UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF INDIANA INDIANAPOLIS DIVISION

IN RE: READY-MIXED CONCRETE)	Master Docket No.
ANTITRUST LITIGATION)	1:05-cv-00979-SEB-JMS
)	
)	
THIS DOCUMENT RELATES TO:)	
ALL ACTIONS)	

IMI DEFENDANTS' REPLY IN SUPPORT OF MOTION TO RECONSIDER SETTLEMENT CLASS ORDERS

Plaintiffs challenge the non-settling defendants' standing to contest the settlement class. For this to be true, however, the Court must determine that it can disapprove the litigation class while approving a settlement class – i.e. that this Court's approval of a settlement class has no effect on its considerations concerning the contested litigation class. This requires an examination of the issues concerning the proposed litigation class, as opposed to the issues concerning a settlement class.

Non-settling defendants believe that the primary issues concerning the proposed litigation class are:

1. that the required proof of impact on each putative class member¹ will require individualized inquiries as to each such class member, even as to each

¹ See, e.g., Kochert v. Greater Lafayette Health Services, Inc., 463 F.3d 710, 718 (7th Cir. 2006) (to establish civil liability, an antitrust plaintiff must prove standing, a causal connection between the alleged violation and harm to the plaintiff, or "impact", the directness of that causal link and antitrust injury -in-fact); State of Alabama v. Bluebird Body Company, Inc., 573 F.2d 309, 327-28 (5th Cir. 1978) (even where a Section 1 conspiracy is established, "each plaintiff must still prove that this conspiracy was actually implemented in his State and that it did in fact cause an injury").

transaction, to establish whether a transaction's price was or was not impacted by the alleged conspiracy;

2. that plaintiffs' attempted proof on class certification issues through their expert Dr. Beyer is not sufficient: (1) because Dr. Beyer's methodology does not meet the standards for expert testimony under *Daubert* and (2) because it fails to demonstrate by a preponderance of the evidence that an individualized inquiry is not required. Defendants' response papers will fully address these issues.

"Some showing" that the Rule 23 standards are met is no longer sufficient. *Szabo* and *West* (as followed by most of the circuits)² require the Court to resolve the "battle of the experts" in order to decide whether the requirements of Rule 23(b)(3), and other requirements, have been demonstrated by a preponderance of the evidence.

Plaintiffs appear to concede that these issues arising under Rule 23(b)(3) are in no way affected by the Court's approval of a settlement class and are not involved in approval of a settlement class. If the Court agrees and so determines, then non-settling defendants under these facts would have no standing, but were it otherwise, then non-settling defendants would have standing. Regardless of standing, *Amchem*³ requires the Court's independent evaluation of a proffered settlement class. The points raised by defendants minimally are relevant to that independent judicial inquiry.

² See, West v. Prudential Securities, Inc., 282 F.3d 935, 938 (7th Cir. 2002); Szabo v. Bridgeport Machines, Inc., 249 F.3d 672 (7th Cir. 2001). A thorough summary of the new case law in this area is presented in In re Initial Public Offerings Securities Litigation, 471 F.3d 24 (2d Cir. 2006).

³ See, Amchem Products Inc. v. Windsor, 521 U.S. 591, 117 S.Ct. 2231, 2248-49 (1997).

Respectfully submitted,

s/ Edward P. Steegmann

G. Daniel Kelley, Jr., #5126-49 Thomas E. Mixdorf, #16812-49 Edward P. Steegmann, #14349-49 Anthony P. Aaron, #23482-29 Abigail B. Cella, #24825-49

Attorneys for IMI defendants

ICE MILLER LLP One American Square Suite 3100 Indianapolis, Indiana 46282 (317) 236-2100

CERTIFICATE OF SERVICE

I hereby certify that on December 21, 2007, a copy of the foregoing was served electronically on the following counsel:

Patricia Polis McCrory, #9879-49 LOCKE REYNOLDS, LLP 201 North Illinois Street, Suite 1000 P.O. Box 44961 Indianapolis, IN 46244-0961 Pmccrory@locke.com

Samuel K. Charnoff
Joshua Fowkes
ARENT FOX LLP
1050 Connecticut Avenue, N.W.
Washington, D.C. 20036
Charnoff.samuel@arentfox.com
Fowkes.joshua@arentfox.com

Robert K. Stanley
James H. Ham, III
Kathy Lynn Osborn
BAKER & DANIELS
300 North Meridian Street
Suite 2700
Indianapolis, IN 46204
rkstanle@bakerd.com
jhham@bakerd.com
klosborn@bakerd.com

Judy L. Woods
Bryan Babb
BOSE McKINNEY & EVANS, LLP
135 North Pennsylvania Street
Suite 2700
Indianapolis, IN 46204
jwoods@boselaw.com
bbabb@boselaw.com

Irwin B. Levin
Richard E. Shevitz
Scott D. Gilchrist
Eric S. Pavlak
COHEN & MALAD, LLP
One Indiana Square, Suite 1400
Indianapolis, IN 46204
ilevin@cohenandmalad.com
rshevitz@cohenandmalad.com

J. Lee McNeely
Brady J. Rife
McNEELY STEPHENSON THOPY
& HARROLD
30 East Washington Street
Suite 400
Shelbyville, IN 46176
jlmcneely@msth.com
bjrife@msth.com

Stephen D. Susman
Barry C. Barnett
Jonathan Bridges
SUSMAN GODFREY LLP
901 Main Street
Suite 4100
Dallas, TX 75202
ssusman@susmangodfrey.com
bbarnett@susmangodfrey.com
jbridges@susmangodfrey.com

Steven M. Badger Shannon D. Landreth McTURNAN & TURNER 2400 Market Tower 10 West Market Street Indianapolis, IN 46204 sbadger@mtlitig.com slandreth@mtlitig.com

George W. Hopper
Jason R. Burke
HOPPER BLACKWELL
111 Monument Circle
Suite 452
Indianapolis, IN 46204
ghopper@hopperblackwell.com
jburke@hopperblackwell.com

Chris Gair
Lara FitzSimmons
JENNER & BLOCK LLP
One IBM Plaza
Chicago, IL 60611-7603
cgair@jenner.com
lfitzsimmons@jenner.com

Edward W. Harris III
Gayle A. Reindl
Jonathan G. Polak
Abram B. Gregory
SOMMER BERNARD, PC
One Indiana Square, Suite 3500
Indianapolis, IN 46204-2023
eharris@sommerbarnard.com
greindl@sommerbarnard.com
jpolak@sommerbarnard.com
agregory@sommerbarnard.com

Frank J. Vondrak
Michael W. Boomgarden
Jonathan A. Epstein
Eric L. Schleef
U.S. Department of Justice
Antitrust Division
209 South LaSalle Street
Suite 600
Chicago, IL 60604
frank.vondrak@usdoj.gov
michael.boomgarden@usdoj.gov
jonathan.epstein@usdoj.gov
eric.schleef@usdoj.gov

/s/ Edward P. Steegmann

G. Daniel Kelley, Jr., #5126-49 Thomas E. Mixdorf, #16812-49 Edward P. Steegmann, #14349-49 Anthony P. Aaron, #23482-29 daniel.kelley@icemiller.com tom.mixdorf@icemiller.com ed.steegmann@icemiller.com anthony.aaron@icemiller.com

Attorneys for IMI Defendants

ICE MILLER LLP One American Square, Suite 3100 Indianapolis, Indiana 46282 (317) 236-2100

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