

AMENDED THIS Apr 14/16 PURSUANT TO
MODIFIÉ CE CONFORMÉMENT A

☐ RULE/LA RÈGLE 26.02 ()

☒ THE ORDER OF
L'ORDONNANCE DU

DATED / FAIT LE

REGISTRAR
SUPERIOR COURT OF JUSTICE

GREFFIER
COUR SUPÉRIEURE DE JUSTICE

ONTARIO

SUPERIOR COURT OF JUSTICE

Court File No.: CV-13-482967-00CP

B E T W E E N:

**SHERIDAN CHEVROLET CADILLAC LTD.,
THE PICKERING AUTO MALL LTD., and FADY SAMAHA**

Plaintiffs

- and -

**SUMITOMO ELECTRIC INDUSTRIES, LTD., SEWS CANADA LTD., SUMITOMO
WIRING SYSTEMS, LTD., SUMITOMO ELECTRIC WIRING SYSTEMS, INC.,
SUMITOMO WIRING SYSTEMS (U.S.A.), INC., DENSO CORPORATION, DENSO
INTERNATIONAL AMERICA, INC., DENSO MANUFACTURING CANADA, INC.,
DENSO SALES CANADA, INC., MITSUBISHI ELECTRIC CORPORATION,
MITSUBISHI ELECTRIC AUTOMOTIVE AMERICA, INC., MITSUBISHI ELECTRIC
SALES CANADA INC., HITACHI, LTD., HITACHI AUTOMOTIVE SYSTEMS, LTD.
and HITACHI AUTOMOTIVE SYSTEMS AMERICAS, INC.**

Defendants

Proceeding under the *Class Proceedings Act, 1992*, S.O. 1992, c. 6

**CONSOLIDATED FRESH AS AMENDED STATEMENT OF CLAIM
(Electronic Control Units)**

TO THE DEFENDANTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiffs. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiffs' lawyers or, where the plaintiffs do not have a lawyer, serve it on the plaintiffs, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU.

If you wish to defend this proceeding but are unable to pay legal fees, legal aid may be available to you by contacting a local Legal Aid office.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: *June 18, 2013*

Issued by:

" C. Irwin "
Local Registrar

Address of Court Office:
Superior Court of Justice
393 University Ave., 10th Floor
Toronto, ON M5G 1E6

TO: SUMITOMO ELECTRIC INDUSTRIES, LTD.
5-33, Kitahama 4-chome
Chuo-ku, Osaka, Japan

AND TO: SEWS CANADA LTD.
8771 George Bolton Parkway
Bolton, ON L7E 2X8, Canada

AND TO: SUMITOMO WIRING SYSTEMS, LTD.
1-14 Nishisuehiro-cho
Yokkaichi, Mie 510-8503, Japan

AND TO: SUMITOMO ELECTRIC WIRING SYSTEMS, INC.
1018 Ashley Street
Bowling Green, Kentucky, 42103, USA

AND TO: SUMITOMO WIRING SYSTEMS (U.S.A.), INC.
39555 Orchard Hill Place Suite L60
Novi, Michigan, 48375-5523, USA

AND TO: DENSO CORPORATION
1 - 1, Showa-cho
Kariya, Aichi, 448-8661, Japan

AND TO: DENSO INTERNATIONAL AMERICA, INC.
24777 Denso Drive
Southfield, Michigan, 48033, USA

AND TO: DENSO MANUFACTURING CANADA, INC.
900 Southgate Drive
Guelph, ON, N1L 1K1, Canada

AND TO: DENSO SALES CANADA, INC.
195 Brunel Road
Mississauga, ON, L4Z 1X3, Canada

AND TO: MITSUBISHI ELECTRIC CORPORATION
Tokyo Building, 2-7-3,
Marunouchi, Chiyoda-ku, Tokyo, 100-8310, Japan

- AND TO: MITSUBISHI ELECTRIC AUTOMOTIVE AMERICA, INC.**
4773 Bethany Road
Mason, Ohio 45040, USA
- AND TO: MITSUBISHI ELECTRIC SALES CANADA INC.**
4299 14th Avenue
Markham, Ontario L3R 0J2
- AND TO: HITACHI, LTD.**
6-6, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100-8280, Japan
- AND TO: HITACHI AUTOMOTIVE SYSTEMS, LTD.**
2-1, Otemachi 2-chom
Chiyoda-ku, Tokyo 100-0004, Japan
- AND TO: HITACHI AUTOMOTIVE SYSTEMS AMERICAS, INC.**
955 Warwick Rd.
Harrodsburg, Kentucky 40330, USA

CLAIM

1. The plaintiffs claim on their own behalf and on behalf of other members of the Proposed Class (as defined in paragraph 7 below):

- (a) A declaration that the defendants conspired and agreed with each other and other unknown co-conspirators to rig bids and fix, raise, maintain, or stabilize the price of Electronic Control Units (“ECUs”) (as defined in paragraph 2 below) sold in North America and elsewhere during the Class Period (as defined in paragraph 7 below);
- (b) A declaration that the defendants and their co-conspirators did, by agreement, threat, promise or like means, influence or attempt to influence upwards, or discourage or attempt to discourage the reduction of the price at which Electronic Control Units were sold in North America and elsewhere during the Class Period;
- (c) Damages or compensation in an amount not exceeding \$50,000,000:
 - (i) for loss and damage suffered as a result of conduct contrary to Part VI of the *Competition Act*, RSC 1985, c C-34 (“***Competition Act***”);
 - (ii) for civil conspiracy;
 - (iii) for unjust enrichment; and
 - (iv) for waiver of tort;
- (d) Punitive, exemplary and aggravated damages in the amount of \$5,000,000;
- (e) Pre-judgment interest in accordance with section 128 of the *Courts of Justice Act*, RSO 1990, c C.43 (“***Courts of Justice Act***”), as amended;

- (f) Post-judgment interest in accordance with section 129 of the *Courts of Justice Act*;
- (g) Investigative costs and costs of this proceeding on a full-indemnity basis pursuant to section 36 of the *Competition Act*; and
- (h) Such further and other relief as this Honourable Court deems just.

Summary of Claim

2. This action arises from a conspiracy to fix, raise, maintain or stabilize prices, rig bids and allocate the market and customers in North America and elsewhere for Electronic Control Units used in automobiles and other light-duty vehicles. An Electronic Control Unit or ECU is a generic term used to describe a wide variety of different types of electronic modules that control one or more of the different electrical systems or sub-systems in an automobile. ECUs are essentially different types of small computers with embedded software. For example, a body ECU is a module that receives electrical inputs and sends signals to certain components in the body (such as windshield wipers, powered mirrors, or door locks) in response to those inputs. In addition, an engine control unit is a type of ECU that controls a series of actuators on an internal combustion engine to ensure optimal engine performance. For the purpose of this action, ECUs excludes ECUs that were integrated into an automotive wire harness system (“AWHS”) and procured as part of a request for quotation (“RFQ”) for an AWHS. The unlawful conduct was targeted at the automotive industry, raising prices to all members of the Proposed Class.

3. As a direct result of the unlawful conduct alleged herein, the plaintiffs and other members of the Proposed Class paid artificially inflated prices for ECUs and/or new vehicles containing

ECUs manufactured, marketed, sold, and/or distributed during the Class Period and have thereby suffered losses and damages.

The Plaintiffs

4. The plaintiff, Sheridan Chevrolet Cadillac Ltd. (“**Sheridan**”), was an automotive dealer in Pickering, Ontario pursuant to a Dealer Sales and Service Agreement with General Motors of Canada Limited (“**GMCL**”) from 1977 to 2009.

5. The plaintiff, The Pickering Auto Mall Ltd. (“**Pickering**”), was an automotive dealer in Pickering, Ontario pursuant to a Dealer Sales and Service Agreement with GMCL from 1989 to 2009.

6. The plaintiff, Fady Samaha, a resident of Newmarket, Ontario, purchased a new Honda Civic in 2009.

7. The plaintiffs seek to represent the following class (the “**Proposed Class**”):

All Persons in Canada who purchased ECUs;¹ or who purchased and/or leased a new Automotive Vehicle² containing an ECU during the Class Period.³ Excluded from the class are the defendants, their parent companies, subsidiaries, and affiliates.

¹ The following ECUs are excluding from the Class: (i) ECUs purchased for repair or replacement in an Automotive Vehicle; and (ii) ECUs that were integrated into an automotive wire harness system (“AWHS”) and procured as part of a request for quotations for an AWHS.

² Automotive Vehicle means passenger cars, SUVs, vans, and light trucks (up to 10,000 lbs).

³ Class Period means between January 1, 1999 and March 1, 2010 and/or during the subsequent period during which prices were affected by the alleged conspiracy.

The Defendants

Sumitomo Defendants

8. The defendant, Sumitomo Electric Industries, Ltd. (“**Sumitomo Electric**”), is a Japanese corporation. During the Class Period, Sumitomo Electric manufactured, marketed, sold and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries, including the defendants SEWS Canada Ltd. (“**SEWS**”), Sumitomo Wiring Systems, Ltd. (“**Sumitomo Wiring**”), Sumitomo Electric Wiring Systems, Inc. (“**Sumitomo Electric Wiring**”), and Sumitomo Wiring Systems (U.S.A.), Inc. (“**Sumitomo USA**”).

9. SEWS is an Ontario corporation with its registered office and principal place of business in Bolton, Ontario. During the Class Period, SEWS manufactured, marketed, sold and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries. SEWS is a subsidiary or affiliate of Sumitomo Wiring Systems, Ltd., which is owned and controlled by Sumitomo Electric.

10. Sumitomo Wiring is a Japanese corporation. During the Class Period, Sumitomo Wiring manufactured, marketed, sold and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries. Sumitomo Wiring is owned and controlled by Sumitomo Electric.

11. Sumitomo Electric Wiring is an American corporation with its principal place of business in Bowling Green, Kentucky. During the Class Period, Sumitomo Electric Wiring manufactured, marketed, sold and/or distributed ECUs to customers throughout Canada, either directly or

indirectly through the control of its predecessors, affiliates and/or subsidiaries. Sumitomo Electric Wiring is a joint venture between Sumitomo Electric and Sumitomo Wiring.

12. Sumitomo USA is an American corporation with its principal place of business in Novi, Michigan. During the Class Period, Sumitomo USA manufactured, marketed, sold and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries. Sumitomo USA is a joint venture between Sumitomo Electric and Sumitomo Wiring.

13. The business of each of Sumitomo Electric, SEWS, Sumitomo Wiring, Sumitomo Electric Wiring, and Sumitomo USA is inextricably interwoven with that of the other and each is the agent of the other for the purposes of the manufacture, market, sale and/or distribution of ECUs in Canada and for the purposes of the conspiracy described hereinafter. Sumitomo Electric, SEWS, Sumitomo Wiring, Sumitomo Electric Wiring, and Sumitomo USA are hereinafter collectively referred to as “**Sumitomo**”.

Denso Defendants

14. The defendant, Denso Corporation (“**Denso Corp.**”), is a Japanese corporation. During the Class Period, Denso Corp. manufactured, marketed, sold and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries, including the defendants Denso International America, Inc. (“**Denso International**”), Denso Manufacturing Canada, Inc. (“**Denso Manufacturing**”) and Denso Sales Canada, Inc. (“**Denso Sales**”).

15. Denso International is an American corporation and has its principal place of business in Southfield, Michigan. During the Class Period, Denso International manufactured, marketed, sold and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries. Denso International is owned and controlled by Denso Corp.

16. Denso Manufacturing is a Canadian corporation and has its principal place of business in Guelph, Ontario. During the Class Period, Denso Manufacturing manufactured, marketed, sold, and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries. Denso Manufacturing is owned and controlled by Denso Corp.

17. Denso Sales is a Canadian corporation and has its principal place of business in Mississauga, Ontario. During the Class Period, Denso Sales manufactured, marketed, sold and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries. Denso Sales is owned and controlled by Denso Corp.

18. The business of each of Denso Corp., Denso International, Denso Manufacturing, and Denso Sales is inextricably interwoven with that of the other and each is the agent of the other for the purposes of the manufacture, market, sale and/or distribution of ECUs in Canada and for the purposes of the conspiracy described hereinafter. Denso Corp., Denso International, Denso Manufacturing, and Denso Sales are hereinafter collectively referred to as “**Denso**”.

Mitsubishi Defendants

19. The defendant, Mitsubishi Electric Corporation, is a Japanese corporation with its principal place of business in Tokyo, Japan. During the Class Period, Mitsubishi Electric Corporation manufactured, marketed, sold and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and subsidiaries, including the defendants, Mitsubishi Electric Automotive America, Inc. (“**Mitsubishi Automotive**”) and Mitsubishi Electric Sales Canada Inc. (“**Mitsubishi Canada**”).

20. Mitsubishi Automotive is an American corporation with its principal place of business in Mason, Ohio. During the Class Period, Mitsubishi Automotive manufactured, marketed, sold, and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries. Mitsubishi Automotive is owned and controlled by Mitsubishi Electric Corporation.

21. Mitsubishi Canada is a Canadian corporation with its principal place of business in Markham, Ontario. During the Class Period, Mitsubishi Canada manufactured, marketed, sold, and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries. Mitsubishi Canada is owned and controlled by Mitsubishi Electric Corporation.

22. The business of each of Mitsubishi Electric Corporation, Mitsubishi Automotive, and Mitsubishi Canada is inextricably interwoven with that of the other and each is the agent of the other for the purposes of the manufacture, market, sale and/or distribution of ECUs in Canada and for the purposes of the conspiracy described hereinafter. Mitsubishi Electric Corporation,

Mitsubishi Automotive, and Mitsubishi Canada are collectively referred to herein as “**Mitsubishi Electric**”.

Hitachi Defendants

23. The defendant, Hitachi, Ltd., is a Japanese corporation with its principal place of business in Tokyo, Japan. During the Class Period, Hitachi, Ltd. manufactured, marketed, sold and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries, including defendants, Hitachi Automotive Systems, Ltd. (“**Hitachi Automotive**”) and Hitachi Automotive Systems Americas, Inc. (“**Hitachi US**”), as well as the former Hitachi Unisia Automotive, Ltd. and the former Tokico, Ltd. In March 2004, Hitachi, Ltd. announced a merger of Hitachi, Ltd., Hitachi Unisia Automotive, Ltd. and Tokico, Ltd. As part of the merger, Hitachi, Ltd. absorbed Hitachi Unisia Automotive, Ltd. and Tokico, Ltd., and Hitachi Unisia Automotive, Ltd. and Tokico, Ltd. were dissolved thereafter. The merger became effective in October 2004. Prior to the merger, Hitachi, Ltd. held a 23.9% equity interest in Tokico, Ltd. (42.1% including indirect holdings through subsidiaries) and wholly owned Hitachi Unisia Automotive, Ltd.

24. Hitachi Automotive is a Japanese corporation with its principal place of business in Tokyo, Japan. During the Class Period, Hitachi Automotive manufactured, marketed, sold, and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries. Hitachi Automotive is owned and controlled by Hitachi, Ltd.

25. Hitachi US is an American corporation with its principal place of business in Farmington Hills, Michigan. During the Class Period, Hitachi US manufactured, marketed, sold, and/or distributed ECUs to customers throughout Canada, either directly or indirectly through the control of its predecessors, affiliates and/or subsidiaries. Hitachi US is owned and controlled by Hitachi, Ltd.

26. The business of each of Hitachi, Ltd., Hitachi Automotive, and Hitachi US is inextricably interwoven with that of the other and each is the agent of the other for the purposes of the manufacture, market, sale and/or distribution of ECUs in Canada and for the purposes of the conspiracy described hereinafter. Hitachi, Ltd., Hitachi Automotive, and Hitachi US are collectively referred to herein as “**Hitachi**.”

Unnamed Co-Conspirators

27. Various persons, partnerships, sole proprietors, firms, corporations and individuals not named as defendants in this lawsuit, the identities of which are not presently known, may have participated as co-conspirators with the defendants in the unlawful conspiracy alleged in this statement of claim, and have performed acts and made statements in furtherance of the unlawful conduct.

Joint and Several Liability

28. The defendants are jointly and severally liable for the actions of and damages allocable to all co-conspirators.

29. Whenever reference is made herein to any act, deed or transaction of any corporation, the allegation means that the corporation or limited liability entity engaged in the act, deed or

transaction by or through its officers, directors, agents, employees or representatives while they were actively engaged in the management, direction, control or transaction of the corporation's business or affairs.

The ECU Industry

30. ECUs are used to control one or more of the different electrical systems or sub-systems in an automobile. They are essentially different types of small computers with embedded software. There are many different types of ECUs in an automobile with varying functions. For example, a body ECU is a module that receives electrical inputs and sends signals to certain components in the body (such as windshield wipers, powered mirrors, or door locks) in response to those inputs. An engine control unit is a type of ECU that controls a series of actuators on an internal combustion engine to ensure optimal engine performance.

31. ECUs are installed by automobile original equipment manufacturers ("OEMs") in new vehicles as part of the automotive manufacturing process.

32. For new vehicles, the OEMs – mostly large automotive manufacturers such as Honda, Toyota, Volvo, General Motors and others – purchase ECUs directly from the defendants. ECUs may also be purchased by component manufacturers who then supply such systems to OEMs. These component manufacturers are also called "**Tier I Manufacturers**" in the industry. A Tier I Manufacturer supplies ECUs directly to an OEM.

33. When purchasing ECUs, OEMs issue RFQs to automotive parts suppliers on a model-by-model basis for model-specific parts. In at least some circumstances, the RFQ is sought from pre-qualified suppliers of the product. Typically, the RFQ would be made when there has been a

major design change on a model-by-model basis. Automotive parts suppliers submit quotations, or bids, to OEMs in response to RFQs. The OEMs usually award the business to the selected automotive parts supplier for a fixed number of years consistent with the estimated production life of the parts program. Typically, the production life of the parts program is between two and five years. Typically, the bidding process begins approximately three years before the start of production of a new model. Once production has begun, OEMs issue annual price reduction requests (“APRs”) to automotive parts suppliers to account for efficiencies gained in the production process. OEMs procure parts for North American manufactured vehicles in Japan, the United States, Canada and elsewhere.

34. During the Class Period, the defendants and their unnamed co-conspirators supplied ECUs to OEMs for installation in vehicles manufactured and sold in North America and elsewhere. The defendants and their unnamed co-conspirators manufactured ECUs: (a) in North America for installation in vehicles manufactured in North America and sold in Canada, (b) outside North America for export to North America and installation in vehicles manufactured in North America and sold in Canada, and (c) outside North America for installation in vehicles manufactured outside North America for export to and sale in Canada.

35. The defendants and their unnamed co-conspirators intended as a result of their unlawful conspiracy to inflate the prices for ECUs and new vehicles containing ECUs sold in North America and elsewhere.

36. The defendants and their unnamed co-conspirators unlawfully conspired to agree and manipulate prices for ECUs and conceal their anti-competitive behaviour from OEMs and other industry participants. The defendants and their unnamed co-conspirators knew that their unlawful

scheme and conspiracy would unlawfully increase the price at which ECUs would be sold from the price that would otherwise be charged on a competitive basis. The defendants and their unnamed co-conspirators were aware that, by unlawfully increasing the prices of ECUs, the prices of new vehicles containing ECUs would also be artificially inflated. The defendants and their unnamed co-conspirators knew that their unlawful scheme and conspiracy would injure purchasers of ECUs and purchasers and lessees of new vehicles containing ECUs. The defendants' conduct impacted not only multiple bids submitted to OEMs, but also the price paid by all other purchasers of ECUs.

37. By virtue of their market shares, the defendants are the dominant manufacturers and suppliers of ECUs in Canada and the world. Their customers include DaimlerChrysler AG, General Motors, Ford, Toyota, Honda, Subaru, and Nissan.

38. The defendants are some of the largest manufacturers and suppliers of ECUs in Canada and the world.

39. The automotive industry in Canada and the United States is an integrated industry. Automobiles manufactured on both sides of the border are sold in Canada. The unlawful conspiracy affected prices of ECUs in the United States and Canada, including Ontario.

Investigations into International Cartel and Resulting Fines

Canada

40. Denso Corporation has agreed to plead guilty in Canada and pay a \$2.45 million criminal fine for bid-rigging relating to body ECUs.

United States

41. Denso Corporation agreed to plead guilty and pay a fine of US\$78 million in respect of its role in the alleged conspiracy to suppress and eliminate competition in the automotive parts industry by agreeing to rig bids for, and to fix, stabilize, and maintain the prices of ECUs, as well as one other automotive part.

42. During the Class Period, Sheridan purchased for resale the following brands of vehicles manufactured by GMCL or its affiliates: Chevrolet, Oldsmobile, and Cadillac.

43. During the Class Period, Sheridan also purchased for resale vehicles manufactured by the following other automotive manufacturers: Suzuki Canada Inc., CAMI Automotive Inc., GM Daewoo Auto & Technology Company, and Daewoo Motor Co.

44. During the Class Period, Pickering purchased for resale the following brands of vehicles manufactured by GMCL or its affiliates: Isuzu, Saab, and Saturn.

45. During the Class Period, Pickering also purchased for resale vehicles manufactured by the following other automotive manufacturers: Isuzu Motors Ltd., Adam Opel AG, and Subaru Canada Inc.

46. The vehicles purchased by Sheridan and Pickering were manufactured in whole or in part at various times in Ontario or other parts of Canada, the United States, Japan, and other parts of the world.

47. Sheridan and Pickering purchased new vehicles containing ECUs.

48. Fady Samaha purchased a new Honda Civic in 2009, which contained an ECU.

Breaches of Part VI of *Competition Act*

49. From at least as early as January 1, 2000 until at least August 1, 2011, the defendants and their unnamed co-conspirators engaged in a conspiracy to rig bids for and to fix, maintain, increase, or control the prices of ECUs sold to customers in North America and elsewhere. The defendants and their unnamed co-conspirators conspired to enhance unreasonably the prices of ECUs and/or to lessen unduly competition in the production, manufacture, sale, and/or distribution of ECUs in North America and elsewhere. The conspiracy was intended to, and did, affect prices of ECUs and new vehicles containing ECUs.

50. The defendants and their unnamed co-conspirators carried out the conspiracy by:

- (a) participating in meetings, conversations, and communications in the United States, Japan, Europe, and elsewhere to discuss the bids (including RFQs) and price quotations to be submitted to OEMs selling automobiles in North America and elsewhere;
- (b) agreeing, during those meetings, conversations, and communications, on bids (including RFQs) and price quotations (including APRs) to be submitted to OEMs in North America and elsewhere (including agreeing that certain defendants or co-conspirators would win the RFQs for certain models);
- (c) agreeing on the prices to be charged and to control discounts (including APRs) for ECUs in North America and elsewhere and to otherwise fix, increase, maintain or stabilize those prices;

- (d) agreeing, during those meetings, conversations, and communications, to allocate the supply of ECUs sold to OEMs in North America and elsewhere on a model-by-model basis;
- (e) agreeing, during those meetings, conversations, and communications, to coordinate price adjustments in North America and elsewhere;
- (f) submitting bids (including RFQs), price quotations, and price adjustments (including APRs) to OEMs in North America and elsewhere in accordance with the agreements reached;
- (g) enhancing unreasonably the prices of ECUs sold in North America and elsewhere;
- (h) selling ECUs to OEMs in North America and elsewhere for the agreed-upon prices, controlling discounts and otherwise fixing, increasing, maintaining or stabilizing prices for ECUs in North America and elsewhere;
- (i) allocating the supply of ECUs sold to OEMs in North America and elsewhere on a model-by-model basis;
- (j) accepting payment for ECUs sold to OEMs in North America and elsewhere at collusive and supra-competitive prices;
- (k) engaging in meetings, conversations, and communications in the United States, Japan and elsewhere for the purpose of monitoring and enforcing adherence to the agreed-upon bid-rigging and price-fixing scheme;
- (l) actively and deliberately employing steps to keep their conduct secret and to conceal and hide facts, including but not limited to using code names, following security rules to prevent "paper trails," abusing confidences, communicating by telephone and

meeting in locations where they were unlikely to be discovered by other competitors and industry participants; and

(m) preventing or lessening, unduly, competition in the market in North America and elsewhere for the production, manufacture, sale or distribution of ECUs.

51. As a result of the unlawful conduct alleged herein, the plaintiffs and other members of the Proposed Class paid unreasonably enhanced/supra-competitive prices for ECUs and/or new vehicles containing ECUs.

52. The conduct described above constitutes offences under Part VI of the *Competition Act*, in particular, sections 45(1), 46(1) and 47(1) of the *Competition Act*. The plaintiffs claim loss and damage under section 36(1) of the *Competition Act* in respect of such unlawful conduct.

Breach of Foreign Law

53. The defendants and their unnamed co-conspirators' conduct, particularized in this statement of claim, took place in, among other places, the United States, Japan, and Europe, where it was illegal and contrary to the competition laws of the United States, Japan, and Europe.

Civil Conspiracy

54. The defendants and their unnamed co-conspirators voluntarily entered into agreements with each other to use unlawful means which resulted in loss and damage, including special damages, to the plaintiffs and other members of the Proposed Class. The unlawful means include the following:

- (a) entering into agreements to rig bids and fix, maintain, increase, or control prices of ECUs sold to customers in North America and elsewhere in contravention of sections 45(1), 46(1), and 47(1) of the *Competition Act*; and
- (b) aiding, abetting and counselling the commission of the above offences, contrary to sections 21 and 22 of the *Criminal Code*, RSC 1985, c C-46.

55. In furtherance of the conspiracy, the defendants, their servants, agents and unnamed co-conspirators carried out the acts described in paragraph 43 above.

56. The defendants and their unnamed co-conspirators were motivated to conspire. Their predominant purposes and concerns were to harm the plaintiffs and other members of the Proposed Class by requiring them to pay artificially high prices for ECUs, and to illegally increase their profits on the sale of ECUs.

57. The defendants and their unnamed co-conspirators intended to cause economic loss to the plaintiffs and other members of the Proposed Class. In the alternative, the defendants and their unnamed co-conspirators knew in the circumstances, that their unlawful acts would likely cause injury.

Discoverability

58. ECUs are not exempt from competition regulation and thus, the plaintiffs reasonably considered the ECUs industry to be a competitive industry. A reasonable person under the circumstances would not have been alerted to investigate the legitimacy of the defendants' prices for ECUs.

59. Accordingly, the plaintiffs and other members of the Proposed Class did not discover, and could not discover through the exercise of reasonable diligence, the existence of the alleged conspiracy during the Class Period.

Fraudulent Concealment

60. The defendants and their co-conspirators actively, intentionally and fraudulently concealed the existence of the combination and conspiracy from the public, including the plaintiffs and other members of the Proposed Class. The defendants and their co-conspirators represented to customers and others that their pricing and bidding activities were unilateral, thereby misleading the plaintiffs. The affirmative acts of the defendants alleged herein, including acts in furtherance of the conspiracy, were fraudulently concealed and carried out in a manner that precluded detection.

61. The defendants' anti-competitive conspiracy was self-concealing. As detailed in paragraph 43 above, the defendants took active, deliberate and wrongful steps to conceal their participation in the alleged conspiracy.

62. Because the defendants' agreements, understandings and conspiracies were kept secret, plaintiffs and other members of the Proposed Class were unaware of the defendants' unlawful

conduct during the Class Period, and they did not know, at the time, that they were paying supra-competitive prices for ECUs and/or new vehicles containing ECUs.

Unjust Enrichment

63. As a result of their conduct, the defendants benefited from a significant enhancement of their revenues on the sale of ECUs. All members of the Proposed Class have suffered a corresponding deprivation as a result of being forced to pay inflated prices for ECUs and/or new vehicles containing ECUs. There is no juristic reason or justification for the defendants' enrichment, as such conduct is tortious, unjustifiable and unlawful under the *Competition Act* and similar laws of other countries in which the unlawful acts took place.

64. It would be inequitable for the defendants to be permitted to retain any of the ill-gotten gains resulting from their unlawful conspiracy.

65. The plaintiffs and other members of the Proposed Class are entitled to the amount of the defendants' ill-gotten gains resulting from their unlawful and inequitable conduct.

Waiver of Tort

66. In the alternative to damages, in all of the circumstances, the plaintiffs plead an entitlement to "waive the tort" of civil conspiracy and claim an accounting or other such restitutionary remedy for disgorgement of the revenues generated by the defendants as a result of their unlawful conspiracy.

67. As a direct, proximate, and foreseeable result of the defendants' wrongful conduct, the plaintiffs and other members of the Proposed Class overpaid for ECUs. As a result of the

unlawful conspiracy, the defendants profited from the sale of ECUs at artificially inflated prices and were accordingly unjustly enriched. The defendants accepted and retained the unlawful overcharge. It would be unconscionable for the defendants to retain the unlawful overcharge obtained as a result of the alleged conspiracy.

Damages

68. The conspiracy had the following effects, among others:

- (a) price competition has been restrained or eliminated with respect to ECUs sold directly or indirectly to the plaintiffs and other members of the Proposed Class in Ontario and the rest of Canada;
- (b) the prices of ECUs sold directly or indirectly to the plaintiffs and other members of the Proposed Class in Ontario and the rest of Canada have been fixed, maintained, increased or controlled at artificially inflated levels; and
- (c) the plaintiffs and other members of the Proposed Class have been deprived of free and open competition for ECUs in Ontario and the rest of Canada.

69. ECUs are identifiable, discrete physical products that remain essentially unchanged when incorporated into a vehicle. As a result, ECUs follow a traceable chain of distribution from the defendants to the OEMs (or alternatively to the Tier I Manufacturers and then to OEMs) and from the OEMs to automotive dealers to consumers or other end-user purchasers. Costs attributable to ECUs can be traced through the distribution chain.

70. By reason of the wrongful conduct alleged herein, the plaintiffs and the members of the Proposed Class have sustained losses by virtue of having paid higher prices for ECUs and/or new

vehicles containing ECUs than they would have paid in the absence of the illegal conduct of the defendants and their unnamed co-conspirators. As a result, the plaintiffs and other members of the Proposed Class have suffered loss and damage in an amount not yet known but to be determined. Full particulars of the loss and damage will be provided before trial.

Punitive, Aggravated and Exemplary Damages

71. The defendants and their unnamed co-conspirators used their market dominance, illegality and deception in furtherance of a conspiracy to illegally profit from the sale of ECUs. They were, at all times, aware that their actions would have a significant adverse impact on all members of the Proposed Class. The conduct of the defendants and their unnamed co-conspirators was high-handed, reckless, without care, deliberate, and in disregard of the plaintiffs' and Proposed Class members' rights.

72. Accordingly, the plaintiffs request substantial punitive, exemplary and aggravated damages in favour of each member of the Proposed Class.

Service of Statement of Claim Outside Ontario

73. The plaintiffs are entitled to serve this statement of claim outside Ontario without a court order pursuant to the following rules of the *Rules of Civil Procedure*, RRO 1990, Reg 194 because:

- (a) Rule 17.02 (g) – the claim relates to a tort committed in Ontario;
- (b) Rule 17.02 (h) – the claim relates to damage sustained in Ontario arising from a tort; and

(c) Rule 17.02 (o) – the defendants residing outside of Ontario are necessary and proper parties to this proceeding.

74. The plaintiffs propose that this action be tried at Toronto, Ontario.

DATE: ~~March 19, 2012~~

SOTOS LLP

Barristers and Solicitors
180 Dundas Street West, Suite 1200
Toronto, ON M5G 1Z8

David Sterns LSUC # 36274J
Jean-Marc Leclerc LSUC # 43974F
Adrienne Boudreau LSUC #57348D
Rory McGovern LSUC # 65633H

Tel: (416) 977-0007
Fax: (416) 977-0717

SISKINDS LLP

Barristers and Solicitors
680 Waterloo Street
London, ON N6A 3V8

Charles M. Wright LSUC # 36599Q
Andrea L. DeKay LSUC # 43818M
Linda Visser LSUC # 52158I
Kerry McGladdery Dent LSUC # 59865G

Tel: (519) 672-2121
Fax: (519) 672-6065

Lawyers for the Plaintiffs

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act, 1992*

**CONSOLIDATED FRESH AS AMENDED
STATEMENT OF CLAIM
(Electronic Control Units)**

SOTOS LLP

Barristers and Solicitors
180 Dundas Street West,
Suite 1200
Toronto, ON M5G 1Z8

David Sterns LSUC # 36274J
Jean-Marc Leclerc LSUC # 43974F
Adrienne Boudreau LSUC #57348D
Rory McGovern LSUC # 65633H

Tel: (416) 977-0007
Fax: (416) 977-0717

Lawyers for the Plaintiffs

SISKINDS LLP

Barristers and Solicitors
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Charles M. Wright LSUC # 36599
Andrea L. DeKay LSUC # 43818M
Linda Visser LSUC # 52158I
Kerry McGladdery Dent LSUC # 5

Tel: (519) 672-2121
Fax: (519) 672-6065