
20 prices persisted.

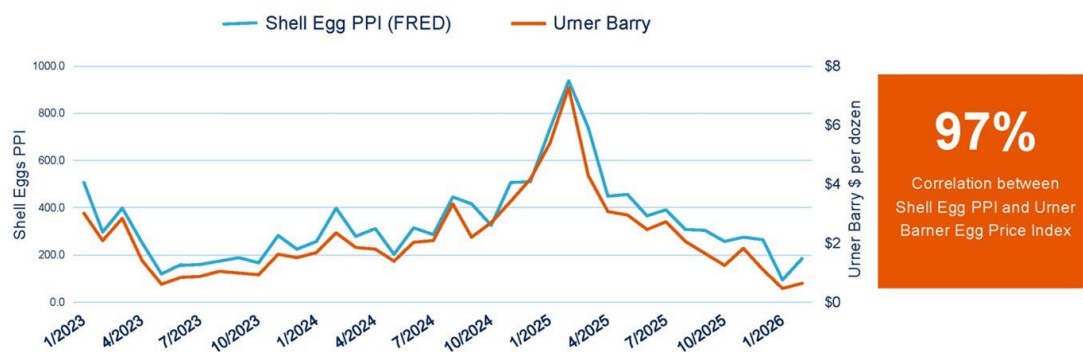
21 **1. Manipulation of the Urner Barry Benchmark**

22 125. The price of Conventional Eggs in the United States is determined largely by  
23 a single benchmark: the Urner Barry Midwest Large quotation. The Urner Barry  
24 benchmark serves as the base price in a substantial share of formula-priced contracts  
25 between producers and commercial buyers.

26 126. To evaluate the economic role of the Urner Barry benchmark, Plaintiffs  
27 retained an expert economist to conduct a quantitative analysis of the relationship  
28

1 between benchmark movements and observed egg prices. Using publicly available data,  
 2 the expert compared the Urner Barry benchmark to the Producer Price Index (“PPI”) for  
 3 shell eggs—a widely accepted, independent measure published by the Bureau of Labor  
 4 Statistics that tracks changes in prices received by producers over time.

### Urner Barry Benchmark and Market Price Correlation



127. Plaintiffs’ expert’s analysis demonstrates an extraordinarily tight statistical  
 relationship between the two series, with a correlation of approximately 97% over the  
 Class Period. In economic terms, this level of correlation indicates that the benchmark  
 operates as a centralized price-setting mechanism: when the benchmark rises or falls,  
 market prices move in lockstep. In a market structured around formula pricing,  
 coordinated influence over the benchmark therefore results in coordinated price increases  
 across the industry, regardless of underlying supply-and-demand conditions.

128. Due to its widespread adoption, movements in the Urner Barry benchmark  
 therefore affect the price of billions of Conventional Eggs sold nationwide.

1 129. No individual producer could elevate benchmark prices on its own. Because  
2 Producer Defendants collectively control a substantial portion of Conventional Egg  
3 production, the scheme required participation by the major producers.

4 130. It would not be rational for a producer acting independently to restrict output  
5 during a period of elevated prices. The uniform adoption of output-limiting practices by  
6 Defendants is inconsistent with independent conduct.

7 131. To generate its benchmark, Urner Barry collects non-public, confidential  
8 information from producers with more than one million hens, including through calls,  
9 interviews, electronic communications, and messaging.

10 132. Urner Barry also incorporates trading data from ECI, the only organized spot  
11 market for shell eggs in the United States. ECI trades are the only quantitative price  
12 inputs included directly in Urner Barry's Conventional Egg assessments.

13 133. Urner Barry does not require documentary verification for information  
14 submitted by producers. The identities of specific submitters and their submissions are  
15 not publicly disclosed.

16 134. Public officials have recognized the vulnerability of this system. As Senator  
17 Jack Reed observed, major producers "have the ability to feed data into the [Urner Barry]  
18 index that could result in beneficial pricing for the industry."<sup>20</sup>

19 135. Courts have likewise noted that benchmark systems relying on voluntary  
20 submissions by market participants are susceptible to coordinated influence. *See, e.g., In*  
21 *re LIBOR-Based Financial Instruments Antitrust Litigation*, 823 F.3d 759, 771 (2d Cir.  
22 2016).

23 136. Producer Defendants have significant input into the benchmark price  
24 through both their communications with Urner Barry and their trading activity on ECI.  
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26 <sup>20</sup> Press Release: "Reed: Industrial Egg Producers Price Hikes Are Suspiciously High & Federal Government Should Help  
27 Rein in Unfair Market Practices" (Feb. 6, 2023), [https://www.reed.senate.gov/news/releases/reed-industrial-egg-producers-  
price-hikes-are-suspiciously-high-and-federal-government-should-help-rein-in-unfair-market-practices](https://www.reed.senate.gov/news/releases/reed-industrial-egg-producers-price-hikes-are-suspiciously-high-and-federal-government-should-help-rein-in-unfair-market-practices).

1 Because many transactions reference the benchmark, Producer Defendants’ prices move  
2 together when the benchmark rises.

3 137. Concerns about the relationship between producers and Urner Barry are  
4 longstanding. In prior litigation involving broiler chickens, plaintiffs alleged that  
5 producers used a senior Urner Barry executive to communicate and enforce production  
6 limits that resulted in higher benchmark prices.

7 138. Industry observers have similarly noted that reliance on a single price-  
8 discovery mechanism can “amplify” price movements and make benchmark pricing  
9 susceptible to influence by large-volume producers.

10 139. The existence of a benchmark pricing system does not immunize  
11 coordinated price fixing. Where, as here, competitors jointly influence the benchmark,  
12 exchange forward-looking sensitive information, and simultaneously take supply-  
13 restricting actions to ensure the benchmark remains elevated, benchmark pricing is itself  
14 a mechanism for, not a defense to, collusion.

15 140. Producer Defendants also exert influence over ECI. They are among the  
16 most active buyers and sellers on ECI, and executives from several Producer Defendants  
17 serve on ECI’s board of directors.

18 141. ECI has several structural characteristics that make it susceptible to  
19 coordinated behavior, including a small number of sellers relative to buyers, limited  
20 trading volume, broad influence through incorporation into the benchmark, opacity, and  
21 the absence of futures-market oversight.

22 142. Producers have no obligation—and no economic incentive—to reflect true  
23 supply conditions or genuine competitive pricing in ECI bids or offers. Because ECI  
24 volume is thin and trades need not reflect meaningful commercial quantities, producers  
25 can use ECI strategically to influence benchmark prices at low cost.

26 143. **Low volume.** Sales on ECI represent approximately **5%** of total egg sales in  
27 the United States. This low volume makes ECI susceptible to manipulation because a few  
28

1 larger sellers, and a small number of trades, can create a significant shift in prices for the  
2 entire industry.

3       144. **Broad price influence via Urner Barry.** Despite representing only a small  
4 fraction of national volume, ECI prices are incorporated into the Urner Barry benchmark.  
5 As a result, influencing ECI pricing requires coordination on a relatively small number of  
6 trades, but because ECI pricing feeds directly into the benchmark, the effects extend to  
7 the broader market.

8       145. **Opacity.** ECI is described as “little known outside the industry.”<sup>21</sup> As *The*  
9 *Wall Street Journal* has observed, “Egg trading is unique. Prices for hogs, corn, wheat,  
10 soybeans, cattle and even boxes of frozen beef trade on markets run by CME Group. Few  
11 major food commodities rely on a little-known exchange service to determine their  
12 value.”<sup>22</sup> Only ECI members are permitted to trade. Within the platform, bids are blind,  
13 and buyers only learn the seller’s identity after a trade closes. The blind-bidding system  
14 and limited transparency make coordinated conduct difficult to detect.

15       146. **Lack of futures-market oversight.** Unlike other food-related  
16 commodities—including wheat, soybeans, pork, and cattle—Conventional Eggs do not  
17 trade on a regulated futures exchange such as the CME. The absence of a futures market  
18 means there is no participation by financial intermediaries and no oversight by the  
19 Commodity Futures Trading Commission (“CFTC”). As one Bloomberg commentator  
20 noted, “There aren’t any egg futures, and only 5% of eggs trade on a specialized spot  
21 market, the Egg Clearinghouse, Inc. This is an important reason for the wild price swings  
22 and market dislocations.”<sup>23</sup> Futures markets provide capital, transparency, and regulatory  
23 scrutiny. Without CFTC oversight, ECI prices are more vulnerable to manipulation.

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26 <sup>21</sup> Patrick Thomas, *At the ‘Wall Street of Eggs,’ Demand Is Surging*, Wall Street J. (Feb. 19, 2025),  
<https://www.wsj.com/business/retail/egg-industry-prices-shortage-clearinghouse-54435e03>.

27 <sup>22</sup> *Id.*

28 <sup>23</sup> Aaron Brown, *Computing Power Is Going the Way of Oil Markets*, Bloomberg (Feb. 24, 2025),  
<https://www.bloomberg.com/opinion/articles/2025-02-24/computing-power-is-going-the-way-of-oil-in-markets>.

1 147. Because the benchmark price for Conventional Eggs depends heavily on  
2 ECI trades and producer submissions, and because Defendants collectively dominate both  
3 channels, Defendants have the ability to influence the benchmark directly.

4 148. The combination of a single benchmark, limited quantitative price discovery,  
5 confidential producer submissions, and concentrated trading activity on ECI makes  
6 benchmark prices for Conventional Eggs particularly vulnerable to coordinated conduct  
7 by Defendants.

8 **2. Restriction of Industry Capacity to Ensure that Elevated Prices**  
9 **Persisted**

10 149. In addition to influencing the benchmark pricing mechanism, Defendants  
11 also restricted production capacity to ensure that elevated prices for Conventional Eggs  
12 persisted.

13 150. Defendants have long known that capacity and price are closely linked. In  
14 prior antitrust litigation involving many of these same producers, evidence showed that  
15 they had previously coordinated to reduce supply in order to raise prices.

16 151. During the Class Period, Producer Defendants again restricted supply  
17 through multiple mechanisms, including changes in cage-space allowances and the  
18 manipulation of production schedules.

19 152. Each Producer Defendant participated in actions that reduced domestic egg  
20 supplies from 2022 to the present, with the effect of fixing, raising, maintaining, or  
21 stabilizing the price of shell eggs and egg products.

22 153. Industry participants publicly attributed elevated prices to supply shortages  
23 caused by HPAI (avian flu). For example, the CEO of the American Egg Board stated  
24 that high prices were the direct result of “very, very tight supply and consistently high  
25 demand.”<sup>24</sup>

26  
27 <sup>24</sup> Jenny Ahn et al., *Cracking Big Egg: Why the Industry’s Narrative Doesn’t Add Up*, Hunterbrook (Mar. 6, 2025),  
<https://hntbrk.com/big-egg/>

1 154. However, available data is inconsistent with the industry’s explanation.

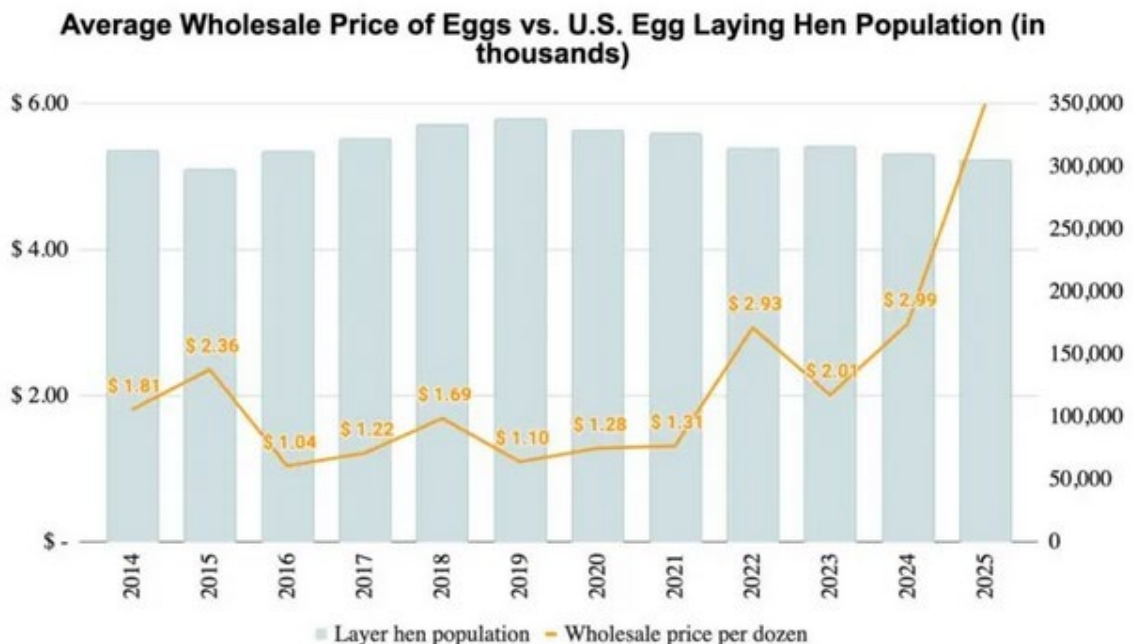
2 155. The United States experienced a significant avian flu outbreak in 2015,  
 3 during which 43 million hens were lost. The reduction in flock size since 2022 mirrors  
 4 the decline seen in 2015, but prices have increased more than three times as much per hen  
 5 lost compared to the earlier outbreak.

6 156. Over the past three years, egg prices have risen at levels far exceeding the  
 7 reductions in domestic supply.

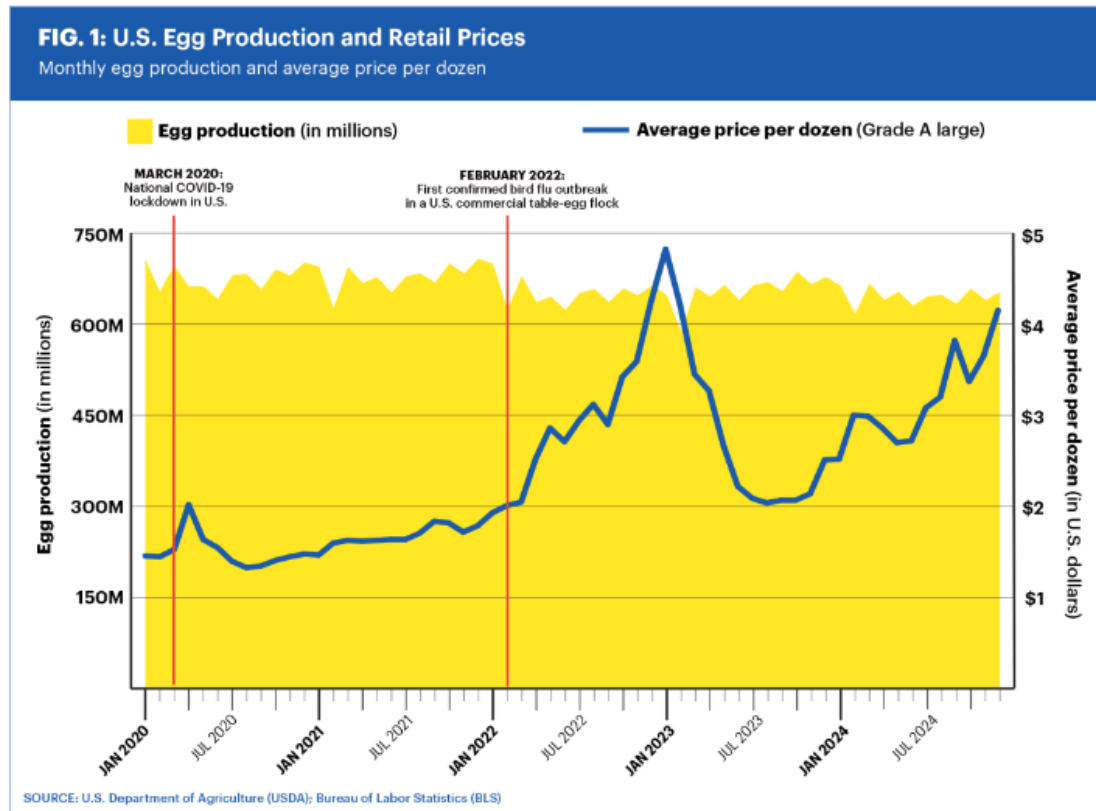
8 157. According to USDA data analyzed by Farm Action, the average U.S. egg-  
 9 laying flock was only 3.82% smaller in 2022, 3.16% smaller in 2023, and 5.18% smaller  
 10 in 2024 compared to the same months in 2021.

11 158. For example, Cal-Maine lost approximately 3.7 million hens to avian flu in  
 12 late 2023 and early 2024, but added 8 million hens by November 2024—resulting in a  
 13 flock of 60.1 million hens, 15% larger than before 2022.

14 159. As depicted below, the egg laying hen population has remained relatively  
 15 steady throughout the last decade, however prices have only spiked during the Class  
 16 Period.

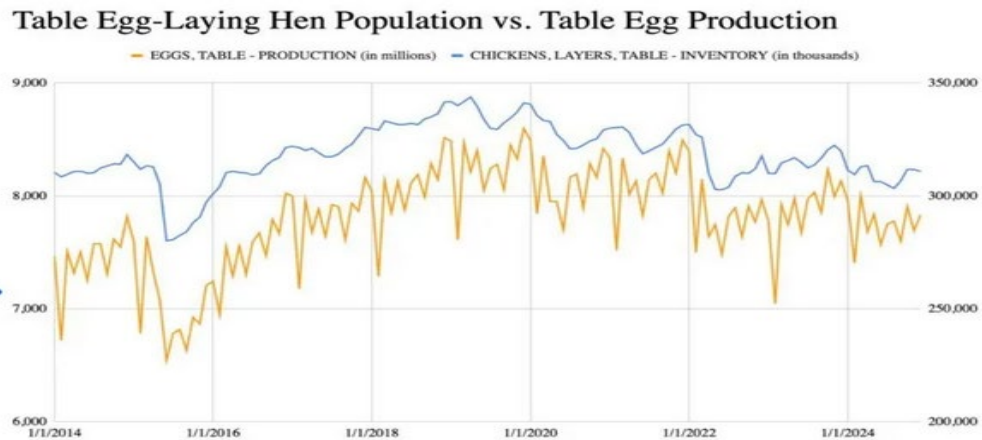


1 160. Additionally, the chart below focuses on the last five years; it shows that egg  
 2 prices have surged dramatically, far outpacing minor reductions in supply.



17 161. The actual decline in domestic supply was even smaller than flock  
 18 reductions indicated, due to decreased egg exports and an increase in the laying rate per  
 19 hen.

20 162. Adjusting for these factors, the effective reduction in supply in 2022 was  
 21 approximately 3.5 million hens—about 1% of the national flock—according to a  
 22 presentation by a USDA-sponsored researcher in 2023, as depicted below.



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163. Egg production per hen has improved significantly since 2022, indicating that the losses in hens have had a disproportionately smaller impact on the egg supply compared to previous years, as evidenced by the narrowing gap between the two trend lines.

164. Egg production per hen improved significantly during this period, narrowing the gap between flock size and production and mitigating the effect of hen losses on total supply.

165. Nonetheless, national average wholesale egg prices rose 127% in 2022, 54.6% in 2023, and 127.7% in 2024, according to an analysis by Hunterbrook of USDA data.

166. These figures indicate price increases of 33% for every 1% reduction in supply in 2022, 17% per 1% reduction in 2023, and 25% per 1% reduction in 2024.

167. On average, these rates exceed by more than threefold the price response observed in 2015, when prices rose by 7.16% for each 1% reduction in hens. That earlier rate was consistent with the commonly assumed price elasticity of egg demand.

168. The price increase in the United States also exceeded those in Europe, which lost 50 million hens to HPAI between 2022 and 2023. European egg prices rose approximately 30% during this period, compared to nearly 170% in the United States.

1 169. Other industry participants stated that they “do not see the supply and  
2 demand numbers that justify the prices being charged.”<sup>25</sup>

3 170. CNBC reported that, during the 2015 outbreak, wholesale egg prices rose  
4 6% to 8% for every 1% decline in hens. By contrast, from 2022 onward, prices increased  
5 approximately 15% for every 1% decline.

6 171. These data indicate that claims of an unprecedented shortage are overstated.

7 172. Meanwhile, egg producers’ profits increased sharply. Cal-Maine, the largest  
8 U.S. producer, reported annual gross profits three to six times higher than before the  
9 outbreak, exceeding \$1 billion for the first time.

10 173. Historically, producers have responded to HPAI outbreaks by rapidly  
11 rebuilding and expanding their flocks, which tempered price increases and returned prices  
12 to pre-epidemic levels.

13 174. As Cal-Maine stated in its 2007 Annual Report, periods of high profitability  
14 traditionally led producers to increase capacity, which in turn lowered prices.

15 175. After the 2015 outbreak, producers raised 15.3 million more pullets in 2015  
16 than in 2014, and added another 8 million in 2016. From July 2015 to February 2016,  
17 they added an average of 4.15 million adult hens per month, replacing nearly all lost hens  
18 within seven months.

19 176. As a result, average wholesale prices in 2015 were only 40% higher than the  
20 prior year and returned to pre-outbreak levels by early 2016.

21 177. During the present outbreak, however, producers have maintained a  
22 persistent deficit in egg-laying capacity. From 2022 to 2024, producers added between 5  
23 million and 20 million fewer pullets annually than they did in 2021.

24  
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26  
27 <sup>25</sup> Jenny Ahn et al., *Cracking Big Egg: Why the Industry’s Narrative Doesn’t Add Up*, Hunterbrook (Mar. 6, 2025),  
<https://hntbrk.com/big-egg/>.

1 178. USDA reports in late 2022 and early 2023 noted producers’ “cautious  
2 approach to expanding production” despite record-high wholesale prices.<sup>26</sup>

3 **a) Producer Defendants have elected to collectively limit capacity**  
4 **since 2022**

5 179. Upon information and belief, dominant egg producers have consciously  
6 declined to replenish their flocks as quickly as they could have and have elected not to  
7 repopulate their flocks back to pre-avian flu levels.

8 180. A 2024 analyst report stated: “We suspect that producers have continued  
9 making the needed supply cuts in order to balance the market.”<sup>27</sup>

10 181. Even when the Producer Defendants have repopulated, they have been  
11 careful to exercise prudence in increasing capacity.

12 182. For example, Producer Defendants have utilized animal welfare cage space  
13 allowances to implement their long-term capacity restriction scheme, much like they did  
14 in the past, as detailed below. When Producer Defendants do repopulate their flocks, they  
15 have used the opportunity to transition from 67 square inch cages to 144 square inch  
16 cages, which causes a drop in total capacity. Producer Defendants agreed to claim in  
17 public that the purpose of the program was for “animal husbandry.” Privately, however,  
18 Producer Defendants acknowledged and discussed the fact that the program was  
19 conceived and intended to be one way for the industry to jointly reduce chick hatch given  
20 the supply problems that often plagued egg producers. This is some of the exact same  
21 conduct that several of the Defendants were found guilty of in the past.

22 183. Yet another way that Producer Defendants stifled capacity was by deciding  
23 not to utilize idle facilities. These facilities stood unused prior to 2022, when the egg  
24 market was not as profitable as it is today. Despite demand for eggs surging since 2022,  
25 many of those facilities still stand idle today.

26 <sup>26</sup> U.S. Dep’t of Agriculture, “Livestock, Dairy, and Poultry Outlook: January 2023” at 26 (Jan. 19, 2023), available at  
27 <https://esmis.nal.usda.gov/sites/default/release-files/g445cd121/gx41nx08z/hh63v522z/LDP-M-343.pdf>.

28 <sup>27</sup> Stephens, Industry Note (Jan. 25, 2024).

1 184. Further, egg producers are able to withhold eggs during periods of low  
2 prices and release them when prices rise, due to cold storage. This is another mechanism  
3 for managing capacity.

4 **b) Although the industry was better prepared for avian flu than it**  
5 **was during the last avian flu epidemic, capacity has recovered**  
6 **more slowly**

7 185. During the last avian flu epidemic (2014-2015), producers lost and replaced  
8 over 35 million hens, executing a full recovery from the impact of HPAI cullings on the  
9 national flock within eight months. In contrast, during the current avian flu epidemic, the  
10 egg-laying flock has yet to return to its pre-epidemic size of around 330 million hens. In  
11 2023 and 2024, flock size fluctuated between 310 and 320 million hens before falling  
12 into the 300–310 million range in 2024. This is because—unlike in 2015—the egg  
13 industry has failed to meaningfully expand the number of fertilized eggs placed in  
14 incubators and the number of chicks hatched, keeping the supply of new egg-laying hens  
15 more or less stagnant.

16 186. Further, this time around there appears to be a remarkable unwillingness  
17 among large egg producers to invest in the internal reconstruction or expansion of their  
18 egg-laying flocks in response to persistently high prices.

19 187. This is despite the fact that the industry was better prepared for avian flu  
20 than it was in 2015, as the USDA and producers learned from the prior outbreak. This  
21 experience should have allowed egg producers to bounce back more quickly.

22 188. Moreover, the average age of the domestic laying flock has fallen from 2022  
23 to the present. According to multiple sources, the current U.S. flock is much younger than  
24 normal, and therefore more highly producing.

25 189. In short, evidence indicates that Producer Defendants colluded to not add  
26 capacity or make up for lost hens as part of their scheme to restrict output and fix and  
27 raise prices industrywide.

1 190. Producer Defendants' reluctance to expand capacity despite being able to  
2 sell at record high prices is economically irrational for a Defendant acting in its  
3 independent self-interest. The imposition of supply restrictions when prices are at record  
4 levels only makes sense if Defendants are agreeing with one another to restrict supply in  
5 order to maintain prices at record highs.

6 **C. Soaring Egg Prices Cannot Be Explained by Market Conditions**

7 191. Industry participants have attributed the recent surge in prices for  
8 Conventional Eggs to external factors such as increased demand, increases in input costs,  
9 or outbreaks of HPAI. However, taken together, demand trends, input costs, and supply  
10 constraints attributed to HPAI outbreaks do not explain the sustained increase in  
11 benchmark prices for Conventional Eggs during the Class Period.

12 192. Public sources and Plaintiffs' expert economist's analyses confirm that  
13 market conditions do not explain the elevated prices of Conventional Eggs observed since  
14 2022.

15 193. Likewise, as explained above, the impact of avian flu on the domestic supply  
16 of Conventional Eggs was limited relative to prior outbreaks and cannot account for the  
17 magnitude or duration of recent price increases.

18 194. Rather, the price of Conventional Eggs rose far more sharply and for a  
19 longer duration than would be expected under competitive conditions given observed  
20 supply and cost trends.

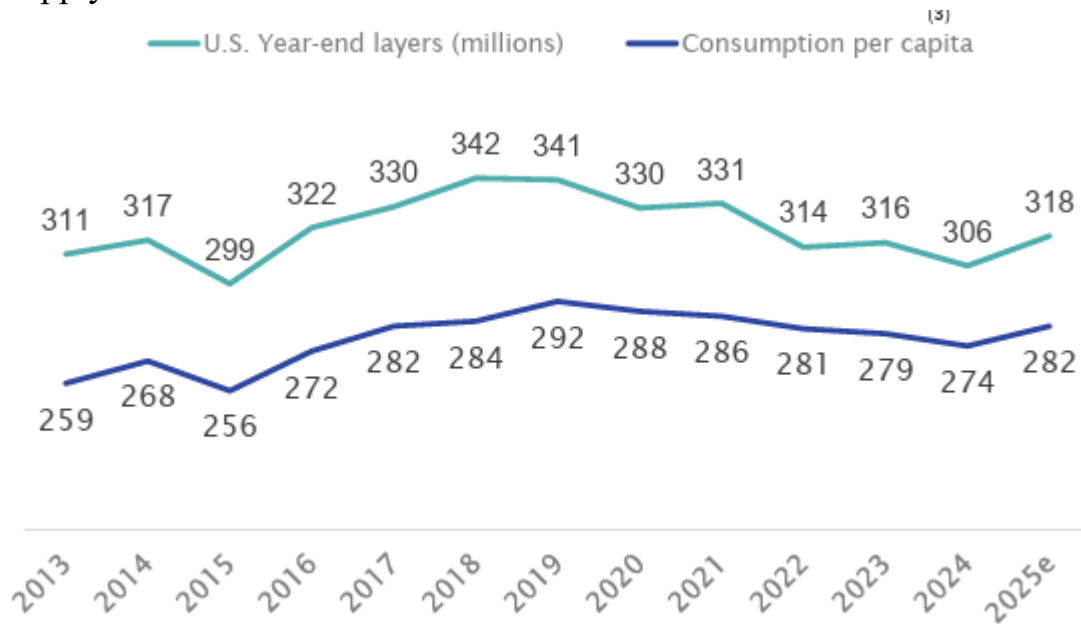
21 195. The divergence between market conditions and observed prices is consistent  
22 with coordinated conduct to restrict capacity and influence benchmark pricing rather than  
23 with independent, competitive decision-making by producers.

24 **1. Demand Conditions Do Not Explain Elevated Conventional Egg Prices**

25 196. The demand for Conventional Eggs is relatively inelastic. Consumers  
26 generally purchase similar quantities of eggs regardless of price because eggs are a staple  
27 food without close substitutes.

1 197. Egg consumption in the United States has remained stable over time. There  
 2 is no evidence of a structural increase in demand that would account for sustained  
 3 increases in the benchmark price of Conventional Eggs.

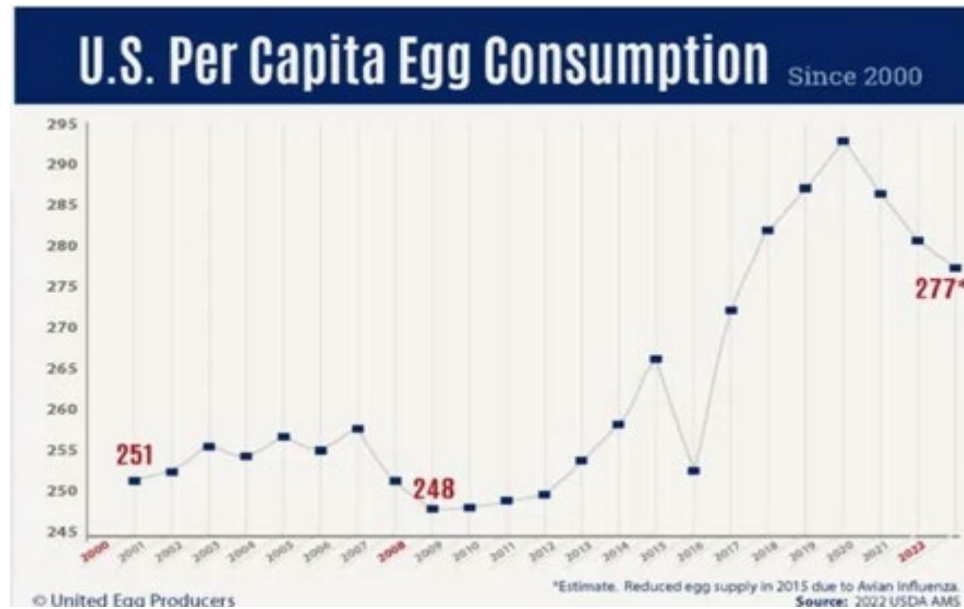
4 198. As shown in the graph created by Cal-Maine below, demand for eggs today  
 5 is *lower* today than it was in 2019, and that demand has moved largely in parallel with the  
 6 trend in supply.



17 199. The same graph shows that supply conditions during the 2015 HPAI  
 18 outbreak were more severe—layer-hen numbers dipped further than at any point between  
 19 2022 and 2024—but prices did not experience increases comparable to those observed  
 20 during the Class Period.

21 200. Per capita production of eggs has remained above per capita consumption in  
 22 every year from 2022 to the present.

23 201. A chart compiled by United Egg Producers, the leading industry trade  
 24 association, shows a decline in per capita egg consumption since 2019.



11 202. The available data indicate that demand for Conventional Eggs has not  
12 increased and therefore cannot explain the observed elevation in benchmark prices.

13 **2. Production Costs Do Not Explain Elevated Conventional Egg Prices**

14 203. Egg producers have publicly stated that increases in the price of feed,  
15 energy, and other inputs have contributed to higher prices for Conventional Eggs.  
16 However, cost data do not support these claims.

17 204. The Egg Industry Center reported that the cost of egg production increased  
18 by approximately 15% from 2021 to 2022. Cal-Maine's 2022 financial statements  
19 similarly reported that farm production and feed costs rose by 22% compared to 2021.

20 205. During the same period, the wholesale price for a dozen large Grade A  
21 Conventional Eggs increased from \$1.788 in December 2021 to \$4.250 in December  
22 2022—an increase of 138%.

23 206. Chicken feed is the most significant input cost in the production of  
24 Conventional Eggs. Cal-Maine's Form 10-K for fiscal 2024 reported that feed  
25 represented 56.0% of its farm production costs, while other sources have reported that it  
26 represents as much as 60-70%.

207. Yet, the relative stability of feed prices compared to the increase in Conventional Egg prices suggests that Conventional Egg price increases during the Class Period was more likely the product of Defendants’ collusion than any increase in feed costs.

208. Plaintiffs’ expert economist analyzed this relationship using publicly available, authoritative data sources, including time-series data from the Federal Reserve Economic Data (“FRED”) database maintained by the Federal Reserve Bank of St. Louis, as well as Bureau of Labor Statistics price indices. These sources are widely relied upon by economists, regulators, and courts for empirical economic analysis. Using these data, the expert evaluated the relationship between feed costs and Conventional Egg prices over time and found that movements in feed costs do not explain the observed pricing behavior during the Class Period. The analysis demonstrates that Conventional Egg prices increased independently of, and far in excess of, any justification based on the cost of chicken feed.



1 209. The disconnect between chicken feed input costs and market prices is  
 2 economically significant. Because chicken feed represents a critical marginal cost of  
 3 production, the failure of egg prices to track feed costs indicates that prices were not  
 4 being set through competitive forces. Instead, the sustained elevation of prices in the  
 5 absence of similarly elevated costs is consistent with coordinated conduct to fix, raise,  
 6 and maintain prices above competitive levels.

7 210. While Defendants have also pretextually justified their Conventional Egg  
 8 prices by citing energy costs—a substantially less significant input cost than feed—  
 9 energy costs appear entirely detached to Conventional Egg prices and have actually  
 10 decreased during the Class Period. As the below graph demonstrates, natural gas and  
 11 liquid propane experience substantial price drops throughout 2022 and 2023 at the same  
 12 time that shell egg prices spiked:



1 211. A senior executive at a large egg producer that did not adopt the significant  
2 price increases at issue stated: “I don’t see anything in my cost structure that would have  
3 led me to raise our prices by as much as you’re reporting.”<sup>28</sup>

4 212. Increases in production costs, whether in feed, energy, or other inputs,  
5 cannot account for the magnitude or persistence of the elevated benchmark price for  
6 Conventional Eggs.

7 213. Nor did the unprecedented increases in benchmark prices translate into  
8 increased compensation for contract growers or farmers. Public reporting and industry  
9 disclosures show that grower pay remained flat or changed only modestly during the  
10 Class Period, even as benchmark prices and producer profits surged to historic highs.  
11 This disconnect between skyrocketing wholesale prices and stagnant grower  
12 compensation further undermines producers’ claims that higher prices were driven by  
13 increased farm-level costs.

14 **3. There Have Been No Material Constraints on Rebuilding Additional**  
15 **Capacity**

16 214. The industry has also suggested that limited availability of chicks or other  
17 inputs prevented producers from restoring capacity quickly. Available evidence does not  
18 support this assertion.

19 215. Producers with internal breeding operations can generally repopulate egg  
20 production facilities within a matter of months after an HPAI-related depopulation.

21 216. Producers that rely on external suppliers of pullets likewise faced no  
22 material constraints. There is no indication that producers had difficulty sourcing day-old  
23 chicks necessary for flock rebuilding.

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24  
25  
26  
27 <sup>28</sup> Brooke DiPalma, *Vital Farms Raised Egg Prices “Reluctantly and in Small Amounts”*: CEO, Yahoo! Finance (Jan. 28,  
2023), <https://finance.yahoo.com/news/vital-farms-raised-egg-prices-reluctantly-and-in-small-amounts-ceo-132140110.html>.

1 217. The industry’s ability to rebuild rapidly after the 2014–2015 outbreak  
2 demonstrates the absence of structural barriers to restoring supply. During that period,  
3 producers replaced more than 35 million hens and fully recovered within eight months.

4 218. The slower recovery following the 2022–2024 HPAI outbreaks is therefore  
5 inconsistent with prior industry behavior and cannot be explained by physical or  
6 logistical constraints.

7 219. These facts indicate that producers could have restored the supply of  
8 Conventional Eggs more quickly than they did and that the pace of rebuilding reflects  
9 deliberate decisions not to expand capacity.

10 **4. HPAI Outbreaks Do Not Explain Inflated Conventional Egg Prices**

11 220. Although the defendant egg producers have attributed soaring egg prices to  
12 HPAI outbreaks, publicly available data suggests that avian flu does not credibly account  
13 for the scale of the price increases consumers experienced since 2022.

14 221. As explained above in Section V.B.2, USDA figures show that the U.S.  
15 layer flock shrank by only a few percentage points annually relative to 2021, with the  
16 effective net reduction in 2022 amounting to roughly 1%, yet shell egg prices surged by  
17 127% that same year. By contrast, the 2014–2015 avian flu outbreak killed a comparable  
18 number of hens, and shell egg price increases were three to four times smaller. Moreover,  
19 the roughly 144 million hens lost since 2022 were culled gradually over more than three  
20 years, substantially blunting the cumulative supply impact.

21 222. The disconnect between HPAI outbreaks and Conventional Egg prices is  
22 further demonstrated by comparison to Europe, which lost even more layer hens than the  
23 United States in 2022, and still saw egg prices rise only about 30%.

24 223. Further, HPAI outbreaks during the Class Period were geographically  
25 concentrated in specific states and regions, yet benchmark prices increased uniformly  
26 nationwide. For example, within the U.S., the Southeast—which had no confirmed HPAI  
27 cases in commercial egg facilities through late 2024 and actually increased production  
28

1 during that time—nonetheless experienced price spikes rivaling those in outbreak-  
2 affected regions.

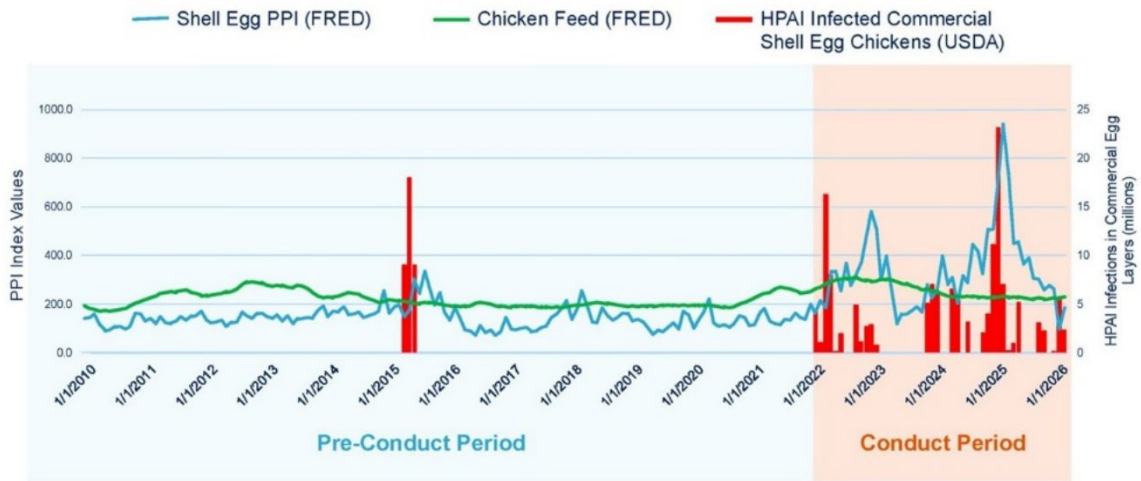
3 224. Historical data show that regionalized outbreaks do not produce national  
4 price spikes of this magnitude under competitive conditions. The disconnect between  
5 localized flock losses and nationwide price surges further indicates that benchmark  
6 pricing reflected coordinated behavior rather than actual disease impacts.

7 **5. Economic Analysis Shows that the Spike in Egg Prices is Attributable to**  
8 **Defendants' Conduct, and not Rising Feed Prices or Avian Flu**  
9 **Infections**

10 225. Plaintiffs' preliminary economic analysis, based on available data, debunks  
11 the Producer Defendants' claims that egg price hikes are attributable to market  
12 conditions, including avian flu.

13 226. Plaintiffs' expert economist conducted a formal econometric analysis to  
14 evaluate whether observed increases in Conventional Egg prices can be explained by  
15 fundamental market factors, including input costs and supply disruptions. Using publicly  
16 available, reliable datasets—including Bureau of Labor Statistics PPI data, USDA data  
17 on HPAI infections among commercial egg-laying flocks, and FRED time series data—  
18 the expert analyzed the relationship between chicken feed costs, HPAI-related supply  
19 shocks, and shell egg prices over time. The resulting regression analysis demonstrates  
20 that neither fluctuations in feed costs nor HPAI-related supply disruptions fully account  
21 for the magnitude or timing of the dramatic increases in Conventional Egg prices  
22 observed during the Class Period. Instead, the analysis reveals a substantial and persistent  
23 portion of egg price increases that cannot be explained by these fundamental economic  
24 drivers. In economic terms, this unexplained residual reflects price movements that are  
25 untethered from competitive market conditions. Plaintiffs' economist concludes that  
26 Plaintiffs and members of the Class paid prices significantly above competitive levels—  
27 *i.e.*, supracompetitive prices—during the alleged conspiracy period.  
28

### Avian Flu Outbreaks Do Not Fully Explain the Egg Price Spikes

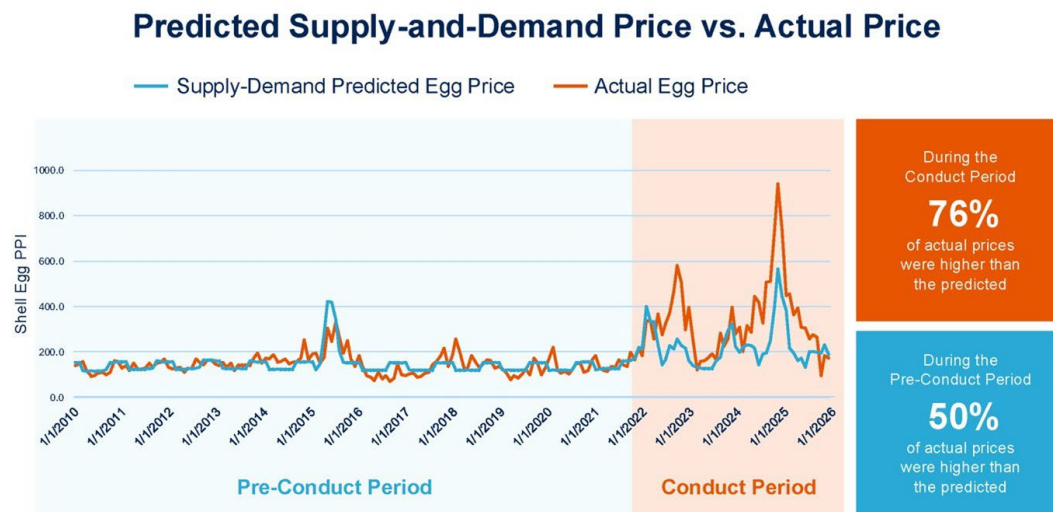


227. To ensure the robustness of these findings, the expert employed a multiple regression framework incorporating control variables for (1) chicken feed costs, (2) HPAI-related supply impacts, (3) demand conditions, and (4) seasonal pricing patterns historically observed in agricultural commodity markets. The model also included indicator (dummy) variables to isolate the period of the alleged conspiracy and measure its independent effect on prices. After accounting for these factors, the analysis finds that egg prices during the Class Period were significantly higher than predicted by the model, with the unexplained increase both economically large and statistically significant.

228. The results of this analysis are consistent with coordinated conduct and reveal a systematic shift in pricing behavior during the Class Period. In the pre-conspiracy period, actual egg prices were distributed symmetrically around the model’s predicted competitive benchmark—approximately half of observed prices fell above the predicted level and half fell below it, as would be expected in a competitive market with normal variation.

229. During the Class Period, however, this distribution shifted markedly. Approximately 76% of observed prices exceeded the model’s predicted values, indicating

1 that actual prices were persistently and disproportionately higher than would be expected  
 2 based on fundamental market factors. This pronounced skew—where actual prices  
 3 consistently exceed predicted competitive levels—demonstrates that prices were not  
 4 fluctuating randomly around equilibrium, but instead were systematically elevated above  
 5 it.



16 230. Such a sustained and asymmetric divergence from predicted prices is  
 17 inconsistent with competitive market dynamics and is indicative of supracompetitive  
 18 pricing. The accompanying charts illustrate this shift, showing that while the model  
 19 accurately tracks price variation in the pre-conspiracy period, it consistently  
 20 underpredicts prices during the Class Period—reflecting the presence of an external  
 21 force, namely Defendants’ coordinated conduct, driving prices above competitive levels.

22 **D. The Structure and Characteristics of the Conventional Egg Market Make the**  
 23 **Conspiracy Economically Plausible**

24 **1. The Market for Conventional Eggs Is Vertically Integrated**

25 231. The industry producing Conventional Eggs is highly vertically integrated.  
 26 Producers control nearly all stages of production, including chick hatching, pullet rearing,  
 27 feeding, housing, flock management, egg processing, packaging, and marketing.

1 232. Producers that hatch their own chicks, such as Cal-Maine, can adjust output  
2 more precisely to capacity and demand conditions. Vertical integration places effective  
3 control of supply, and thus potential output, entirely in producers' hands.

4 233. Large, vertically integrated producers also maintain control over activities  
5 that require specialized resources, such as biosecurity cleaning following avian flu  
6 outbreaks, which further enhances their ability to regulate production levels and timing.

## 7 **2. Demand for Conventional Eggs Is Inelastic and Has Not Increased**

8 234. As described above, the demand for Conventional Eggs is relatively  
9 inelastic. Consumers purchase similar quantities of eggs regardless of price because eggs  
10 are a staple food.

11 235. Eggs have no close substitutes for consumers or industrial users. According  
12 to the American Egg Board, eggs possess unique nutritional and functional attributes that  
13 are not replicated by a single alternative ingredient.

14 236. Eggs provide more than twenty functional benefits in food preparation—  
15 including adhesion, emulsification, browning, leavening, and flavor—making  
16 substitution difficult for manufacturers and foodservice operators.

17 237. Consumers also have limited ability to substitute toward other proteins given  
18 the historically large price gap between eggs and alternative sources such as meat.

19 238. As a result, the inelasticity of demand limits competitive pressures and  
20 increases the incentive and feasibility of coordinated conduct.

## 21 **3. The Market for Conventional Eggs Has Experienced Significant Consolidation**

22 239. The industry has consolidated significantly in recent years. In a span of 24  
23 months, the top five producers' share of the U.S. layer-hen flock increased from 37% to  
24 46%.

1 240. In addition to formal consolidation, producers engage in de facto  
2 consolidation through arrangements such as co-packing, contract production, and  
3 marketing agreements that give them practical control over smaller firms' output.

4 241. Producers also market eggs jointly under brands such as Egglard's Best.  
5 These arrangements can involve the sharing of confidential business information related  
6 to production and pricing.

7 **4. Defendants Had Numerous Opportunities for Communication and**  
8 **Exchange of Information**

9 242. Trade associations such as United Egg Producers ("UEP") and United States  
10 Egg Marketers ("USEM") hold regular meetings, conferences, and committees where  
11 producers can interact in person.

12 243. Urner Barry hosts an annual Executive Conference that includes roundtables  
13 with market reporters and discussions on "market developments impacting pricing."<sup>29</sup>  
14 Urner Barry markets these events as opportunities to form close industry relationships.

15 244. Defendants also engage in business dealings with one another, including  
16 selling feed, sharing logistics services, and participating in joint ventures. These  
17 arrangements can result in the exchange of operational information among producers.

18 245. Defendants also rely on a small group of financial institutions for debt  
19 financing and acquisition-related services. These institutions gain access to detailed  
20 confidential information about producers' operations, providing another channel through  
21 which information can circulate.

22 **5. High Barriers to Entry Facilitate Coordination**

23 246. Entry into the production of Conventional Eggs requires substantial capital  
24 investment, including the construction of laying barns, pullet houses, processing  
25

26  
27 <sup>29</sup> Urner Barry, "UB Executive Conference Tentative Schedule: May 1-3, 2022, Bellagio, Las Vegas," available at  
[https://www.urnerbarry.com/PDF/events/exec/Exec2022\\_Tentative\\_Schedule\\_20220407.pdf](https://www.urnerbarry.com/PDF/events/exec/Exec2022_Tentative_Schedule_20220407.pdf) (last visited Apr. 15, 2026).

1 facilities, feed mills, and distribution infrastructure. Additional barriers include securing  
2 regulatory approvals, specialized equipment, and experienced management and labor.

3 247. These barriers have limited entry. Each of the major producers has been in  
4 the business for at least three decades, and Versova is a holding company for long-  
5 standing producers.

6 248. High barriers to entry reduce the likelihood that new competitors will  
7 undermine supracompetitive prices, making coordinated conduct more stable.

### 8 **6. Producers Have Similar Cost Structures**

9 249. Producers of Conventional Eggs have similar cost structures due to the  
10 standardized nature of industrial egg production. Producers use similar aviary equipment,  
11 pullet systems, layer houses, and processing technology.

12 250. The limited number of suppliers of hatchery, aviary, and processing  
13 equipment further contributes to similarities in production methods and costs across  
14 producers.

15 251. Similar cost structures make coordinated pricing strategies more feasible  
16 because producers face comparable economic constraints and incentives.

### 17 **E. Defendants' Collusion Has Led to Unprecedented Profits**

18 252. During the Class Period, dominant producers of Conventional Eggs achieved  
19 profit margins substantially higher than historical norms and sustained these margins over  
20 multiple years.

21 253. Although early industry forecasts suggested that producers would face  
22 financial losses due to avian flu, producers instead reported exceptional profitability.

23 254. Cal-Maine's net income rose from \$133 million in 2022 to \$758 million in  
24 2023, nearly tripling the highest annual net income previously reported in its history. Cal-  
25 Maine reported that revenue for the quarter ending in November 2023 increased to \$954  
26 million from \$523 million the prior year, citing higher average selling prices and  
27 increased volume.

1 255. Cal-Maine’s stock price reached repeated record highs during the Class  
2 Period.



13 256. Although other Defendants are not public companies, and therefore do not  
14 report their earnings in the same manner as Cal-Maine, on information and belief,  
15 similarly unprecedented profit growth occurred at the other dominant egg producers.

16 257. For example, in 2024, Rose Acre and Versova were operating at an almost  
17 15% profit margin, which is unusually high in a commodity agricultural market.

18 **F. Members of Congress, Federal Enforcement Agencies, and Consumer Groups**  
19 **Have Raised Concerns That Soaring Prices of Conventional Eggs Are the**  
20 **Product of Collusion**

21 258. Growing economic evidence of price inflation in the conventional egg  
22 market—untethered from supply, demand, or cost conditions—has attracted significant  
23 attention from lawmakers, federal agencies, and public-interest organizations, who have  
24 identified the same concerns Plaintiffs allege here: (1) potential manipulation of the  
25 industry’s benchmark pricing system, and (2) coordinated supply restriction among  
dominant producers.

26 259. On January 19, 2023, Farm Action submitted a detailed letter to the Federal  
27 Trade Commission (“FTC”) warning of “apparent price gouging, price coordination, and  
28

1 other unfair or deceptive acts or practices by dominant producers of eggs such as Cal-  
2 Maine, Rose Acre, Versova, and Hillandale, among others.”<sup>30</sup> Farm Action emphasized  
3 that conventional egg prices had risen far faster than could be justified by the avian flu  
4 outbreak or production costs, and that the structure of the egg market—including its  
5 reliance on Urner Barry benchmark pricing—made it particularly susceptible to  
6 manipulation.

7 260. On January 24, 2023, U.S. Senator Jack Reed formally urged the FTC to  
8 open an investigation into “potential price gouging and other deceptive practices by the  
9 country’s largest egg companies,” highlighting that dominant producers feed confidential  
10 pricing information directly into the Urner Barry conventional egg index and therefore  
11 may influence an industry-wide benchmark on which billions of dollars in formula-priced  
12 contracts depend.<sup>31</sup>

13 261. On January 26, 2025, a group of Senators and Members of Congress wrote  
14 to President Trump to express alarm at skyrocketing conventional egg prices and warned  
15 that “[e]gg producers . . . may leverage the current avian flu outbreak as an opportunity to  
16 further constrain supply or hike up egg prices to increase profits.”<sup>32</sup> The letter specifically  
17 cited Cal-Maine’s “significant jump in gross profits” as inconsistent with the industry’s  
18 claimed supply shocks.<sup>33</sup>

19 262. On February 5, 2025, FTC Commissioner Alvaro Bedoya, in one of his final  
20 official acts, wrote to Chairman Ferguson stating that “egg prices are exorbitant” and  
21 urging the FTC to investigate “egg production and marketing practices,” with particular  
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23

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24 <sup>30</sup> Jan. 19, 2023 Ltr. from Basel Musharbash, Farm Action to Fed. Trade Comm’n Chair Lina Khan, available at  
25 <https://farmaction.us/wp-content/uploads/2023/01/Farm-Action-Letter-to-FTC-Chair-Lina-Khan.pdf>.

26 <sup>31</sup> Jan. 24, 2023 Ltr. from Sen. Jack Reed to Fed. Trade Comm’n Chair Lina Khan, available at  
27 [https://www.reed.senate.gov/imo/media/doc/reed\\_letter\\_to\\_ftc\\_on\\_egg\\_prices\\_12423.pdf](https://www.reed.senate.gov/imo/media/doc/reed_letter_to_ftc_on_egg_prices_12423.pdf).

28 <sup>32</sup> Jan. 26, 2025 Ltr. from Sen. Elizabeth Warren, et al. to President Donald J. Trump, available at  
[https://www.warren.senate.gov/imo/media/doc/letter\\_to\\_trump\\_re\\_egg\\_prices.pdf](https://www.warren.senate.gov/imo/media/doc/letter_to_trump_re_egg_prices.pdf).

<sup>33</sup> *Id.*

1 emphasis on whether dominant producers used the avian flu as a pretext to limit  
2 production or influence benchmark pricing.<sup>34</sup>

3 263. On February 12, 2025, Farm Action submitted a second letter, addressed  
4 jointly to the FTC and the Department of Justice (“DOJ”), calling for an antitrust  
5 investigation into “concentration, price-setting systems, and production and marketing  
6 practices in the egg production industry and its surrounding supply chains.”<sup>35</sup> The letter  
7 highlighted the key features also alleged here: extreme concentration, the susceptibility of  
8 Urner Barry’s conventional egg index to manipulation by major producers, and the “slow  
9 recovery in flock size, despite historically high prices,” which “further suggests  
10 coordinated efforts to restrict supply and sustain inflated prices.”<sup>36</sup>

11 264. On March 7, 2025, *The Wall Street Journal* reported that the DOJ Antitrust  
12 Division had opened a formal investigation into whether the nation’s largest egg  
13 producers engaged in anticompetitive conduct. According to the article, DOJ  
14 investigators are examining whether “major egg companies coordinated supply  
15 limitations or influenced the industry benchmark price in ways that drove up costs for  
16 consumers and downstream purchasers.”<sup>37</sup>

17 265. These public warnings from Members of Congress, the FTC, the DOJ, and  
18 respected nonprofit organizations are consistent with, and lend further plausibility to,  
19 Plaintiffs’ allegations that Defendants conspired to fix, raise, maintain, and stabilize the  
20 prices of conventional eggs through coordinated manipulation of the benchmark pricing  
21 system and a sustained, industry-wide restriction of production capacity.

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23  
24 <sup>34</sup> Feb. 5, 2025 Ltr. from Fed. Trade Comm’n Comm’r Alvaro M. Bedoya to Fed. Trade Comm’n Chairman Andrew  
Ferguson, available at <https://x.com/BedoyaFTC/status/1887222389408215548/photo/1>.

25 <sup>35</sup> Feb. 12, 2025 Ltr. from Angela Huffinan, Farm Action to Fed. Trade Comm’n Chairman Andrew Ferguson & Acting  
Assistant Attorney General Omeed Assefi, [https://farmaction.us/wp-](https://farmaction.us/wp-content/uploads/2025/02/Final_FarmAction_FTC_DOJ_EggPricesLetter.pdf)  
26 [content/uploads/2025/02/Final\\_FarmAction\\_FTC\\_DOJ\\_EggPricesLetter.pdf](https://farmaction.us/wp-content/uploads/2025/02/Final_FarmAction_FTC_DOJ_EggPricesLetter.pdf).

27 <sup>36</sup> *Id.*

28 <sup>37</sup> Dave Michaels & Patrick Thomas, *Justice Department Opens Probe of Sharp Surge in Egg Prices*, Wall Street. J (Mar. 7,  
2025), <https://www.wsj.com/business/egg-prices-justice-department-probe-22d6a4f6>.

1 **G. The Sharp, Parallel Drop in Prices Following Public Disclosure of the DOJ**  
2 **Investigation Further Indicates Collusion**

3 266. In early March 2025, news outlets reported that the DOJ Antitrust Division  
4 had opened an investigation into whether major egg producers engaged in  
5 anticompetitive conduct in the market for Conventional Eggs.

6 267. In the two weeks following public reporting of the DOJ investigation, the  
7 benchmark price for Conventional Eggs dropped abruptly and in parallel across the  
8 industry, despite no corresponding changes in supply, demand, or input costs.

9 268. Plaintiffs' economic analysis confirms that this precipitous drop cannot be  
10 explained by ordinary market forces. To quantify the effect of the DOJ investigation,  
11 Plaintiffs' expert economist conducted an event study—a widely accepted econometric  
12 method used to isolate the impact of a discrete event on prices by comparing observed  
13 price movements to those predicted based on historical trends and volatility. Using  
14 publicly available data, the expert first established a baseline of normal price behavior by  
15 analyzing daily and weekly egg price movements during a pre-event period (January 1,  
16 2024 through December 31, 2024). This baseline was used to estimate expected price  
17 changes and volatility under typical market conditions. The expert then compared these  
18 expected price movements to the actual price changes observed following the DOJ  
19 announcement.

20 269. The expert's preliminary analysis predicts that based on historical price  
21 volatility, March 2025 market conditions would have only led to a 19% drop in  
22 Conventional Egg prices between March 3 and March 17, 2025—not the 69% drop that  
23 occurred, which was *3.6 times greater than normal predicted price volatility*. This  
24 deviation is not only economically large but statistically extraordinary, far exceeding the  
25 range of normal price fluctuations observed in the historical data.  
26  
27  
28

### Urner Barry Egg Prices in Response to DOJ Investigation



The price volatility (**19%**) is the standard deviation of bi-weekly percentage price changes in the Urner Barry egg index using prices from January 1, to December 30, 2024.

The **69%** decline following the DOJ Antitrust Investigation was **3.6 times greater** than normal price volatility.

This indicates a *statistically significant* price reversal between March 3 and March 17<sup>th</sup>, 2025.

270. The sharp drop in Conventional Egg prices following the DOJ’s March 2025 investigation announcement drew scrutiny from members of Congress. In a May 8, 2025 letter in support of the DOJ’s investigation, Senators Elizabeth Warren and Jim Banks expressed “concern[] that record high egg prices reflect noncompetitive behavior among large producers.”<sup>38</sup>

271. The sudden and industry-wide collapse in prices following the announcement of antitrust scrutiny is inconsistent with independent, competitive behavior by producers of Conventional Eggs.

272. Rather, the speed and magnitude of the price decline strongly suggest that the supracompetitive prices prevailing before the DOJ announcement were the product of coordinated conduct that dissipated when producers perceived a heightened risk of detection.

273. Such a market response is a well-recognized plus factor that supports the plausibility of a price-fixing conspiracy: when prices fall rapidly and uniformly after the

<sup>38</sup> May 8, 2025 Ltr. from Sens. Elizabeth Warren & Jim Banks to Assistant Attorney General Gail Slater, available at [https://www.warren.senate.gov/imo/media/doc/warren\\_banks\\_letter\\_to\\_doj\\_on\\_egg\\_prices.pdf](https://www.warren.senate.gov/imo/media/doc/warren_banks_letter_to_doj_on_egg_prices.pdf).

1 initiation of government scrutiny, it indicates that prior price levels were not the result of  
2 legitimate market conditions.

3 **H. Several Defendant Egg Producers are Antitrust Recidivists Found Liable for**  
4 **Similar Anticompetitive Conduct in the Past**

5 274. These are not the first antitrust and price gouging allegations against  
6 Defendants.

7 275. In 2008, direct purchasers of eggs sued various trade groups and egg  
8 producers, including Defendants Cal-Maine, Daybreak, Hillandale, and Rose Acre.<sup>39</sup>  
9 They asserted that these producers had conspired to limit the supply of eggs in order to  
10 raise prices.

11 276. Specifically, the 2008 plaintiffs alleged that producers implemented and  
12 enforced supply restrictions by, *inter alia*, developing and implementing an egg  
13 certification program, exporting eggs at a loss, and reducing egg production through  
14 coordinated actions like reducing hatch, early molting, and hen disposal.

15 277. All producer-defendants but one settled, leading to a total recovery for direct  
16 purchaser plaintiffs of over \$136 million.

17 278. In 2011, Kraft Foods Global, Inc. and The Kellogg Company sued several  
18 egg producers, including Defendants Cal-Maine and Rose Acre, alleging that they  
19 conspired to reduce the supply and increase the price of egg products.<sup>40</sup> Among other  
20 allegations, Kraft and Kellogg blamed the anticompetitive conduct on the unusually cozy  
21 nature of the egg industry.

22 279. After a seven-week trial, a jury concluded that the defendants had indeed  
23 engaged in a conspiracy, creating an antitrust injury from October 2004 to December  
24 2008. The “the most important part” of the adjudicated conspiracy in *Kraft* was the “UEP

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26  
27 <sup>39</sup> *In re Processed Egg Prod. Antitrust Litig.*, 962 F.3d 719, 725 (3d Cir. 2020).

<sup>40</sup> *Kraft Foods Global, Inc. v. UEP.*, 2024 WL 4346418, at \*1 (N.D. Ill. Sept. 30, 2024).

1 Certified Program,” which aided producers such as Cal-Maine and Rose Acre in  
2 restricting the supply of eggs.<sup>41</sup> UEP Certified is still in force today.

3 280. The jury awarded \$17.8 million in damages; trebled, this amount was more  
4 than \$53 million.

5 281. In 2020, the New York Attorney General filed a complaint against  
6 Hillandale relating to egg price gouging during the COVID-19 pandemic. The Attorney  
7 General alleged that the illegal feedback loop worked like this: (1) Hillandale and other  
8 egg producers told Urner Barry their assessment of egg prices; (2) Urner Barry used these  
9 assessments to create “indexed” prices that it sent to egg producers; and (3) the producers  
10 sold eggs at the price set by Urner Barry, citing the index as their method for setting a  
11 “fair” price.

12 282. Hillandale reached a settlement with the New York Attorney General in  
13 which it donated 1.2 million eggs to food pantries. Hillandale also agreed to “refrain from  
14 any further excessive pricing of eggs.”<sup>42</sup>

15 283. The Texas Attorney General similarly accused Cal-Maine of price-gouging  
16 during the COVID-19 pandemic. That case remains ongoing.

17 **I. Multiple Plus Factors Reinforce the Plausibility of the Alleged Conspiracy**

18 284. Several well-recognized “plus factors” support the plausibility of the alleged  
19 conspiracy among Defendants to fix, raise, maintain, and stabilize the price of  
20 Conventional Eggs. These plus factors reinforce the inference that Defendants’ parallel  
21 conduct was the product of agreement, not independent decision-making.

22 **1. Parallel Conduct in Pricing and Capacity Reduction**

23 285. As described above, Producer Defendants acted in parallel by restricting  
24 flock expansion, slowing repopulation, reducing pullet placements, maintaining idle  
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26 <sup>41</sup> *Id.* at \*5.

27 <sup>42</sup> Press Release: “Attorney General James Delivers 1.2 Million Eggs to New Yorkers” (Apr. 1, 2021),  
<https://ag.ny.gov/press-release/2021/attorney-general-james-delivers-12-million-eggs-new-yorkers>.

1 facilities, withholding eggs through cold storage, and increasing cage-space allocations in  
2 ways that uniformly reduced their production capacity for Conventional Eggs.

3 286. Defendants' prices for Conventional Eggs moved in close alignment across  
4 the industry, both during the period of supracompetitive prices and immediately  
5 following public disclosure of the DOJ investigation, when prices fell sharply and in  
6 parallel.

7 287. The price collapse immediately following DOJ disclosure is powerful  
8 circumstantial evidence of prior coordinated behavior.

9 **2. A Market Structure and Benchmark System That Facilitates**  
10 **Coordination**

11 288. The market for Conventional Eggs is highly concentrated, vertically  
12 integrated, and characterized by high barriers to entry, similar firm cost structures, and  
13 limited substitutes—structural features that make collusion easier to initiate and sustain.

14 289. The industry's reliance on a single benchmark pricing system—the Urner  
15 Barry Midwest Large quotation—further increases susceptibility to collusion. Because  
16 many transactions are tied to the benchmark, influencing this benchmark allows  
17 producers to raise prices industry-wide with limited coordination.

18 290. ECI's structure as a thin, opaque, blind-bid spot market that feeds directly  
19 into the benchmark further contributes to the ability of dominant producers to influence  
20 benchmark pricing.

21 **3. Opportunities to Collude**

22 291. Defendants had numerous opportunities to communicate through trade  
23 associations such as UEP and USEM, through Urner Barry's annual Executive  
24 Conference and industry roundtables, through co-packing and Eggland's Best joint  
25 marketing arrangements, and through repeated business dealings with the same cluster of  
26 financing institutions that obtained access to confidential operational information.

1           292. These interactions created both the means and the opportunities for  
2 producers to exchange sensitive information relating to pricing, production, supply levels,  
3 and capacity strategies.

#### 4           **4. A History of Similar Anticompetitive Conduct**

5           293. Several Defendants have been implicated in prior antitrust investigations or  
6 litigation involving coordinated reductions in egg supply, including agreements to reduce  
7 cage density and coordinated flock-reduction practices that raised prices.

8           294. Such a history of analogous conduct supports an inference that Defendants  
9 had both the motive and the willingness to engage in a similar conspiracy during the  
10 Class Period.

11           295. The recidivist nature of several Defendants—each previously accused or  
12 found liable for coordinating supply reductions and influencing benchmark pricing—  
13 further strengthens the inference of collusion. Courts recognize that a history of similar  
14 antitrust violations is a powerful plus factor because it demonstrates both a willingness  
15 and a proven capacity to engage in coordinated output restriction and benchmark  
16 manipulation

#### 17           **5. Government Scrutiny and Public Concern**

18           296. As set forth above, Members of Congress, FTC officials, advocacy  
19 organizations, and the DOJ Antitrust Division itself have raised concerns that the recent  
20 spike in conventional egg prices reflects collusion among dominant producers.

21           297. Public reporting that the DOJ had opened an investigation was followed by a  
22 sharp and immediate decline in the benchmark price of Conventional Eggs, further  
23 supporting an inference that elevated prices were maintained through coordinated  
24 conduct.

#### 25           **6. Sustained Supracompetitive Profits Inconsistent with Competition**

26           298. Dominant producers realized historically unprecedented profit margins  
27 during the Class Period, far exceeding what could be explained by changes in costs,  
28

1 demand, or supply fundamentals. These sustained supracompetitive margins are  
2 consistent with coordinated conduct and inconsistent with competitive market dynamics.

3 **7. Producer Defendants Acted Contrary to Their Independent Economic**  
4 **Self-Interest**

5 299. Defendants also acted contrary to their independent economic self-interest,  
6 which is a well-recognized plus factor supporting the existence of a horizontal agreement.  
7 During a period of record-high benchmark prices for Conventional Eggs, when any  
8 rational, profit-maximizing firm would have been expected to expand output to capture  
9 extraordinary margins, Producer Defendants instead uniformly reduced or restrained  
10 capacity: they slowed pullet placements, failed to rebuild flocks to pre-HPAI levels,  
11 maintained idle housing and processing facilities, withheld eggs through cold storage,  
12 and used cage-space conversions in ways that decreased total production.

13 300. This behavior sharply diverged from Producer Defendants' own historical  
14 conduct—most notably their rapid and aggressive flock rebuilding following the 2015  
15 HPAI outbreak—and cannot be explained by any genuine supply constraints. The  
16 industry faced no meaningful shortage of chicks or hatching eggs; producers were better  
17 prepared for HPAI than in prior years; improvements in genetics increased egg-per-hen  
18 productivity; and input costs such as feed and energy were stable or declining. Yet  
19 Producer Defendants deliberately chose *not* to expand capacity despite unprecedented  
20 profitability.

21 301. Such uniform restraint in the face of extraordinary economic incentives to  
22 deviate is irrational absent coordination, and strongly supports the inference that Producer  
23 Defendants agreed to restrict supply and maintain supracompetitive prices for  
24 Conventional Eggs.

25 **8. Absence of a Regulated Futures Market Facilitated Collusion**

26 302. The market for Conventional Eggs lacks a regulated futures market, unlike  
27 nearly all other major agricultural commodities (including wheat, soybeans, corn, hogs,  
28

1 and cattle) that trade on CFTC-regulated exchanges. The absence of a futures market  
2 means there is no independent, high-volume mechanism for transparent price discovery,  
3 no participation by financial intermediaries, and no regulatory oversight by the  
4 Commodity Futures Trading Commission.

5 303. This structural gap magnifies Defendants' ability to influence ECI spot  
6 prices and Urner Barry benchmark assessments, because the thin, opaque ECI spot  
7 market becomes the only objective numerical input into the benchmark. Without futures-  
8 market participation or CFTC supervision, benchmark prices are uniquely susceptible to  
9 manipulation by the largest producers—further supporting the plausibility of the alleged  
10 conspiracy.

11 \* \* \*

12 304. Taken together—parallel conduct, capacity restriction, manipulation of  
13 benchmark pricing, opportunities to conspire, market structure conducive to collusion,  
14 information exchange, unprecedented parallel profits, a sudden collapse in prices  
15 following DOJ scrutiny, and a lack of a futures market—these factors strongly support  
16 the inference of a conscious commitment to a common scheme, rather than independent  
17 parallel conduct.

## 18 VI. THE RELEVANT MARKET

19 305. This case challenges a horizontal conspiracy among the nation's largest  
20 producers of Conventional Eggs—facilitated in part through shared benchmark-setting  
21 mechanisms such as Urner Barry and ECI—to fix, raise, maintain, and stabilize prices  
22 nationwide. Such conduct constitutes a per se unlawful price-fixing agreement under  
23 Section 1 of the Sherman Act and therefore does not require proof of market power.

24 306. The conduct also constitutes an unlawful information-exchange, in which  
25 Producer Defendants—direct horizontal competitors—collectively provided  
26 competitively sensitive, non-public production and pricing information to Urner Barry  
27

1 and coordinated their bidding and selling behavior on ECI, thereby suppressing price  
2 competition and enabling industry-wide price elevation.

3 **A. The Relevant Product Market**

4 307. To the extent a market definition is required, the relevant product market is  
5 the market for Conventional Eggs sold in the United States. “Conventional Eggs” refers  
6 to ordinary table eggs produced from caged, cage-free, or aviary hens so long as they are  
7 not marketed as specialty eggs (e.g., organic, pasture-raised, free-range, Omega-3  
8 enhanced, or other premium specialty categories). This market excludes processed egg  
9 products (liquid, frozen, dried) except where contract pricing directly incorporates  
10 Conventional Egg benchmarks.

11 308. Conventional Eggs constitute a distinct economic product because they are  
12 the form of eggs purchased by the overwhelming majority of U.S. households. They  
13 follow a uniform grading and sizing system (e.g., “Large Grade A”), are priced using  
14 shared benchmarks (primarily the Urner Barry Midwest Large quotation), are widely  
15 interchangeable across producers, and are purchased through similar distribution channels  
16 including grocers, wholesalers, distributors, club stores, and foodservice providers.

17 309. Specialty eggs—such as organic, pasture-raised, or free-range eggs—are **not**  
18 reasonably interchangeable with Conventional Eggs. They involve distinct production  
19 methods, regulatory requirements, cost structures, branding strategies, consumer demand  
20 profiles, and pricing dynamics. Specialty eggs also do *not* rely on the Urner Barry  
21 Conventional Egg benchmark, and their prices did not increase during the Class Period to  
22 anywhere near the extent that Conventional Egg prices did.

23 310. Conventional Eggs provide unique functional, nutritional, and culinary  
24 attributes that cannot be replaced at scale by other products. There is no practical or  
25 economic substitute—whether plant-based alternatives, processed egg products, or other  
26 proteins—that meaningfully constrains the pricing of Conventional Eggs. Demand for  
27 eggs is well-documented as highly inelastic, further distinguishing this market.

1           311. The Supreme Court’s “practical indicia” factors identified in *Brown Shoe v.*  
2 *United States*, 370 U.S. 294 (1962), confirm that Conventional Eggs form a distinct  
3 product market. The industry recognizes Conventional Eggs as their own market  
4 segment; they have unique production facilities (layer barns, pullet houses, feed mills); a  
5 distinct customer base; uniform pricing mechanisms tied to a single benchmark; and  
6 sensitivity to different supply shocks than specialty eggs or egg products.

7           312. Benchmark pricing itself reflects this product-market distinction. Uner  
8 Barry publishes a separate quotation for Conventional Large Shell Eggs, which Producer  
9 Defendants rely upon for formula pricing. The quotation does *not* incorporate specialty  
10 eggs, confirming that the industry itself recognizes Conventional Eggs as a separate  
11 market.

## 12 **B. Economic and Practical Indicia**

13           313. The market for Conventional Eggs easily satisfies the DOJ/FTC SSNIP test:  
14 producers have repeatedly raised the benchmark price by multiples of 5–10% (and at  
15 times far more)—including increases exceeding 100%—without losing significant sales  
16 volume, demonstrating that purchasers cannot and do not switch to substitutes in  
17 response to higher prices.

18           314. Industry participants, analysts, regulators, and trade publications universally  
19 treat Conventional Eggs as a distinct product category. Uner Barry, ECI, the American  
20 Egg Board, USDA’s AMS reporting, and egg-market economists analyze pricing and  
21 supply for Conventional Eggs separately from specialty eggs.

22           315. Pricing behavior further confirms market definition. Nearly all large  
23 producers—including each Producer Defendant—sell Conventional Eggs at prices tied  
24 directly or indirectly to the Uner Barry benchmark, which is unique to Conventional  
25 Eggs and exerts no control over specialty-egg pricing.

26           316. The production process also supports market separation. Conventional Eggs  
27 are produced using uniform inputs, barn configurations, flock-management strategies,  
28

1 and feed formulations that differ materially from the processes used in pasture-raised,  
2 organic, or other specialty-egg systems. Switching between these systems requires  
3 substantial new capital investment, regulatory compliance, and changes in bird-housing  
4 architecture.

5 317. Cost structures, consumer expectations, and marketing channels differ  
6 sharply between Conventional Eggs and specialty eggs. Specialty eggs consistently  
7 command substantially higher prices and have distinct demand drivers related to animal  
8 welfare, sustainability, and brand identity.

9 318. Accordingly, the relevant product market for both the price-fixing and  
10 information-exchange claims is the market for Conventional Shell Eggs in the United  
11 States, in which Producer Defendants directly compete and coordinate price and supply  
12 decisions.

### 13 **C. The Relevant Geographic Market**

14 319. The relevant geographic market is the **United States**. Producer Defendants  
15 sell Conventional Eggs nationwide, participate in nationwide benchmark pricing via  
16 Urner Barry, and compete on a national basis with respect to supply, pricing, contract  
17 terms, and distribution.

18 320. Urner Barry's benchmark is national in scope: it collects producer data, ECI  
19 pricing, and confidential client submissions from across the United States and issues a  
20 single daily quotation for Conventional Eggs that governs pricing throughout the country.

21 321. ECI, too, functions as a nationwide pricing mechanism. Its blind-bid spot  
22 market aggregates participants from across the country and is treated by the industry as a  
23 national price-discovery platform. The prices established on ECI feed directly into Urner  
24 Barry's national benchmark.

25 322. Defendants themselves have nationwide production, distribution, and  
26 customer networks. They ship eggs across state lines, respond to national supply and  
27

1 demand conditions, adjust production in response to national disease-outbreak patterns,  
2 and use national pricing mechanisms rather than region-specific price setting.

3 323. The fungibility of Conventional Eggs likewise supports a national market:  
4 eggs produced in any region of the United States can be shipped to customers in any  
5 other region with minimal cost or delay.

6 324. Accordingly, the relevant geographic market for Defendants' price-fixing  
7 and information-exchange conspiracy is the United States.

## 8 **VII. DEFENDANTS' MARKET POWER IN THE RELEVANT MARKET**

9 325. To the extent proof of market power is required under a rule-of-reason  
10 analysis, Producer Defendants collectively possess market power in the U.S. market for  
11 Conventional Eggs. As alleged above, the top producers—including Producer  
12 Defendants—control a dominant and growing share of the nation's layer-hen flock,  
13 enabling sustained supracompetitive pricing.

14 326. **Direct evidence** of market power exists in Producer Defendants' ability to  
15 raise and maintain benchmark prices for Conventional Eggs to historically unprecedented  
16 levels—often doubling or tripling without any competitive response—and to sustain  
17 those prices over multiple years, despite flat demand and declining costs.

18 327. **Indirect evidence** reinforces this conclusion. The market is highly  
19 concentrated, vertically integrated, and characterized by high barriers to entry, similar  
20 cost structures, a shared benchmark system, limited substitutes, and inelastic demand.  
21 These features confer on Producer Defendants the collective ability to profitably raise  
22 prices and restrain output.

23 328. Producer Defendants' dominance is reflected in their control of the layer-hen  
24 population. The top producers collectively control a substantial percentage of the national  
25 flock; several of them exceed 10% market share individually; and the top five producers'  
26 combined share has grown sharply in recent years, now comprising nearly half of all U.S.  
27 layer hens.

1 329. Absent collusion, these firms could not have simultaneously and persistently  
2 raised and maintained prices at supracompetitive levels without losing significant  
3 business to rivals. Their ability to do so confirms that they collectively possess market  
4 power and that their agreement to restrict supply and manipulate benchmark pricing  
5 suppressed competition in the market for Conventional Eggs.

6 330. Accordingly, whether analyzed under the per se rule (where market power is  
7 irrelevant) or under the rule of reason, Defendants' dominance within the Conventional  
8 Egg market—and their collective ability to raise prices and restrict output—establishes  
9 market power sufficient to support the claims alleged herein.

#### 10 **VIII. ANTICOMPETITIVE EFFECTS AND INTERSTATE COMMERCE**

11 331. Defendants' anticompetitive conduct directly caused Plaintiffs to pay  
12 supracompetitive prices for Conventional Eggs, thereby restraining competition in the  
13 relevant market. As a result of Defendants' conspiracy to fix, raise, maintain, and  
14 stabilize the price of Conventional Eggs, Plaintiffs have suffered and continues to suffer  
15 economic harm—the full extent of which will be calculated after discovery and proven at  
16 trial.

17 332. Absent Defendants' conspiracy, Plaintiffs and members of the proposed  
18 Class would have paid significantly lower, competitive prices for Conventional Eggs.  
19 The artificially inflated prices charged by Producer Defendants represent overcharges that  
20 were directly and proximately caused by Defendants' unlawful agreement.

21 333. Because Defendants' conspiracy is ongoing, Plaintiffs and members of the  
22 proposed Class continue to incur antitrust injury and will do so until the anticompetitive  
23 conduct ceases, and competitive conditions are restored in the market for Conventional  
24 Eggs.

25 334. The antitrust laws are designed precisely to prevent the injuries alleged  
26 here—injuries that arise when horizontal competitors coordinate pricing and restrict  
27 output. Agreements among sellers to reduce price competition, restrict capacity, or fix  
28

1 benchmark-linked prices constitute per se violations of the antitrust laws and cause the  
2 very type of harm Plaintiffs have suffered.

3 335. Defendants' price-fixing scheme harmed competition by eliminating  
4 meaningful price rivalry among dominant egg producers and depriving purchasers of the  
5 benefits of a competitive market. By coordinating prices in lockstep and jointly  
6 restricting supply, Defendants removed incentives to compete on price, quality, service,  
7 innovation, and output, and their conduct further entrenched the already high barriers to  
8 entry in the market for Conventional Eggs.

9 336. Defendants' unlawful conduct substantially affected interstate trade and  
10 commerce throughout the United States and directly caused antitrust injury to Plaintiffs  
11 and members of the proposed Class, who purchased Conventional Eggs at prices inflated  
12 by Defendants' conspiracy. Defendants' production, processing, and sale of Conventional  
13 Eggs occur in a continuous and uninterrupted flow of interstate commerce. Defendants  
14 ship eggs across state lines daily, supply national retailers and distributors headquartered  
15 outside their home states, participate in national pricing systems (Uner Barry/Expana),  
16 and execute spot trades on ECI that result in cross-state shipment. Defendants' conduct  
17 therefore substantially affects interstate commerce.

18 337. Defendants' conduct substantially reduced output, increased prices beyond  
19 competitive levels for a prolonged period, distorted benchmark price discovery  
20 mechanisms, and impaired the competitive process itself by eliminating incentives for  
21 producers to independently determine price and capacity. These effects constitute  
22 substantial anticompetitive harm under any mode of analysis.

### 23 **IX. CLASS ACTION ALLEGATIONS**

24 338. Plaintiffs bring this action on behalf of themselves, and all others similarly  
25 situated, pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(2), and 23(b)(3) as  
26 representative of the proposed Class, which is defined as follows:  
27

1 All persons or entities that directly purchased Conventional Eggs  
2 from one or more Producer Defendants within the United States  
3 from January 1, 2022 through the present and until the unlawful  
4 conduct alleged herein ceases. Excluded from the Class are  
5 Defendants and their subsidiaries and affiliates; federal and state  
6 governmental entities; and any judicial officers and their staff  
7 assigned to this case.

8 339. The members of the proposed Class are so numerous that joinder of all  
9 members is impracticable. On information and belief, the Class includes hundreds, if not  
10 thousands, of purchasers dispersed throughout the United States.

11 340. Plaintiffs' claims are typical of the claims of the Class because Plaintiffs  
12 purchased Conventional Eggs directly from one or more Producer Defendants at prices  
13 inflated by the same unlawful conspiracy alleged herein. Plaintiffs assert the same legal  
14 theories and seeks redress for the same injury as each Class member.

15 341. Plaintiffs and all members of the proposed Class suffered antitrust injury  
16 from the same course of conduct—Defendants' conspiracy to fix, raise, maintain, and  
17 stabilize the price of Conventional Eggs and restrict production capacity. All Class  
18 members paid prices higher than they would have paid in a competitive market.

19 342. Plaintiffs will fairly and adequately protect the interests of the proposed  
20 Class. Plaintiffs' interests are aligned with those of the Class, and Plaintiffs have retained  
21 counsel experienced in prosecuting complex antitrust and competition class actions.

22 343. Common questions of law and fact predominate over any questions affecting  
23 only individual Class members. Those common questions arise from Defendants'  
24 uniform conduct and apply equally to all Class members.

25 344. Defendants have acted or refused to act on grounds generally applicable to  
26 the Class, thereby making final injunctive relief appropriate under Rule 23(b)(2).

27 345. Questions of law and fact common to the Class include, but are not limited  
28 to:

- 1 a. whether Defendants entered into a contract, combination, conspiracy, or  
2 understanding to restrict or stabilize production capacity for Conventional  
3 Eggs;
- 4 b. whether Defendants entered into a contract, combination, conspiracy, or  
5 understanding to fix, raise, maintain, or stabilize the prices of Conventional  
6 Eggs;
- 7 c. whether Defendants coordinated their conduct to influence or manipulate  
8 benchmark prices for Conventional Eggs, including through interactions  
9 with Urner Barry/Expana and trading on ECI;
- 10 d. whether Producer Defendants' conduct—including capacity restriction and  
11 benchmark manipulation—artificially increased the prices of Conventional  
12 Eggs purchased by Plaintiffs and the Class;
- 13 e. whether the alleged agreements constitute per se violations of Section 1 of  
14 the Sherman Act, or, in the alternative, violate Section 1 under the rule of  
15 reason;
- 16 f. whether the impact of Defendants' conduct on Conventional Egg prices can  
17 be demonstrated through common proof;
- 18 g. the appropriate measure and methodology for calculating Class-wide  
19 damages; and
- 20 h. the nature and scope of injunctive relief necessary to prevent and remedy the  
21 anticompetitive effects of Defendants' conduct.

22 346. Plaintiffs are represented by counsel who are highly experienced in antitrust,  
23 class action, and complex commercial litigation, and who will vigorously prosecute this  
24 action on behalf of the Class.

25 347. A class action is superior to other methods of adjudication for the fair and  
26 efficient resolution of this controversy. Class treatment will permit numerous similarly  
27 situated purchasers to litigate their common claims in a single forum, avoiding the

1 inefficiency and expense of duplicative individual suits and mitigating the risk of  
2 inconsistent adjudications. The class mechanism also provides purchasers with a means  
3 of obtaining redress for injuries that, taken individually, may be too small to justify  
4 separate litigation, while collectively amounting to substantial harm.

5 **X. CAUSES OF ACTION**

6 **COUNT ONE**

7 **Agreement in Restraint of Trade**  
8 **in Violation of Section 1 of the Sherman Antitrust Act**

9 348. Plaintiffs incorporate each of the allegations above as if fully set forth  
10 herein.

11 349. Plaintiffs seek monetary and injunctive relief on behalf of themselves and  
12 the proposed Class under Sections 4 and 16 of the Clayton Act for Defendants' violations  
13 of Section 1 of the Sherman Act.

14 350. Defendants, directly and through their divisions, subsidiaries, agents, and  
15 affiliates, engage in interstate commerce in the production and sale of Conventional Eggs  
16 to Plaintiffs and the proposed Class.

17 351. Beginning at least as early as January 1, 2022, Defendants entered into and  
18 engaged in a contract, combination, or conspiracy in unreasonable restraint of interstate  
19 trade and commerce in violation of 15 U.S.C. § 1.

20 352. Specifically, Defendants undertook a coordinated effort to restrict and  
21 stabilize the supply of Conventional Eggs and to fix, raise, maintain, and stabilize the  
22 prices of Conventional Eggs. Defendants agreed to align and manipulate production  
23 decisions—including pullet placements, molting schedules, flock rebuilding, and capacity  
24 utilization—and jointly influenced benchmark pricing by coordinating the information  
25 provided to Urner Barry/Expana and by aligning conduct on the ECI spot market.

26 353. Defendants' actions were taken with the intent, purpose, and effect of  
27 artificially elevating the market price for Conventional Eggs far above competitive levels.

1 354. Defendants knowingly participated in and perpetuated this conspiracy for the  
2 purpose of increasing their own profits through supracompetitive pricing.

3 355. The conduct alleged herein was undertaken, facilitated, authorized, or  
4 ratified by Defendants’ officers, directors, managers, agents, employees, or  
5 representatives while acting within the scope of their duties and in furtherance of  
6 Defendants’ business interests.

7 356. As a result of Defendants’ unlawful conspiracy, Plaintiffs and the proposed  
8 Class paid supracompetitive prices for Conventional Eggs and suffered antitrust injury to  
9 their business or property.

10 357. The conspiracy alleged herein constitutes a horizontal agreement among  
11 direct competitors—conduct that is per se unlawful under Section 1 of the Sherman Act.

12 358. In furtherance of this unlawful agreement, Defendants committed various  
13 acts, including but not limited to: (a) coordinating production-reduction and supply-  
14 stabilization decisions designed to restrict output of Conventional Eggs; (b) manipulating  
15 benchmark prices by aligning conduct and submissions to Urner Barry and through  
16 coordinated conduct on ECI; and (c) communicating and acting in ways intended to  
17 ensure adherence to jointly shared supply and pricing objectives.

18 359. There are no legitimate or procompetitive justifications for Defendants’  
19 conduct, and any purported justifications, to the extent cognizable, could have been  
20 achieved through substantially less restrictive means.

21 360. Defendants’ actions are unlawful under the per se rule. In the alternative,  
22 they are unlawful under “quick look” analysis or the rule of reason.

23 361. As a direct and proximate result of Defendants’ conspiracy, Plaintiffs and  
24 the proposed Class have suffered and will continue to suffer economic injury and the loss  
25 of the benefits of free and fair competition unless Defendants’ conduct is enjoined.

26 362. Under Section 4 of the Clayton Act, Plaintiffs and the proposed Class are  
27 entitled to recover treble damages, interest, and reasonable attorney’s fees and costs.  
28



1 collected and disseminated Defendants' non-public data in ways that facilitated  
2 coordination among competitors.

3 369. The information exchanged was not publicly available, was highly detailed  
4 and contemporaneous, and involved forward-looking business decisions, making it  
5 uniquely useful to facilitate coordinated conduct and suppress competitive rivalry.

6 370. Such exchanges allowed Defendants to monitor each other's production  
7 decisions, anticipate rivals' output levels and pricing intentions, and adjust their own  
8 conduct to maintain supracompetitive prices for Conventional Eggs.

9 371. The purpose and effect of the information exchange was to reduce strategic  
10 uncertainty, to ensure adherence to shared supply-restriction and pricing objectives, and  
11 to stabilize benchmark and transaction prices for Conventional Eggs at artificially  
12 inflated levels.

13 372. The information exchanged through Urner Barry was particularly harmful to  
14 competition because Producer Defendants' confidential submissions were used to  
15 generate the industry's benchmark price for Conventional Eggs, and thus directly  
16 influenced the prices paid in formula-pricing contracts throughout the United States.

17 373. ECI also served as a conduit for coordination: Defendants' trading positions,  
18 bidding behavior, and withholding decisions on ECI supplied competitors with sensitive  
19 information that allowed Producer Defendants to align their conduct regarding supply  
20 availability and price expectations.

21 374. The anticompetitive effects of Defendants' information-exchange agreement  
22 were further amplified by the absence of any regulated futures market that could have  
23 provided independent price discovery or diluted the impact of coordinated conduct in the  
24 thin ECI spot market.

25 375. Defendants' information-exchange practices had no legitimate,  
26 procompetitive justification. Any purported business rationales could have been achieved  
27

1 without sharing granular, forward-looking, competitively sensitive information with  
2 horizontal rivals.

3 376. Defendants' information-exchange agreement constitutes an unlawful  
4 restraint of trade under Section 1 of the Sherman Act. The agreement is unlawful under  
5 the per se rule because it facilitated a horizontal price-fixing conspiracy. In the  
6 alternative, it is unlawful under "quick look" or full rule-of-reason analysis because it had  
7 the purpose and effect of unreasonably restraining competition.

8 377. As a direct and proximate result of Defendants' unlawful information-  
9 exchange agreement, Plaintiffs and the Class paid supracompetitive prices for  
10 Conventional Eggs and suffered injury to their business or property.

11 378. Plaintiffs and the Class are entitled to treble damages, interest, and  
12 reasonable attorney's fees and costs pursuant to Section 4 of the Clayton Act.

13 379. Plaintiffs and the Class are further entitled to injunctive relief under Section  
14 16 of the Clayton Act to ensure that Defendants cease exchanging competitively sensitive  
15 information and to prevent future harm to competition.

## 16 **XI. PETITION FOR RELIEF**

17 380. Plaintiffs petition for the following relief:

- 18 a. a determination that this action may be maintained as a class action pursuant  
19 to Federal Rule of Civil Procedure 23, that Plaintiffs be appointed as class  
20 representatives, and that Plaintiffs' counsel be appointed as class counsel;
- 21 b. a determination that the conduct set forth herein is unlawful under Section 1  
22 of the Sherman Antitrust Act;
- 23 c. a judgment and order requiring the Defendants to pay damages to Plaintiffs  
24 and members of the proposed Class, trebled;
- 25 d. an order enjoining the Defendants from engaging in further unlawful  
26 conduct;
- 27 e. an award of attorneys' fees and costs;

- f. an award of pre- and post-judgment interest on all amounts awarded; and
- g. such other and further relief as the Court deems just and equitable.

**XII. JURY TRIAL DEMAND**

381. Plaintiffs, on behalf of themselves and the proposed Class, demand a jury trial on all issues triable as of right before a jury.

DATED: April 20, 2026

Respectfully submitted,

/s/ Sophia M. Rios

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2 *Counsel For Plaintiffs.*

3 \*motion for admission *pro hac vice*  
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