



CLASS ACTION LITIGATION



REPORT

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Antitrust

'Unprecedented' Global Settlement Reached With Parker ITR in Marine Hose Cartel

In what one attorney calls an “unprecedented” development, an international private settlement was reached with Parker ITR, resolving the company’s global cartel liability for marine hose pricing without any formal legal proceedings.

Brian Ratner, deputy head of the international practice group at the law firm of Hausfeld LLP in Washington, D.C., told BNA that this is the first private global settlement in a cartel case involving worldwide sales. Oil company purchasers and other marine hose purchasers have already signed or agreed to sign the agreement, which covers the period 2002 through 2007.

The alleged marine hose cartel involved five other manufacturers—Dunlop Oil & Marine Ltd., Bridgestone Corp., Trelleborg Industrie SA, Manuli Rubber Industries, S.p.A., and Yokohama Rubber Co. Ltd.—that conspired to fix, raise, maintain or stabilize the price of marine hose between 1986 and 2007. Marine hose is a flexible rubber hose used to transfer oil between tankers and storage facilities or buoys.

“The Parker ITR settlement represents a huge leap forward for the settlement of private cartel claims, and will be the model for the settlement of many global disputes going forward. For the first time all victims of a cartel will be able to come forward and claim financial compensation and/or cooperation without the need for intervention of a court process,” Anthony Maton, partner at Hausfeld & Co. LLP in London, said in a statement.

John M. Majoras, counsel for Parker ITR and partner at Jones Day, said that “time will tell” whether this settlement proves to be “groundbreaking or earthshattering.” One problem with predicting the future impact of a settlement, he said, is that you are looking at the particular issues that affect your client when you enter

a settlement, and it is not always clear what significance those factors will have in other cases.

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ANTHONY MATON, HAUSFELD & CO., LONDON

Settlement Structure. The settlement entitles any non-U.S. purchaser of marine hose from Parker ITR to claim compensation for their losses arising from the cartel, regardless of where they live or where they purchased the hose.

For the settlement, Parker ITR has paid an amount equal to 16 percent of its non-U.S. sales of marine hose during 2002-2007 into an escrow account. Majoras said the settlement amount is “seven figures,” but that the exact dollar amount is confidential at this time. Parker ITR’s liability extends only to 2002 because it was owned by other companies before that.

Opt-in, Not Opt-Out. Unlike most class action settlements in the U.S., the settlement is a private “opt-in” settlement rather than an “opt-out” settlement. Notice will be sent to all known non-U.S. direct purchasers of marine hose from Parker ITR in the next 60 to 90 days, and publication notice will be executed at the same time for indirect and unknown purchasers.

All purchasers who participate in the settlement surrender their rights to sue Parker ITR, but Parker ITR has agreed to cooperate in litigation against other members of the cartel for both purchasers and non-purchasers of Parker ITR marine hose.

Other Proceedings. The settlement does not include direct purchasers of marine hose in the United States because those purchasers have reached a separate \$21 million settlement with the manufacturers (except Manuli) through a multidistrict litigation in Florida, *In re Marine Hose Antitrust Litigation*, No. 08-MDL-1888 (S.D. Fla.). That settlement is awaiting preliminary approval from the Florida court.

The cartel is also being investigated by the U.S. Department of Justice, and criminal proceedings have

been brought against certain individuals, leading to guilty pleas and prison sentences.

Counsel for oil purchasers included Michael Hausfeld, Brian Ratner and Anthony Maton of Hausfeld LLP in Washington, D.C. and London.

Counsel for Parker ITR included John Majoras of Jones Day in Washington D.C. and Columbus, Ohio.

BY JESSIE KOKRDA KAMENS