

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NEW YORK**

In re DENTAL SUPPLIES ANTITRUST LITIGATION	No. 1:16-CV-00696-BMC-GRB ALL CASES
---	--

**Declaration of James T. McClave, Ph.D. Concerning
Proposed Dental Litigation Settlement Allocation Plan**

November 12, 2018

1. My name is James T. McClave. I am CEO of Info Tech, Inc., an econometrician, and an Adjunct Professor of Statistics at the University of Florida. I submitted two reports in this case that opined on classwide impact and damages.¹ My CV is attached as Appendix B to the Expert Report of Dr. James T. McClave, September 19, 2017, which was previously filed in this Action as Exhibit 2 to the Declaration of Eric L. Cramer, Esq. in Support of Plaintiffs' Motion for Class Certification (ECF No. 265). Interim Co-Lead Class Counsel have asked me to assist them in preparing the proposed Plan of Allocation in this case.
2. Based on the data produced by Defendants and Burkhart, I estimate that there are approximately 200,000 members of the Settlement Class ("Class Members"), including approximately 155,000 non-corporate purchasers of Dental Supplies ("Private"),² 35,000 corporate purchasers of Dental Supplies ("Corporate"),³ and 10,000 Class Members that purchased only Dental Equipment⁴ (and did not purchase Dental Supplies).⁵ However, because it is difficult to identify unique entities (including, *e.g.*, Class Members who may have purchased from multiple Defendants under slightly different names), I believe that these numbers of Class Members are likely overstated, and that the estimates in each of the above categories, while still substantial, is somewhat lower.

¹ Expert Report of James T. McClave, Ph.D., September 19, 2017 and Rebuttal Expert Report of James T. McClave, Ph.D., January 30, 2018.

² Private dental customers include sole practitioners, non-corporate dental practices and clinics, and dental laboratories. Expert Report of Dr. James T. McClave, September 19, 2017, at 5.

³ Corporate dental customers are multi-office practices with centralized functions, which include national dental support organizations ("DSOs"). *Id.*

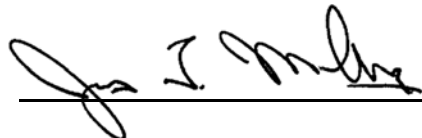
⁴ Dental Equipment are non-consumable Dental Products used by dentists and dental laboratories that include imaging devices, dental chairs, and CAD/CAM systems. *See* Second Consolidated Class Action Complaint ("SCCAC"), ECF No. 114, at ¶ 36.

⁵ Dental Supplies, otherwise known as sundries, merchandise or consumables, are items such as gloves, hand instruments, face masks, toothbrushes and anesthetic solutions. *Id.*

3. The Plan of Allocation proposes to place Claimants⁶ (including both Private and Corporate Class Members) into one of two groups according to their purchases: “Group 1” consists of Claimants who purchased any Dental Supplies (also referred to as sundries or merchandise) during the Class Period (August 31, 2008 through and including March 31, 2016); “Group 2” consists of Claimants who purchased only Dental Equipment during the Class Period.
4. The Plan of Allocation proposes that the Net Settlement Fund is to be allocated as follows: 99.25% to Group 1; 0.75% to Group 2. These percentages reflect two factors: (i) the relatively small fraction of revenue associated with Dental Equipment-only purchasers and, (ii) a lower overcharge estimate for Dental Equipment. Based on the data produced by Defendants and Burkhart, I estimate that the purchases of the Class Members in Group 2 (Class Members that purchased Dental Equipment but not Dental Supplies) account for approximately 1.8% of the total revenue associated with all Class Member purchases during the Class Period. I estimate that the overcharge estimate for Dental Equipment is approximately 40% of the overcharge estimate for Dental Supplies. This yields an allocation of 0.75% (approximately 40% of 1.8%) for Group 2.
5. Within Group 1, the Plan of Allocation proposes that claims will be allocated based on purchases in dollars of Dental Supplies during the Class Period. This Group will be broken up into two segments: Private dental customers and Corporate dental customers. Based on my econometric analyses using Class Member transactional data from Defendants and Burkhart, I estimate that the overcharge for Corporate customers’ purchases is approximately 3.1% of the overcharge estimate for Private customers’ purchases. Accordingly, Private dental customers’ and Corporate dental customers’ respective purchases will be weighted by multiplying Private dental customers’ purchases (in dollars) by 0.191 and Corporate dental customers’ purchases in dollars by 0.006. The Plan of Allocation proposes that the results of these calculations will be used to determine the *pro rata* share of the fund allocated to each Claimant.
6. Within Group 2, the Plan of Allocation proposes that claims will be allocated *pro rata* based on Claimants’ relative Dental Equipment purchase amounts during the Class Period in dollars. However, payments to each Claimant will be capped at 4.1% of its gross purchase amount (in dollars). This cap reflects the average overcharge for Dental Equipment purchases, weighting the Equipment damage estimates for Private dental customers (7.6%) and Corporate dental customers (0.24%) by their respective revenue. It is in place to avoid a windfall to Group 2 Claimants in case the total number of Group 2 Claimants is unexpectedly low. Because of the cap, it is conceivable that some funds may remain in Group 2 after distribution. Where feasible, any remaining funds in Group 2 would roll over into Group 1, and be available for distribution under the method described in ¶ 5 above.

⁶ Claimants are Class Members who timely file valid Claim Forms.

I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read "James T. McClave", written over a horizontal line.

November 12, 2018

James T. McClave, Ph.D.

Date