

**IN THE UNITED STATES DISTRICT COURT FOR
THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**IN RE: DEALER MANAGEMENT
SYSTEMS ANTITRUST LITIGATION**

This Document Relates To:

THE DEALERSHIP CLASS ACTION

MDL No. 2817

Case No. 18-cv-00864

Honorable Rebecca R. Pallmeyer

**FINAL ORDER AND JUDGMENT FOR SETTLEMENT BETWEEN THE CDK
SETTLEMENT CLASS AND CDK GLOBAL, LLC AND APPLICATION FOR
ATTORNEYS' FEES, COSTS AND CLASS REPRESENTATIVE SERVICE
AWARDS**

WHEREAS, the Dealership Class Plaintiffs and CDK Global, LLC (“CDK”) have entered into a Settlement Agreement Between the Dealership Class and CDK (the “Settlement” or “Agreement”), dated August 15, 2024, to settle the Dealership Class Action as against CDK; and

WHEREAS, on August 23, 2024, by Preliminary Approval Order for Settlement Between the CDK Settlement Class and CDK (“Preliminary Approval Order”) (ECF No. 1531), this Court (a) preliminarily approved the Settlement; (b) ordered that notice of the proposed Settlement be provided to the CDK Settlement Class; (c) provided CDK Settlement Class Members with the opportunity either to exclude themselves from or to object to the proposed Settlement; and (d) scheduled a hearing regarding final approval of the Settlement (the “Settlement Hearing”); and

WHEREAS, due and adequate notice has been provided to the CDK Settlement Class in accordance with the Preliminary Approval Order; and

WHEREAS, this Court previously granted final approval of a class action settlement on behalf of a Class of Dealerships with The Reynolds and Reynolds Company (“Reynolds Settlement Class”) (ECF No. 502); and

WHEREAS due and adequate notice has been provided to members of the CDK Settlement

Class and Reynolds Settlement Class regarding (i) the proposed allocation of funds from the Reynolds Settlement and CDK Settlement in accordance with the Allocation Plan, and (ii) Dealership Class Counsel’s application for attorneys’ fees, expenses, and Class Representative Service Awards (“Fee and Expense Application”); and

WHEREAS, the Court conducted the Settlement Hearing on February 25, 2025 to consider, among other things, (i) whether the terms and conditions of the Settlement are fair, reasonable and adequate and the Settlement should therefore be approved; and (ii) whether a judgment should be entered dismissing the Dealership Class Action with prejudice as against CDK; and (iii) whether the Fee and Expense Application should be granted;

WHEREAS, there have been no objections to the Settlement, and no persons and entities timely and validly excluded themselves from the CDK Settlement Class (“Opt-Outs”);

WHEREAS, there have been no objections to the Fee and Expense Application and the Allocation Plan; and

WHEREAS, the Court having reviewed and considered the Agreement, the Fee and Expense Application and the Allocation Plan, all papers filed and proceedings held herein in connection with the Agreement, the Fee and Expense Application and the Allocation Plan, and the record in the Dealership Class Action, and good cause appearing therefor;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED, as follows:

1. This Final Approval Order and Judgment incorporates by reference the definitions set forth in the Agreement, and all terms used herein shall have the same meanings as set forth in the Agreement unless otherwise specified herein. The terms of the Agreement are incorporated in this Final Approval Order and Judgment as if fully set forth herein.

2. **Jurisdiction.** The Court has jurisdiction over the subject matter of the MDL Action (including this Dealership Class Action), and all matters relating to the Settlement, as well as personal jurisdiction over the Dealership Class Plaintiffs, all CDK Settlement Class Members, and the

Defendant.

3. **Class Certification.** Pursuant to Rule 23(c) and (e) of the Federal Rules of Civil Procedure, the Court finally certifies for purposes of the Settlement only, a class (“CDK Settlement Class”) as follows:

All persons and entities located in the United States engaged in the business of the retail sale of automobiles who purchased DMS from CDK and/or Reynolds (“Defendants”), or any predecessor, successor, subsidiary, joint venture or affiliate, during the period from September 1, 2013 through the date of the executed Agreement (“CDK Settlement Class Period”). Excluded from the CDK Settlement Class are Defendants, including any entity or division in which any Defendant has a controlling interest, as well as Defendants’ joint ventures, subsidiaries, affiliates, assigns, and successors

4. The Court finds and concludes, for purposes of the Settlement only, that the prerequisites to a class action under Federal Rule of Civil Procedure 23(a) have been satisfied, in that, with respect to the Dealership Class:

- a. numerosity is satisfied;
- b. the claims of the Dealership Class Plaintiffs are typical of those of the other Dealership Class Members;
- c. there are questions of fact and law that are common to all members of the Dealership Class; and
- d. the Dealership Class Plaintiffs will fairly and adequately protect the interests of the CDK Settlement Class and have retained counsel experienced in antitrust and class action litigation who have and will continue to adequately represent the CDK Settlement Class.

5. The Court further finds and concludes, for purposes of the Settlement only, that the Dealership Class Action may be maintained as a class action under Rule 23(b)(3) of the Federal Rules of Civil Procedure because (i) a class action is superior to other available methods for the fair and efficient adjudication of this controversy, and (ii) questions of fact and law common to the members of the CDK Settlement Class predominate over any questions affecting only individual members.

6. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, for purposes of the Settlement, this Court finally certifies as Dealership Class Representatives the twenty-three (23) dealerships listed in the Appendix to the Unopposed Motion for Preliminary Approval of Settlement with Defendant CDK Global, LLC and for Conditional Certification of the Proposed Settlement Class (“Motion”) (ECF No. 1528 at 15-16).

7. The Court finds, for settlement purposes only, that these Dealership Class Representatives’ claims are typical of the claims of the Dealership Class. The claims of the Dealership Class Representatives and absent class members rely on the same legal theories and arise from the same alleged conspiratorial conduct by Defendants.

8. The Court approves and appoints Peggy J. Wedgworth and Milberg Coleman Bryson Phillips Grossman, PLLC as Dealership Class Lead Counsel pursuant to Rule 23(g) and finds Dealership Class Lead Counsel has and will fairly and adequately protect the interests of the CDK Settlement Class.

9. The Court approves and appoints Leonard A. Bellavia and Bellavia Blatt, PC; Daniel Hedlund and Michelle Looby and Gustafson Gluek PLLC; James Barz and Frank Richter and Robbins Geller Rudman & Dowd LLP; and Robert A. Clifford and Clifford Law Offices, P.C. as Settlement Class Counsel.

10. **Class Members Bound by this Final Approval Order and Judgment.** Pursuant to Rule 23(c)(3) of the Federal Rules of Civil Procedure, all persons and entities who fall within the foregoing description of the CDK Settlement Class who have not timely and validly requested exclusion from the CDK Settlement Class are CDK Settlement Class Members and are fully bound by this Final Approval Order and Judgment and the terms of the Agreement.

11. **Notice.** As established by the Settlement Administrator’s Declarations, filed on November 27, 2024 (ECF No. 1539-2) and January 23, 2025 (ECF No. 1540), the Settlement Administrator caused the Notice Plan to be implemented. The Court finds that the Settlement

Administrator fully complied with the Preliminary Approval Order and that the form and manner of providing notice to the CDK Settlement Class of the proposed Settlement with CDK, the proposed allocation of funds from the CDK Settlement, and the Fee and Expense Application was the best notice practicable under the circumstances, including individual notice to all members of the CDK Settlement Class who could be identified through the exercise of reasonable effort. The Court further finds that the form and manner of providing notice to the Reynolds Settlement Class of the proposed allocation of funds from the Reynolds Settlement, and the Fee and Expense Application was the best notice practicable under the circumstances, including individual notice to all members of the Reynolds Settlement Class who could be identified through the exercise of reasonable effort. The Court further finds that the notice program provided due and adequate notice of these proceedings and of the matters set forth therein, including the terms of the Agreement, to all parties entitled to such notice and fully satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure, 28 U.S.C. § 1715(b), and constitutional due process.

12. **Objections and Exclusions.** The Court finds there were no objections to the Settlement, no Opt-Outs from the CDK Settlement Class, and no objections to the Fee and Expense Application and the Allocation Plan.

13. **Final Approval of the Settlement.** Pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, the Court fully and finally approves the Settlement with CDK set forth in the Agreement and finds that the Settlement is, in all respects, fair, reasonable and adequate to the CDK Dealership Class. The Court orders the Settling Parties to consummate the Settlement set forth in the Agreement in accordance with its terms. The Court further finds that the Allocation Plan provides a fair, reasonable and adequate method to allocate settlement funds to members of the CDK Settlement Class and the Reynolds Settlement Class.

14. **Release of Claims Against CDK Releasees.** As set forth in the Agreement, upon the Effective Date, and in consideration of payment of the Settlement Amount, CDK Releasees shall be

completely released, acquitted, and forever discharged from any and all Dealership Released Claims by the Dealership Class Releasers as set forth in the Agreement.

15. **Release of Claims Against Dealership Class Releasees.** Upon the Effective Date, the Dealership Class Releasees shall be completely released, acquitted, and forever discharged from any and all CDK Released Claims by the CDK Releasers as set forth in the Agreement.

16. **No Future Actions Following Releases.** CDK Settlement Class Releasers and CDK Releasers covenant and agree that they will not, after the Effective Date, seek to recover from any releasee on account of the claims released by such releasers.

17. **Covenant Not to Sue.** Dealership Class Releasers and CDK Releasers hereby covenant not to sue CDK Releasees and Dealership Class Releasees, respectively, with respect to any Released Claims. Dealership Class Releasers and CDK Releasers shall be permanently barred and enjoined from instituting, commencing, or prosecuting against the CDK Releasees and Dealership Class Releasees, respectively, any claims based in whole or in part on the Released Claims.

18. **Waiver of California Civil Code § 1542 and Similar Laws.** Dealership Class Releasers and CDK Releasers acknowledge that, by virtue of this Agreement, and for the consideration received hereunder, it is their intention to release, and they are releasing, all Released Claims, including any Released Claim that any Dealership Class Releaser or CDK Releaser does not know or suspect to exist in his, her or its favor at the time of the release that if known by him, her or it, might have affected his, her or its settlement with and release, or might have affected his, her or its decision not to object to this Settlement (“Unknown Claims”). Such Unknown Claims include claims that are the subject of California Civil Code § 1542 and equivalent, similar, or comparable laws or principles of law. California Civil Code § 1542 provides:

CERTAIN CLAIMS NOT AFFECTED BY GENERAL RELEASE. A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE

DEBTOR;

Each Dealership Class Releasor and CDK Releasor may hereafter discover facts other than or different from those which he, she, or it knows or believes to be true with respect to the Released Claims, but each such Dealership Class Releasor and CDK Releasor hereby expressly waives and fully, finally, and forever settles and releases, upon this Agreement becoming final, any known or unknown, suspected or unsuspected, contingent or non-contingent claim with respect to the Released Claims, whether or not concealed or hidden, without regard to the subsequent discovery or existence of such different or additional facts. The Dealership Class Plaintiffs and CDK acknowledge, and all Dealership Class Releasors, Dealership Class Releasees, CDK Releasors, and CDK Releasees by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the Released Claims was separately bargained for and was a key element of the Settlement.

19. **Dismissal.** The Court hereby dismisses with prejudice the Dealership Class Action as to CDK, without costs to any of the parties as against the others, except as otherwise provided in the Agreement.

20. **Use of Order.** This Final Approval Order and Judgment, the Agreement, and any negotiations, documents, and discussions associated with them, shall not be deemed or construed to be an admission by CDK or the Dealership Class Plaintiffs (or the other CDK Releasees or Dealership Class Releasees) or evidence of any violation of any statute or law or of any liability or wrongdoing by CDK or the Dealership Class Plaintiffs (or the other CDK Releasees or Dealership Class Releasees), or of the truth of the claims or allegations in any complaint or any other pleading filed in the Dealership Class Action, and evidence thereof shall not be discoverable or used directly or indirectly in the Dealership Class Action or in any other action or proceeding.

21. Neither this Final Approval Order and Judgment, nor the Agreement, nor any of its terms and provisions, nor the negotiations or proceedings connected with it, nor any other action taken to carry out the Agreement by either of the Settling Parties shall be referred to, offered as

evidence or received in evidence in any pending or future civil, criminal, or administrative action or proceedings, except in a proceeding to enforce the Agreement, or to defend against the assertion of Released Claims, or as otherwise required by law.

22. **Effect of Termination, Rescission, or Failure to Become Final.** If the Settlement is terminated, rescinded, or otherwise does not become Final, then the Agreement, including any amendment(s) thereof, then this Final Approval Order and Judgment (and any other orders of the Court relating to the Settlement) shall be null and void, of no further force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to his, her or its respective position as of July 21, 2024.

23. **Retention of Jurisdiction.** Without affecting the finality of this Order, the Court reserves and retains exclusive and continuing jurisdiction over all parties to the MDL Action, all Dealership Class Members, and the Settlement Fund to consider all further matters arising out of or connected with the Agreement. CDK retains any contractual rights it may have to arbitrate any dispute relating to any Released Claim with any Dealership Class Member who timely and validly elects to be excluded from the Dealership Class in accordance with the procedure established by the Court.

24. **Fee and Expense Application.** The Court hereby grants the Fee and Expense Application and awards attorneys' fees equal to 33 % of the combined \$100 million CDK Settlement Fund and \$29.5 million Reynolds Settlement Fund, together with a proportional share of interest earned on such funds for the same time period until dispersed to Dealership Class Lead Counsel. This award is reasonable under Rule 23 for the award of attorneys' fees based, inter alia, on the amount of work performed in this case, the recoveries obtained and the risks involved. Dealership Class Lead Counsel shall allocate the awarded attorneys' fees amongst plaintiffs' counsel that worked on this case in a manner in which Dealership Class Lead Counsel in good faith believe reflects the

contributions of such counsel to the prosecution and settlement of the Action. The Court also grants Dealership Class Counsel's request for reimbursement of \$7,192,133.86 for expenses incurred in prosecuting this action. The Court further grants Class Representative service awards of \$10,000.00 for each of the twenty-three (23) dealerships listed in the Appendix to the Motion for Preliminary Approval. Of the foregoing total awarded attorneys' fees, expenses, and class representative service awards, 95% shall be paid from the CDK Settlement Fund, and 5% shall be paid from the Reynolds Settlement Fund. Such attorneys' fees, expenses, and Class Representative service awards shall be paid forthwith.

25. **Attorneys' Fees and Expenses Not a Delay.** The award of any attorneys' fees, expenses, and Class Representative service awards, including any appeals therefrom, shall not affect the finality of this Final Approval Order and Judgment with respect to the Settlement.

26. **Entry of this Final Order and Judgment.** The Court finds there is no just reason for delay and directs the Clerk to enter this Final Approval Order and Judgment forthwith pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

Dated February 25, 2025



Hon. Rebecca R. Pallmeyer
United States District Court Judge