

IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

IN RE: COTTON YARN )  
ANTITRUST LITIGATION )

1:04MD1622

This Document Relates To: )  
ALL ACTIONS )

**NOTICE OF PROPOSED PLAN OF ALLOCATION OF SETTLEMENT PROCEEDS  
AND DISTRIBUTION OF SETTLEMENT FUNDS TO CLASS MEMBERS AND  
APPROVAL OF REQUEST FOR ATTORNEYS' FEES AND  
REIMBURSEMENT OF COSTS TO BE PAID FROM SETTLEMENT PROCEEDS  
AND THE SCHEDULING OF A HEARING WITH RESPECT THERETO**

**TO: ALL PERSONS OR ENTITIES (EXCLUDING GOVERNMENT ENTITIES, DEFENDANTS, THEIR PARENTS, PREDECESSORS, SUBSIDIARIES AND AFFILIATES) WHO PURCHASED COTTON YARN IN THE UNITED STATES DIRECTLY FROM ANY DEFENDANT LISTED BELOW DURING THE PERIOD OCTOBER 1, 2000 TO JUNE 15, 2001:**

Parkdale America, LLC  
Parkdale Mills, Inc.  
Frontier Spinning Mills LLC  
Frontier Spinning Mills, Inc.  
Frontier Inc.  
Avondale Mills, Inc.  
Avondale Incorporated

Please read this Notice carefully and in its entirety. Your rights may be affected by this Notice and the proceedings described herein. If you are a member of the Class (defined below), you may be entitled to a portion of the settlement fund resulting from a settlement (the "Parkdale Settlement") with defendants Parkdale America, LLC and Parkdale Mills, Inc. (collectively, the "Parkdale Defendants"), which was approved by the Court's Order and Judgment dated February 16, 2006 ("Final Approval Order").

**TO PARTICIPATE AND RECEIVE A SHARE OF THE PROCEEDS OF THE PARKDALE SETTLEMENT, YOU MUST SUBMIT THE ACCOMPANYING PROOF OF CLAIM FORM POSTMARKED NO LATER THAN AUGUST 10, 2007.**

This Notice has been sent pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Middle District of North Carolina (the "Court"). Its purpose is to inform you of the Court's final approval of the settlement with the Parkdale Defendants in the amount of Seven Million Eight Hundred Thousand Dollars (\$7,800,000) ("Parkdale Settlement Fund") and of your rights with respect thereto.

If you are a member of the Settlement Class defined below, you have the right to share in the settlement fund provided you submit the accompanying Proof of Claim form and in the manner specified therein by August 10, 2007. You also have the right to be heard and/or object to the proposed plan of allocation and request for attorneys' fees and reimbursement of costs, all as described below. However, if you previously excluded yourself from the Settlement Class, you are **not** entitled to share in this settlement fund or to object to the plan of allocation of the proceeds of the Parkdale Settlement or to the request of plaintiffs' counsel for an award of counsel fees and reimbursement of expenses from the proceeds of the Parkdale Settlement.

**THE SETTLEMENT CLASS**

In the Final Approval Order, the Court granted final approval of the settlement with the Parkdale Defendants and certified a Settlement Class defined as follows:

All persons (excluding governmental agencies, Defendants, their parents, predecessors, subsidiaries and affiliates) who purchased Cotton Yarn in the United States, or from facilities located in the United States, directly from any of the Defendants or any of their predecessors, subsidiaries and/or affiliates, at any time during the period from October 1, 2000 to June 15, 2001.

Plaintiffs Atlantic Textiles, South Carolina Tees, Inc., Lisa Lesavoy, Armen Co., Inc., Mekfir International Corporation, Del Cartier Associates, Inc., Perfect Fit Glove, Co., LLC, Robert Little and Thomaston Mills, Inc. have been appointed by the Court to serve as representatives for the Settlement Class. Co-Lead Counsel for the Settlement

Class are Steven A. Asher, Esquire of Weinstein Kitchenoff & Asher LLC, Anthony J. Bolognese, Esquire of Bolognese & Associates, LLC, Joseph C. Kohn, Esquire of Kohn Swift & Graf, P.C., and Steven A. Kanner, Esquire of Freed Kanner London & Millen, LLC.

### **THE LITIGATION**

Beginning in March 2004, numerous class action lawsuits were filed against Defendants by direct purchasers of Cotton Yarn. The cases have been centralized in the United States District Court for the Middle District of North Carolina. Plaintiffs allege that Defendants entered into and implemented a contract, combination and conspiracy to fix, raise, maintain or stabilize prices for Cotton Yarn sold in the United States in violation of Section 1 of the Sherman Act, 15 U.S.C. §1. Plaintiffs further allege that as a result of the conspiracy, they and other purchasers of Cotton Yarn paid more for Cotton Yarn than they would have paid absent the conspiracy, and they seek to recover treble damages together with reimbursement of costs and an award of attorneys' fees.

Defendants deny Plaintiffs' allegations. At this time, neither Plaintiffs nor Defendants have proven their assertions. The Court expresses no opinion as to whether Plaintiffs' allegations are correct or whether Defendants have engaged in any wrongdoing. The purpose of this Notice is to inform you of (a) the certification of the Settlement Class, (b) the Court's final approval of the settlement with the Parkdale Defendants, and (c) the scheduling of a hearing to consider approval of the Class Plaintiffs' plan of allocation of the settlement fund and their request for an award of attorneys' fees and reimbursement of costs.

### **THE SETTLEMENT WITH THE PARKDALE DEFENDANTS**

Plaintiffs, on behalf of the Settlement Class, have entered into a Settlement Agreement with the Parkdale Defendants, dated August 16, 2005 (the "Settlement Agreement"), under which the Parkdale Defendants have paid into escrow the sum of \$7,800,000, in exchange for a release of all claims asserted on behalf of Settlement Class Members against the Parkdale Defendants for the alleged price fixing of Cotton Yarn in the United States during the Class Period. The Court approved the Settlement Agreement in the Final Approval Order.

Under the settlement approved by the Court, the Settlement Fund, plus accrued interest, is now available for distribution to the Settlement Class Members who did not previously exclude themselves from the Class in response to the prior notice.

### **PLAN OF ALLOCATION OF PARKDALE SETTLEMENT PROCEEDS**

The Parkdale Settlement Fund, after deduction of any fees and expenses awarded by the Court to Plaintiffs' Counsel (as described below), will be available for distribution to the Class and will be distributed on a *pro rata* basis among the members of the Settlement Class who timely and properly file a Proof of Claim. Each claimant's *pro rata* share will be based on the dollar amount of its purchases of Cotton Yarn in the United States from all Defendants. Purchases must have been made directly from a Defendant during the Class Period to qualify. The Court retains the power to approve or reject, in full or in part, any individual claim of a Class Member based on equitable grounds. Because the alleged overcharge is only a portion of the price paid for Cotton Yarn, your recovery will be less than the total amount that you paid.

### **SUBMISSION OF PROOF OF CLAIM FORM**

To submit a claim, complete and sign the enclosed Proof of Claim form. It must be postmarked **no later than August 10, 2007** and mailed to:

*In re Cotton Yarn Antitrust Litigation* (Parkdale Defendants)  
Claims Administrator  
c/o Heffler, Radetich & Saitta L.L.P.  
P.O. Box 300  
Philadelphia, PA 19105-0300

**YOU MUST SUBMIT A PROOF OF CLAIM FORM IN ORDER TO CLAIM AND RECEIVE A PORTION OF THE PARKDALE SETTLEMENT FUNDS.**

### **ATTORNEYS' FEES AND COSTS SOUGHT BY PLAINTIFFS' COUNSEL FROM THE PROCEEDS OF THE PARKDALE SETTLEMENT**

Plaintiffs' Counsel will apply to the Court for an award from the proceeds of the Parkdale Settlement of attorneys' fees and reimbursement of actual costs incurred in the prosecution of this litigation, including the fees of any experts or consultants. Plaintiffs' Counsel have indicated that they intend to apply to the Court for an award of attorneys' fees, in compensation for their time and the risk in prosecuting the litigation on a wholly contingent fee basis, in an amount not to exceed 30% of the Parkdale Settlement Fund, plus interest, as well as reimbursement for their costs actually incurred in the prosecution of the litigation, including experts' fees, in an amount not to exceed

\$230,000. Plaintiffs' Counsel must file their Motion for attorneys' fees and costs, with supporting affidavits and documentation, by August 17, 2007, and any objection to that Motion must be filed by September 14, 2007, as discussed below.

#### THE HEARING

The Court will hold a hearing on **Friday, September 21, 2007** at 10:00 a.m. in Courtroom #1 of the Hiram H. Ward Federal Building, 251 North Main Street, Winston-Salem, North Carolina 27101 to decide Plaintiffs' motions for approval of the plan of allocation and request for attorneys' fees and reimbursement of costs ("the Motions"). The hearing date and/or time may change without further notice, so if you are interested in attending the hearing, please contact Plaintiffs' Counsel at the addresses or telephone numbers listed below to confirm the date and time.

No later than **August 17, 2007**, Plaintiffs' Counsel must file their Motions with the Court. You may view these papers in the office of the Clerk of the Court or by writing to Plaintiffs' Counsel at the addresses listed below.

Any member of the Settlement Class who objects to one or both of the Motions must do so in writing. The objection must include the caption of this case, be signed, and be **received** no later than **September 14, 2007** by the Clerk of the Court at the following address:

Clerk of Court, United States District Court  
The L. Richardson Preyer Federal Courthouse  
324 West Market Street  
Greensboro, NC 27401

Any objections should also be sent to Plaintiffs' Counsel at the addresses below:

Steven A. Asher, Esquire  
WEINSTEIN KITCHENOFF & ASHER LLC  
1845 Walnut Street, Suite 1100  
Philadelphia, PA 19103  
(215) 545-7200

Joseph C. Kohn, Esquire  
KOHN, SWIFT & GRAF, P.C.  
One South Broad Street, Suite 2100  
Philadelphia, PA 19107  
(215) 238-1700

Anthony J. Bolognese, Esquire  
BOLOGNESE & ASSOCIATES, LLC  
Two Penn Center  
1500 JFK Boulevard, Suite 320  
Philadelphia, PA 19102  
(215) 814-6750

Steven A. Kanner, Esquire  
FRED KANNER LONDON & MILLEN, LLC  
2201 Waukegan Road, Suite 130  
Bannockburn, IL 60015  
(224) 632-4500

If you do not object, you do not need to appear at the hearing. However, you must complete and return the Proof of Claim form by **August 10, 2007** if you do want to receive payment for your claim against the Parkdale Defendants.

#### CHANGE OF ADDRESS

If this Notice reached you at an address other than the one on the mailing label, or if your address changes in the future, please send the current information to the Claims Administrator at:

*In re Cotton Yarn Antitrust Litigation (Parkdale Defendants)*  
Claims Administrator  
c/o Heffler, Radetich & Saitta L.L.P.  
P.O. Box 300  
Philadelphia, PA 19105-0300

#### ADDITIONAL INFORMATION

The Settlement Agreement, Complaint, and other documents filed in this Action are available for review during business hours at the office of the Clerk of Court. If you have questions about this Notice, the Proof of Claim, or the Action in general, contact Plaintiffs' Counsel in writing at the addresses provided above.

Dated: July 2, 2007

BY ORDER OF:  
JAMES A. BEATY, JR.  
CHIEF JUDGE, U.S.D.C.

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IN THE UNITED STATES DISTRICT COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

IN RE: COTTON YARN )  
ANTITRUST LITIGATION )

1:04MD1622

THIS DOCUMENT RELATES TO: )  
ALL ACTIONS )

PROOF OF CLAIM  
(PARKDALE SETTLEMENT)

TO: ALL PERSONS OR ENTITIES (EXCLUDING GOVERNMENT ENTITIES, DEFENDANTS, THEIR PARENTS, PREDECESSORS, SUBSIDIARIES AND AFFILIATES) WHO PURCHASED COTTON YARN IN THE UNITED STATES DIRECTLY FROM ANY DEFENDANT LISTED BELOW DURING THE PERIOD OCTOBER 1, 2000 TO JUNE 15, 2001:

Parkdale America, LLC  
Parkdale Mills, Inc.  
Frontier Spinning Mills LLC  
Frontier Spinning Mills, Inc.  
Frontier Inc.  
Avondale Mills, Inc.  
Avondale Incorporated

I. GENERAL INSTRUCTIONS

This Proof of Claim form must be completed and returned by Class Members who seek payment from the settlement with defendants Parkdale America, LLC and Parkdale Mills, Inc. (collectively, the "Parkdale Defendants"). **It must be postmarked no later than August 10, 2007.** If you fail to mail a timely, properly addressed Proof of Claim form, your claim may be rejected and you may be precluded from any recovery from the settlement with the Parkdale Defendants. Completed Proof of Claim forms should be mailed to the Claims Administrator at:

*In re Cotton Yarn Antitrust Litigation (Parkdale Defendants)*  
Claims Administrator  
c/o Heffler, Radetich & Saitta L.L.P.  
P.O. Box 300  
Philadelphia, PA 19105-0300

All inquiries regarding your claim should be made **in writing** to the Claims Administrator at the address above.

If you have submitted a request for exclusion from the Settlement Class in connection with this settlement with the Parkdale Defendants, please do not submit this Proof of Claim form.

II. DEFINITIONS

A. "Class" means all persons and entities that purchased Cotton Yarn in the United States directly from any of the Defendants at any time during the Class Period, October 1, 2000 through June 15, 2001. Excluded from the Class are all governmental entities, Defendants, their respective parents, predecessors, subsidiaries and affiliates, and each of the Excluded Entities identified above.

B. "Class Period" means the period from October 1, 2000 through June 15, 2001.

C. "Defendant" means any person or entity named as a defendant in this Action.

D. "Cotton Yarn" includes, but is not limited to, open-end and air jet cotton and poly-cotton yarn, and means textured yarn utilized in connection with the manufacture of items such as home furnishings, apparel, industrial fabrics, automotive components, upholstery, hosiery and sewing thread.





Claims Administrator  
*In re Cotton Yarn Antitrust Litigation (Parkdale Defendants)*  
c/o Heffler, Radetich & Saitta L.L.P.  
P.O. Box 300  
Philadelphia, PA 19105-0300

FIRST-CLASS MAIL  
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PHILADELPHIA, PA

## FIRST-CLASS MAIL

PLEASE FORWARD—IMPORTANT LEGAL NOTICE

ACCURATE PROCESSING OF CLAIMS MAY TAKE SIGNIFICANT TIME.  
THANK YOU, IN ADVANCE, FOR YOUR PATIENCE.

Please make sure that you:

1. Sign the Verification.
2. Keep a copy of the completed Proof of Claim form for your records.
3. Keep the original documents supporting your claim.
4. Submit your claim postmarked **on or before August 10, 2007**.

If you have any questions, or if your address changes, please write to the Claims Administrator at:

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