

**UNITED STATES DISTRICT COURT  
DISTRICT COURT OF MINNESOTA**

IN RE PORK ANTITRUST LITIGATION

Case No. 0:18-cv-01776 (JRT-JFD)

This Document Relates To:

THE DIRECT PURCHASER PLAINTIFF  
ACTION

**DIRECT PURCHASER  
PLAINTIFFS' FURTHER  
STATUS REPORT REGARDING  
FIRST DISTRIBUTION OF NET  
SETTLEMENT PROCEEDS AND  
MOTION FOR APPROVAL OF  
REDISTRIBUTION PLAN**

**FURTHER STATUS REPORT**

On March 15, 2024, the Direct Purchaser Plaintiffs (“DPPs”) provided this Court with a Status Report (ECF No. 2144) regarding the distribution of the \$64,047,950.48 Net Settlement Fund as ordered and approved by the Court on August 25, 2023. (See ECF Nos. 2015, 2058.) DPP Co-Lead Counsel provide this further status report to provide more information on the taxes payable on the *In re Pork Antitrust Litigation* Qualified Settlement Fund.

On October 11, 2023, Co-Lead Class Counsel reported to the Court that \$541,733.00<sup>1</sup> would be withheld from the distribution for payment of federal and state taxes. (See ECF No. 2058.) Since that time, however, the DPPs settled with Seaboard and invested the \$9.75 million in Seaboard settlement proceeds into an interest-bearing account. Now, as the tax return is nearly final, it is apparent that taxes are due for 2023 as follows:<sup>2</sup>

<b>Settlement Fund</b>	<b>Federal/State</b>	<b>Reserved Amount</b>	<b>Actual Amount</b>	<b>Difference</b>
JBS	Federal	\$ 45,774.00	\$ 45,774.00	\$ -
JBS	State (MN)	\$ 39,923.00	\$ 39,923.00	\$ -
Smithfield	Federal	\$ 329,614.00	\$ 329,614.00	\$ -
Smithfield	State (MN)	\$ 126,422.00	\$ 126,422.00	\$ -
Seaboard	Federal	\$ 00.00	\$ 38,662.00	\$ 38,662.00
Seaboard	State (MN)	\$ 00.00	\$ 12,820.00	\$ 12,820.00
<b>Total</b>		<b>\$ 541,733.00</b>	<b>\$ 593,215.00</b>	<b>\$ (51,482.00)</b>

<sup>1</sup> JBS: \$45,774.00 Federal tax reserve, \$39,923.00 Minnesota State tax reserve. Smithfield: \$329,614.00 Federal tax reserve, \$126,422.00 Minnesota State tax reserve.

<sup>2</sup> A.B. Data and the accountants have determined that \$1,555.00 in penalties are also due. This amount will be paid by A.B. Data and not the DPPs.

The taxes owed for the JBS and Smithfield settlement funds will be paid from the reserve amount. Pursuant to the Order granting Final Approval to the Seaboard settlement, the federal (\$38,662.00) and state (\$12,820.00) taxes will be paid from the Seaboard escrow account. (*See* ECF No. 2137.) Additionally, estimated taxes for Q1 2024 in the amount of \$45,000.00 (federal) and \$11,500.00 (state) are due, which will also be paid from the Seaboard escrow account.

In addition, the surplus set for redistribution presently totals \$8,197,348.12. In the March 15, 2024 Status Report, Co-Lead Class Counsel requested Court approval to transfer this money to an interest-bearing account until such a time that a further distribution is approved and ordered by this Court. Once the Court grants that approval and the funds are moved to an interest-bearing account, taxes will be owed as a result of this investment. For that reason, Co-Lead Class Counsel also requests the authority to pay any ongoing federal and/or state taxes as necessary. If the Court prefers, Co-Lead Class Counsel will provide a further status report prior to paying any such future taxes. Otherwise, Co-Lead Class Counsel will report on such tax payments in subsequent status reports.

Date: April 9, 2024

/s/ Michael H. Pearson

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