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JUN 20 2005

BY:.....

June 15, 2005

Antitrust Modernization Commission  
Attn: Public Comments  
1120 G Street, N.W.  
Suite 810  
Washington, D.C. 20005

Dear Members of the Antitrust Modernization Commission:

I am the owner of Vander Schaaf Dairy. We are in the dairy business. We have our headquarters in Escalon, California. We employ approximately 20-30 employees and we operate physical locations throughout the State of California.

As a California small business, preservation of a free and competitive market is very important. For over a hundred years, California's Cartwright Act has provided substantial protection to small businesses and has provided the chief, if not sole, mechanism for obtaining compensation for antitrust violations.

Indirect purchaser actions have provided and continue to provide substantial benefits to local businesses, such as Hilltop Holsteins. Indirect purchaser actions deter antitrust violations and, further, provide the only means of compensating the great majority of victims of such antitrust violations.

As an indirect purchaser of many products, I believe indirect purchasers may have the strongest incentives to pursue antitrust enforcement. Direct purchasers are frequently the conduit for an antitrust violation of a supplier. Suppliers may coerce or attempt to coerce the indirect purchaser, not its direct customer. In other situations, the direct purchasers have relationships with the supplier that decrease the likelihood direct purchasers will sue. Middlemen frequently cannot afford to take on their suppliers. The fear of retaliation or constraints on supply present additional disincentives to sue and to pursue antitrust law claims. By contrast, many indirect purchaser businesses have more supply options and thus are less subject to such fears.

In addition, indirect purchaser litigation provides one of the most effective vehicles for compensating the victims of antitrust violations. Antitrust overcharges are ordinarily passed on by direct purchasers to their customers and other indirect purchasers. The indirect purchasers, to whom the overcharge is most often passed on, incur real economic loss.

I am aware that many indirect purchaser class action cases have produced substantial compensation to such entities and persons, who cannot afford to pursue individual lawsuits against antitrust violators. In such cases, payments to businesses routinely exceed tens of thousands of dollars each, and cash distributions to class members far exceed any attorneys'

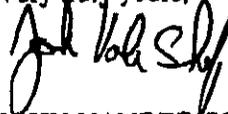
Chairman, Antitrust Modernization Commission  
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fees that are paid. For example, I was a member of the In Re Vitamins Class Action, wherein I received a settlement check in the amount of \$123,094.82.

Based on what I understand from my lawyers who have represented us, indirect purchaser cases present no significant, unusual burdens for the courts. In fact, antitrust cases ordinarily raise more common issues among plaintiffs, are more suitable to class determination, and are and more readily subject to standard case management devices than mass tort or other sorts of complex multiparty litigation currently pending in federal courts. The Courts need no particular new devices to handle consolidated proceedings under federal and state antitrust law.

I support indirect purchaser class actions as a means of recovering damages that otherwise I could not afford to pursue.

Very truly yours,



JOHN VANDER SCHAAF  
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