UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE: DEALER MANAGEMENT SYSTEMS ANTITRUST LITIGATION	**MDL NO. 2817**
This Document Relates to:	**Master Docket No. 1:18 C 00864**
THE DEALERSHIP CLASS ACTION	**Hon. Rebecca R. Pallmeyer**

ORDER

FRS's motion for intervention [1552] is granted *nunc pro tunc*. As explained below, the court recognizes Class Counsel's concerns about the timing of this motion and the claims submission, but nevertheless directs Class Counsel and Epiq to process the 100 pending FRS claims. The court expects that valid claims will be approved, and that any remaining invalid claims will be denied if FRS cannot cure them in an expeditious fashion. The parties are directed to file a joint status report within 30 days informing the court of the status of these efforts. Pending motions to strike [1577, 1618] are denied as moot.

The Berkshire Intervenors' objection to settlement distribution [1584-1] is denied.

STATEMENT

This class action lawsuit concerns allegations that manufacturers of dealership management systems ("DMS")—the back-end software essential for operating car dealerships—violated the nation's antitrust laws. As recounted in a lengthy summary judgment ruling [1525], two DMS developers, CDK Global, LLC ("CDK") and The Reynolds and Reynolds Company ("Reynolds"), were accused of engaging in a complex scheme to eliminate competition and inflate prices. Both Defendants settled the case: Reynolds, earlier in the litigation, settled for $29.5 million, and CDK later settled for $100 million. The court approved these settlements on January 23, 2019 [502], and February 25, 2025 [1545], respectively.

Class Counsel and its administrator, Epiq, are prepared to distribute the settlement funds, and a motion to approve the proposed distribution plan [1567] is currently pending. Two third-party intervenors have objected to the proposed distribution plan: (1) Financial Recovery Services ("FRS"), a third-party filer ("TPF") that files claims on behalf of eligible class members in exchange for a portion of their recovery; and (2) two groups of automotive dealerships (the "Berkshire Intervenors") that are class members.

I. Financial Recovery Services

FRS's objection is brought on behalf of a group of class members whose claims were denied by Class Counsel and Epiq. FRS moved to intervene on September 12, 2025, and the court held in-person hearings on the merits of FRS's motion on November 21, 2025, and February 20, 2026.

Many of the disputes raised by FRS have since been resolved, but exactly 100 claims remain in dispute. (Status Report [1604] at 12.) As the court understands things, FRS submitted these claims (on behalf of class members) on time, but Epiq denied them based on deficiencies in the representation agreement between the class member and FRS. Specifically, the representation agreement did not list the individual rooftops—i.e., specific dealership locations—operated by each class member. Class Counsel observes that this deficiency rendered Epic unable to "confirm FRS's authority to file on behalf of the claimed entities." (*Id*. at 8.) Epiq notified FRS of these deficiencies at least twice, on June 21, 2025, and September 16, 2025, and FRS cured some, but not all, of the deficiencies. (*Id.* at 4.) FRS contends that Epiq's denial of the claims was "baseless" (*id.* at 16), and claims to have spent much of 2025 "attempt[ing] to persuade Dealership Class Counsel that . . . FRS's contracts were valid" (*id.* at 15). FRS filed its motion to intervene in September 2025 seeking a "judicial determination of this very issue." (*Id*.)

On March 18, 2026, FRS submitted signed attestations from its clients that "assert[] authorization [for FRS] to act on behalf of certain rooftops," thus addressing the issue previously identified by Class Counsel. (*Id*. at 7.) But Class Counsel maintains that the disputed claims should nevertheless be denied, because FRS submitted the signed attestations months after Epiq stopped considering late submissions. FRS contends that it exercised diligence throughout this process, and submitted the signed attestations in March in an effort to expedite and finalize the distribution of settlement funds in this case. (*Id*. at 17–18.)

Class Counsel's frustration is understandable. The settlement in this case was approved over a year ago, and class members are awaiting distribution. It does appear that a delay caused by this dispute could have been mitigated, if not avoided altogether, had FRS submitted the signed attestations in the summer of 2025 when this dispute first came to light. Regardless, the court is reluctant to exclude eligible class members on the basis of dilatoriness, in light of efforts made by FRS to advocate for class members and the fact that Class Counsel and Epiq have been aware of their claims.

As the court understands things, Class Counsel and Epiq are in a position to process the 100 disputed claims based on information already in their possession. They are directed to do so. Class Counsel and Epiq should undertake a good faith effort to approve or deny the pending 100 claims submitted by FRS. To the extent that additional information is needed to process and verify these claims, and can be promptly supplied by FRS, Class Counsel and FRS should work expeditiously towards that end. Payment should be made in accordance with the split payment arrangement applicable to the previously improved claims. Class Counsel and Epiq may deny these claims if they appear to be invalid and the deficiencies are not cured expeditiously by FRS.

Class Counsel and FRS are directed to file a joint status report within 30 days informing the court of the status of these efforts.

II. **Berkshire Intervenors**

Berkshire Intervenors challenge the distribution methodology advanced by Class Counsel as inconsistent with the Allocation Plan. (Intervenors' Br. [1584-1] at 5.) The methodology is somewhat complex; it is described in a series of affidavits submitted by Dr. Michael Williams, Plaintiffs' damages expert.[1] In summary: Dr. Williams estimates that Reynolds DMS users bore approximately 58.4% of the losses resulting from the alleged antitrust violation, and CDK users bore the remaining roughly 41.6% of overpayments (a ratio of roughly 1.4 to 1). (Class Counsel Opp'n, Ex. 1 [1607-1] at 2.) To compensate class members equitably, Class Counsel devised a two-step process. First, the aggregate settlement fund ($129.5 million) is divided into two separate funds, one for users of each DMS, proportionate to their estimated damages. CDK users would recover approximately 40.7% of the aggregate settlement funds, and Reynolds users would recover approximately 59.3%—very close to the 1 to 1.4 ratio. (*Id.*; Class Counsel Opp'n [1607] at 8.) The divided funds were then distributed on a pro rata basis, among all eligible claimants

[1] (*See* Williams Decl. [1569]; Williams 2nd Decl. [1574]; Williams 3rd Decl. [1591]; Williams 4th Decl. [1608].)

who had used the relevant DMS. In other words, the amounts by which CDK unfairly profited would be distributed to CDK users who filed valid claims, and the amounts by which Reynolds unfairly profited would be distributed to Reynolds users who valid claims. The recovery for each claimant is, thus, a function of the identity of the claimant's DMS vendor, and the number of other claimants against the damages attributable to that vendor.

Intervenors object to the first step in this process, in which the full recovery is divided into two funding sources. Because the funds are divided into two separate vendor-specific funds before being distributed on a pro rata basis, the amount of recovery for each class member becomes dependent not on the total number of claimants, but on the number of claimants *who use each particular DMS vendor*. There are more CDK users than Reynolds claimants, and the amount of money in the CDK "pot" is smaller than the Reynolds "pot." The result is that individual CDK claimants will be awarded substantially less, on average, than individual Reynolds claimants. Under Intervenors' calculations, recovery for individual claimants against the Reynolds funds is 3.22 times greater than what individual claimants against the CDK funds will recover—substantially greater than the 1.4 to 1 ratio described above. (Intervenors' Br. [1584-1] at 15.) Intervenors believe this result is unfair. They have submitted what they refer to as a "compromise" proposal, which would (1) abandon the vendor-specific division, (2) distribute settlement funds from a single pool of funds, on a pro rata basis, using a damages multiplier for Reynolds plaintiffs, and (3) preserve CDK claimants' ability to opt out of the unified settlement and pursue individual claims against CDK. (Proposed Order [1612-1].)

The court notes that the number of claimants who would file valid claims could not have been accurately predicted in advance. Now that the claims period has ended, the result appears to unfairly reward claimants who did business with Reynolds. Other ways of dividing the settlement proceeds may have had merit. But the time for objections to the proposed Allocation Plan has long since passed. The Plan was publicly filed on August 16, 2024 [1528-3], and all class members were advised of their right to object to the proposed methodology. No objections were filed, and the court approved [1545] the Allocation Plan on February 25, 2025, well more than one year ago.

Intervenors attempt to get around this problem by arguing that the proposed distribution plan is inconsistent with the Allocation Plan, thus framing their objection as one objecting to the implementation of the Plan rather than to the Plan itself. As the court reads the Allocation Plan, however, Class Counsel and Epiq are proceeding consistently with it. The Allocation Plan provides, in pertinent part, that

> CDK Settlement funds will be distributed based on estimated monthly damages from September 1, 2013 through August 15, 2024. Reynolds Settlement funds will be distributed based on estimated monthly damages from January 1, 2015 through October 23, 2018. The estimated monthly damages (as a percentage of total damages of the Settlement Class Period) are then applied to each settlement fund (net of attorney fees, expenses & service awards) to come up with the total amount of funds to be distributed from each settlement fund per month.
>
> From each settlement fund, a qualifying rooftop shall receive, for each month it used a Reynolds or CDK DMS, a share of the net settlement fund for that month, equal to: 1 divided by the number of rooftops who submit qualifying Claim Forms with respect to that month.

(Allocation Plan [1528-3] at 3.) This language clearly envisions two settlements funds based on "estimated monthly damages"—one for CDK users, and one for Reynolds users—and directs that "a qualifying rooftop shall receive" from "*each* settlement fund" a pro rata "share of the net settlement fund for that month." (*Id.* (emphasis added).) The proposed distribution plan, even including the vendor split, is consistent with the Plan's language.

In contrast, Intervenors' proposed compromise is inconsistent with the Allocation Plan. As noted, the Plan calls for distributing money from two distinct "settlement fund[s]," on a pro rata basis equal to "1 divided by the number of rooftops who submit qualifying Claim Forms with respect to that month." (*Id.*) To adopt Intervenors' plan, the court would have to ignore both of these portions of the text, and distribute funds from a unified fund based on a weighting formula that is mentioned nowhere in the Plan. Notably, as Class Counsel has observed, the attorneys arguing for this result represent third-party filers who have filed claims on behalf of *both* CDK and Reynolds class members, including Reynolds class members who would have their distributions delayed, and eventually reduced, by counsel's advocacy.[2] Intervenors' counsel are apparently untroubled by this potential conflict. In any event, assuming that Intervenors' proposal is in fact more fair than Class Counsel's proposal—which is not at all clear—adopting it would require abandoning the Allocation Plan, a course of action that would be disruptive, prejudice the class, and raise jurisdictional concerns.

The court concludes that Intervenors' objection to the merits of the Allocation Plan is untimely, and Intervenors' objection to the implementation of the Plan is unfounded. Absent further objection, the court plans to approve Class Counsel's pending motion for settlement distribution following the final disposition of the remaining FRS claims.

ENTER:

Dated: June 1, 2026

REBECCA R. PALLMEYER
United States District Judge

2 Thus, as Class Counsel observed in opposing the Berkshire Intervenors' motion, Intervenors' counsel "also represents third-party filers whose portfolios necessarily include Reynolds claimants whose recoveries would be reduced under the reallocation Movants seek." (Opp'n to Motion [1587] at 9 n.6.) CDK, for its part, objects to Intervenors' compromise proposal on the ground that it would alter the company's settlement agreement with the dealership class. (Katz Email [1613].) No party has suggested that the settlement amount can be renegotiated. This is, thus, a "zero-sum game," in that altering the Allocation Plan now in a way more favorable to CDK claimants will be by definition less advantageous for Reynolds claimants.