IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

DOUBLES MARKETING AND SALES, INC., individually and on behalf of all others similarly similarly situated, Plaintiff, v. YKK CORPORATION, YKK CORPORATION OF AMERICA, YKK SNAP FASTENERS AMERICA INC., WILLIAM PRYM GMBH & CO. KG, PRYM CONSUMER USA, INC. and PRYM FASHION INC., Defendants.	CIVIL ACTION NO.__________ CLASS ACTION COMPLAINT JURY TRIAL DEMANDED

Plaintiff, Doubles Marketing and Sales, Inc., on behalf of itself and all others similarly situated, brings this action for treble damages under the antitrust laws of the United States against Defendants YKK Corporation, YKK Corporation of America, YKK Snap Fasteners America Inc., William Prym Gmbh & Co. KG, Prym Consumer USA, Inc. and Prym Fashion Inc., demanding a trial by jury, and complaining and alleging as follows:

NATURE OF THE CASE

1. This case arises from a worldwide conspiracy engaged in by Defendants and their co-conspirators to fix prices and allocate customers for fasteners and attaching machines. On September 19, 2007, the European Commission announced its findings that there existed an illegal cartel in the markets for fasteners and attaching machines not only in Europe, but "worldwide." As a result, the European Commission imposed fines in excess of 328 million euros (approximately $458 million) on the YKK Group, the Prym Group, and five other entities, "for operating cartels on the markets for fasteners and attaching machines in Europe and

worldwide." The Commission identified four separate cartels in which the conspirators "agreed on coordinated price increases, fixed minimum prices, allocated customers, shared markets and exchanged other commercially important and confidential information."

2. One of the co-conspirators has admitted its involvement in the worldwide conspiracy. The Prym Group has admitted that individuals at the highest level of management were actively involved in the cartels: "The members of the board of management of the Prym Group in charge at the times of the cartels, who are no longer active in the Prym undertakings, have at all times admitted the participation and cooperated with the Commission in its investigations."

3. The Prym Group was granted full immunity from fines under the Commission's leniency program with respect to the worldwide "other fasteners" and attaching machines cartel because it was the first entity to provide information about this cartel to the Commission. The fines imposed on the Prym Group for its involvement in the three other cartels were also reduced as a result of its cooperation in the Commission's investigations. A smaller reduction was also granted to the YKK Group (which was fined approximately 150.2 million euros) pursuant to the Commission's leniency program, in recognition of its assistance in the investigation of the cartels.

JURISDICTION AND VENUE

4. This action is filed and these proceedings are instituted pursuant to Sections 4 and 16 of the Clayton Act, 15 U.S.C. §§ 15 and 26, to recover treble damages and the costs of this suit, including reasonable attorneys' fees, for injuries sustained by Plaintiff and the Class as a result of Defendants' violations of Section 1 of the Sherman Act, 15 U.S.C. § 1.

5. This Court has jurisdiction under 28 U.S.C. §§ 1331 and 1337 and Sections 4

and 16 of the Clayton Act, 15 U.S.C. §§ 15(a) and 26.

6. Venue is proper in this Judicial District pursuant to 15 U.S.C. §§ 15(a) and 22 and 28 U.S.C. § 1391(b), (c) and (d) because, during the Class Period, Defendants and/or their co-conspirators resided, transacted business, or were found in this District, or because a substantial part of the events giving rise to Plaintiff's claims occurred in this District, and a substantial portion of the affected interstate trade and commerce described below has been carried out in this District.

7. This Court has personal jurisdiction over each Defendant because, *inter alia*, each Defendant: (a) transacted business throughout the United States, including in this District; (b) had substantial contacts with the United States, including in this District; and/or (c) was engaged in an illegal antitrust conspiracy that was directed at and had the intended effect of causing injury to persons residing in, located in, or doing business throughout the United States, including in this District.

DEFINITIONS

8. "Class Period" means the period from January 1, 1999 to December 31, 2003.

9. "Person" means any individual, partnership, corporation, association or other business or legal entity.

10. "Fasteners," as the term is used in this Complaint, includes snaps, buttons, hooks and eyes, buckles, eyelets and rivets. ("Zip fasteners" are not included in this definition.) Fasteners are used in the manufacture of the following products, among others: apparel; luggage; marine products; and footwear.

PLAINTIFF

11. Plaintiff, Doubles Marketing and Sales, Inc., ("Doubles Marketing & Sales, Inc.") is a New Jersey corporation with its principal place of business located at P.O. Box 351, Barnegat Light, New Jersey, 08006. During the Class Period, Doubles Marketing & Sales, Inc., purchased fasteners directly from one or more of the Defendants and paid more for fasteners than it would have in the absence of the conspiracy.

DEFENDANTS

12. Defendant YKK Corporation ("YKK") has its principal place of business in Tokyo, Japan. YKK refers to itself and its subsidiaries collectively as the "YKK Group." According to its "Global Website," the "YKK Group management structure is global." The YKK Group "does business in about 70 countries/regions worldwide," including the United States. The YKK Group's "[w]orldwide sales, marketing, and customer services are handled by [its] six geographical block organizations." YKK has the largest share, approximately 50%, of the worldwide fastener market. During the Class Period, the YKK Group manufactured and sold, marketed and distributed fasteners to customers in the United States.

13. Defendant YKK Corporation of America ("YKK America") is a Georgia corporation with its principal place of business in Marietta, Georgia. YKK America is YKK's "Western Hemisphere parent." During the Class Period, YKK America, directly or through its subsidiaries or affiliates, manufactured and sold fasteners to customers in the United States.

14. Defendant YKK Snap Fasteners America Inc. ("YKK Snap Fasteners") is a Delaware corporation with its principal place of business in Lawrenceburg, Kentucky. During the Class Period YKK Snap Fasteners manufactured and sold fasteners to customers in the United States.

15. Defendant William Prym GmbH & Co. KG ("Prym") has its principal place of business in Stolberg, Germany. Prym is the "oldest family-owned business in Germany, and one of the oldest in the world." Prym refers to itself and its subsidiaries collectively as the "Prym Group." According to the Prym Group website, the "Prym Group's sales teams and production facilities are located around the Globe, while the company operates in every major market worldwide," including the United States. The Prym Group is comprised of three divisions. The Prym Fashion division produces and sells "fastening systems and accessories" to customers in the United States and worldwide in the garment and textile industries. It has a "global distribution network" consisting of "production sites and sales offices in over 60 countries around the world," including the United States, and provides "worldwide onsite technical support," which are "designed to meet global logistics needs." During the Class Period, the Prym Group manufactured and sold, marketed and distributed fasteners to customers in the United States.

16. Defendant Prym Consumer USA, Inc. (previously known as Prym Dritz Corporation) ("Prym Consumer") is a South Carolina corporation with its principal place of business in Spartanburg, South Carolina. During the Class Period, Prym Consumer sold fasteners to customers in the United States.

17. Defendant Prym Fashion Inc. ("Prym Fashion") is a Delaware corporation with its principal place of business in Spartanburg, South Carolina. During the Class Period, Prym Fashion sold fasteners to customers in the United States.

CO-CONSPIRATORS AND AGENTS

18. Various other persons, firms and corporations not named as Defendants herein have participated as co-conspirators in the violations alleged herein and have performed acts and made statements in furtherance thereof.

19. Wherever in this Complaint reference is made to any act, statement or transaction of any corporation or entity, the allegation means that the corporation or entity engaged in the act or transaction, or made the statement, by or through its officers, directors, members, partners, agents, employees or representatives while they were engaged in the management, direction, control or conduct of the corporation's or entity's business or affairs and acting within the scope of their authority.

20. Various other persons, firms and corporations not named as Defendant herein have participated as co-conspirators in the violations alleged herein and have aided, abetted and performed acts and made statements in furtherance thereof.

FACTS

European Commission Proceedings

21. Agreements between two or more companies that restrict competition are prohibited by Article 81 of the Treaty establishing the European Community.

22. The European Commission applies and enforces the laws of the European Community, including its competition law. The Commission can require companies to provide information and, if necessary, may carry out surprise inspections at a company's offices and, with a court order, may also inspect the homes of company personnel.

23. If the European Commission finds evidence of illegal business practices that restrict competition, it can act to prohibit such conduct. It can also fine companies up to 10 % of

their annual worldwide "turnover" if the companies have, for example, participated in a cartel that fixed prices or allocated markets.

24. According to the Commission, a "cartel" is an illegal, secret agreement between competitors to fix or increase their prices, restrict supply by limiting their sales or their production capacities, or to divide up their markets or consumers. Cartels shield their participants from competition, which "allows the participants to charge higher prices and to remove the pressure on them to improve the products they sell or find more efficient ways in which to produce them. Their customers (companies and consumers) end up paying higher prices for lower quality and narrower choice."

25. All cartel decisions by the Commission may be appealed to the Court of First Instance (CFI) and then to the Court of Justice of the European Communities in Luxembourg. These courts are empowered to reverse or affirm Commission decisions, in whole or in part, and to reduce or increase fines.

26. The Commission must satisfy the following standard of proof in order to establish an infringement of competition rules: The Commission "must produce sufficiently precise and consistent evidence to support the firm conviction that the alleged infringement took place."

27. Companies that have participated in illegal cartels may avoid or reduce a fine imposed by the Commission. The Commission operates a leniency program through which companies that provide insider information about a cartel in which they participated may receive full or partial immunity from fines.

28. In order to obtain total immunity under the leniency policy, a company that participated in a previously "undetected cartel" must be the first to provide the Commission with information sufficient to allow it to launch an inspection at the premises of the companies

involved in the cartel. An applicant must provide sufficient evidence to enable the Commission to carry out the inspection in a "targeted" manner (i.e., what evidence to look for and where it is located).

29. If the Commission is already in possession of enough information to launch an inspection or has already undertaken one, an immunity applicant must provide evidence that enables the Commission to prove the cartel infringement. The company must also fully cooperate with the Commission throughout its investigation and prosecution, provide it with all evidence in its possession and put an end to the infringement immediately.

30. Companies that do not qualify for immunity may receive a reduction of fines if they provide evidence that represents "significant added value" to that already in the Commission's possession and have terminated their participation in the cartel. Evidence is considered to be of a "significant added value" when it reinforces the Commission's ability to prove the infringement. The first company to meet these conditions is granted a 30% to 50% reduction, the second 20% to 30%, and subsequent companies up to 20%.

31. The European Commission began an investigation of collusive practices by manufacturers and distributors of haberdashery products after it received a letter from Entaco Ltd. (The English Needle & Tackle Company) on August 29, 2000, accusing Prym and Coats Holdings Ltd. ("Coats") of anticompetitive conduct relating to the European hard haberdashery market.

32. According to the Commission, hard haberdashery products include needles, knitting pins, crochet hooks, pins, zip fasteners, and other fastening products. Soft haberdashery includes thread and textile products for the leather and garment industry.

33. The information from Entaco led to surprise inspections by the Commission on

November 7 and 8, 2001 at offices of Coats, Prym, Entaco and a trade association, in England and Germany. Those inspections, in turn, triggered applications from the Prym Group, the Coats Group (i.e., Coats and its subsidiaries), and the YKK Group for immunity or reduction of fines under the Commission's leniency program.

34. As a result of these inspections and its subsequent investigation, the Commission uncovered evidence of the existence of multiple cartel agreements affecting both hard and soft haberdashery products, at least one of which had existed for more than 21 years.

35. On October 26, 2004, the Commission issued a Decision finding that, between 1994 and 1999, Coats and its subsidiary J & P Coats Ltd. ("J & P Coats"), Prym and its subsidiary William Prym Consumer GmbH & Co. KG ("Prym Consumer"), and Entaco had participated in a product and geographic market sharing agreement in Europe relating to needles and other haberdashery products. Coats and Prym were fined a total of approximately 60 million euros, subsequently reduced to 47 million euros by the European Court of First Instance. Entaco was not fined because it had brought the anticompetitive conduct to the attention of the Commission.

36. On September 14, 2005, the Commission issued a Decision fining Coats and a number of other entities approximately 43.5 million euros for operating industrial thread (soft haberdashery) cartels in Europe.

37. It was not until September 19, 2007, however, that the European Commission imposed fines totalling 328.6 million euros (approximately $458 million) on YKK, Prym and Coats (and five of their subsidiaries), together with three other manufacturers and a German trade association, "for operating cartels on the markets for fasteners and attaching machines in Europe and worldwide."

38. The Commission stated that the evidence uncovered in the 2001 inspections revealed the existence of illegal cartels in the markets for zip fasteners, "other fasteners" (e.g., snap buttons and rivets) and their attaching machines. The existence of these cartels was further established by numerous documents and statements provided by the YKK Group, the Prym Group, and the Coats Group.

39. According to the Commission, one of the cartels,

> involving the Prym group and the YKK group, ran from 1999 until at least 2003. During this period the two leading manufacturers of fastening products in Europe fixed prices on a product-by-product and country-by-country basis and allocated customers <u>on a worldwide level</u> with respect to 'other fasteners' and their attaching machines. (emphasis added).

This was the first time the Commission revealed that YKK was a participant in any anticompetitive conduct, or that the scope of any of the cartels had extended beyond Europe.

40. The Commission uncovered evidence that, with respect to each of the cartels, high ranking management of the conspirators (e.g., managing directors, sales directors, and board members) had participated in regular meetings and discussions. The Commission also found evidence that the companies were aware that their conduct was illegal.

41. In a press release issued on September 19, 2007, the Prym Group admitted that individuals at the highest level of management were actively involved in the cartels: "The members of the board of management of the Prym Group in charge at the times of the cartels, who are no longer active in the Prym undertakings, have at all times admitted the participation and cooperated with the Commission in its investigations."

42. The Prym Group was the first entity to provide information to the Commission about the worldwide fasteners and attaching machines cartel and, thus, received full immunity from fines under the Commission's leniency program. Moreover, the fines imposed on the Prym

Group for its involvement in the other three cartels were lowered (to approximately 40.5 million euros) as a result of its cooperation with the Commission. Pursuant to the Commission's leniency program, smaller reductions were also granted to the YKK Group and the Coats Group (which were fined approximately 150.2 million and 122.4 million euros respectively), in recognition of their cooperation.

43. It is the Commission's practice to sanction all entities responsible for illegal, anticompetitive conduct. Thus, if the parent company within a group exercises "decisive influence" over the conduct of its subsidiaries, they are considered to be part of the same economic entity. There is a presumption that a parent company exercises decisive influence over its wholly-owned subsidiary. Legal responsibility for a violation and the related fine can therefore be attributed to the subsidiaries that actually participated in the cartel and the parent company that exercised "decisive influence" over the subsidiary. Pursuant to this policy, fines for the worldwide fasteners and attaching machines cartel were imposed upon YKK and Prym, the corporate parents of, respectively, the "YKK Group" and the "Prym Group."

44. Competition Commissioner Neelie Kroes stated that: "It is unacceptable that the major fastening technology producers colluded for such a long time to maintain artificial price levels and to share customers and markets for products which are used every day by a lot of consumers. The highest management of these companies was well aware that this conduct was illegal, but decided to continue anyway."

CLASS ACTION ALLEGATIONS

45. Plaintiff brings this action against Defendants under Rule 23(a) and (b)(3) of the Federal Rules of Civil Procedure on behalf of all members of the following Class:

> All persons and entities in the United States who purchased fasteners directly from Defendants during the period from January 1, 1999 to December 31, 2003. Excluded from the Class are Defendants, their co-conspirators and their respective parents, subsidiaries and affiliates.

46. Plaintiff does not know the exact number of Class Members because such information is in the exclusive control of Defendants or their co-conspirators. Due to the nature of the trade and commerce involved, however, Plaintiff believes that Class Members number at least in the thousands and are sufficiently numerous and geographically dispersed throughout the United States so that joinder of all Class Members is impracticable.

47. Plaintiff's claims are typical of the claims of Class Members and Plaintiff will fairly and adequately protect the interests of the Class. Plaintiff is a direct purchaser of fasteners from a Defendant and its interests are consistent with and not antagonistic to those of the other members of the Class. In addition, Plaintiff is represented by counsel who are competent and experienced in the prosecution of antitrust and class action litigation.

48. Questions of law and fact common to the Class are:

a. Whether Defendants and their co-conspirators engaged in a contract, combination or conspiracy to fix, raise, maintain or stabilize prices or allocate customers for fasteners;

b. The identity of participants in the conspiracy;

c. Whether the alleged conspiracy violated Section 1 of the Sherman Act;

d. The duration of the conspiracy alleged in this Complaint and the nature and character of the acts performed by Defendants and their co-conspirators in furtherance of the conspiracy;

e. Whether the conduct of Defendants and their co-conspirators, as alleged in this Complaint, caused injury to the business or property of Plaintiff and other members of the Class;

f. The effect of the conspiracy on prices for fasteners sold to purchasers in the United States during the Class Period; and

g. The appropriate measure of damages sustained by Plaintiff and other members of the Class.

49. These questions of law and fact common to the members of the Class predominate over any questions affecting only individual members, including legal and factual issues relating to liability and damages.

50. A class action is superior to other methods for the fair and efficient adjudication of this controversy. Treatment as a class action will permit a large number of similarly situated persons to adjudicate their common claims in a single forum simultaneously, effectively, and without the duplication of effort and expense that numerous individual actions would engender. Class treatment will also permit the adjudication of relatively small claims by many Class Members who otherwise could not afford to litigate an antitrust claim such as is asserted in this Complaint. This Class action presents no difficulties in management that would preclude maintenance as a class action.

51. The Class is readily definable and is one for which records likely exist in the files of Defendants and their co-conspirators.

INTERSTATE TRADE AND COMMERCE

52. The activities of Defendants and their co-conspirators, as described in this Complaint, were within the flow of and substantially affected interstate and foreign commerce.

53. During the Class Period, Defendants and their co-conspirators sold and shipped substantial quantities of fasteners in a continuous and uninterrupted flow of interstate or foreign commerce to customers located in states or countries other than the states or countries in which the fasteners were produced.

VIOLATIONS ALLEGED

54. Plaintiff realleges all preceding paragraphs as if fully set forth herein.

55. Beginning at least as early as January 1, 1999, and continuing until at least December 31, 2003, the exact dates being unknown to Plaintiff, Defendants and their co-conspirators entered into and engaged in a contract, combination or conspiracy to fix, raise, maintain or stabilize the prices and allocate customers for fasteners in unreasonable restraint of trade and commerce in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1.

56. For the purpose of formulating and effectuating the aforesaid contract, combination or conspiracy, upon information and belief, Defendants, acting through high-ranking management, engaged in anticompetitive activities, the purpose and effect of which were to artificially fix, raise, maintain or stabilize prices and allocate customers for fasteners. Defendants' anticompetitive activities included:

a. Participating in meetings, conversations and communications concerning fasteners price increases, minimum prices, customer allocation, the sharing of markets, and the exchange of other commercially important and confidential information;

b. Agreeing on coordinated price increases, minimum prices, allocation of customers, sharing of markets, and the exchange of other commercially important and confidential information relating to fasteners; and

c. Selling fasteners to Class Members at supra-competitive prices in accordance with the agreements reached.

57. Plaintiff and the Class Members paid more for fasteners than they would have paid under conditions of free and open competition. As a direct and proximate result of the illegal contract, conspiracy, or combination alleged above, Plaintiff and Class Members were injured and financially damaged in their business and property, in amounts that are not presently determinable.

FRAUDULENT CONCEALMENT

58. Plaintiff had no knowledge of Defendants' unlawful, continuing, self-concealing conspiracy and could not have discovered the contract, combination, or conspiracy before September 19, 2007 by the exercise of due diligence because of the deceptive practices and techniques of secrecy employed by Defendants and their co-conspirators to avoid detection of, and fraudulently conceal, their contract, combination, or conspiracy.

59. Because the contract, combination, or conspiracy was kept secret by Defendants, Plaintiff was unaware of the fact that prices of fasteners were secretly raised, fixed, maintained or stabilized as alleged herein.

60. As a result of the concealment of the conspiracy, Plaintiff asserts the tolling of the applicable statute of limitations affecting the right of action by Plaintiff.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays that:

A. The Court determine that this action may be maintained as a class action pursuant to Federal Rule of Civil Procedure 23 and adjudge Plaintiff to be an adequate representative thereof;

B. The unlawful combination, contract, or conspiracy as alleged in this Complaint be adjudicated and decreed a *per se* violation of Section 1 of the Sherman Act, 15 U.S.C. § 1;

C. Plaintiff and the Class recover damages against Defendants and their co-conspirators, jointly and severally, in an amount to be trebled in accordance with the antitrust laws pursuant to 15 U.S.C. § 15(a);

D. Defendants, their affiliates, successors, transferees, assignees, and the officers, directors, partners, agents and employees thereof, and all other persons acting or claiming to act on their behalf, be permanently enjoined and restrained from, in any manner:

(1) continuing, maintaining or renewing the contract, combination or conspiracy alleged herein, or from engaging in any other contract, combination or conspiracy having a similar purpose or effect, and from adopting or following any practice, plan, program or device having a similar purpose or effect; and

(2) communicating or causing to be communicated to any other person engaged in the manufacture, distribution or sale of fasteners, information concerning prices, customers, markets or other terms or conditions of sale of any such product except to the extent necessary in connection with a *bona fide* sales transactions between the parties to such communications;

E. Plaintiff and the Class be awarded their expenses and costs of suit, including reasonable attorneys' fees, to the extent provided by law;

F. Plaintiff and the Class be awarded pre-judgment and post-judgment interest at the highest legal rate to the extent provided by law; and

G. Plaintiff and the Class be awarded such additional relief as the Court may deem proper.

DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiff respectfully demands a trial by jury of all issues so triable.

Dated: November 7, 2007

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