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Phone: +1 646 783 7100 | Fax: +1 646 783 7161 | customerservice@law360.com

Judge Approves \$30M Compressor Cartel Settlements

By Alex Lawson

Law360, New York (June 16, 2014, 1:39 PM ET) -- A Michigan federal judge on Monday gave final approval to four agreements worth just more than \$30 million aimed at settling class allegations that Panasonic Corp., two Whirlpool Corp. units and other companies agreed to set prices on fractional compressors used in refrigerators and water coolers.

U.S. District Judge Sean F. Cox signed off on the settlements, putting an end to 5 1/2 years of litigation between a class of direct purchasers and Panasonic, Whirlpool's so-called Embraco units, Tecumseh Products Co. and its affiliates, and Danfoss Flensburg GmbH. The settlements were first **unveiled late last year** and faced no objections from any class members.

"Final approval of each of the settlement agreements with the Tecumseh defendants, the Embraco defendants, Danfoss Flensburg, and the Panasonic defendants is granted ... because each of the settlement agreements is fair, reasonable and adequate to the settlement class," Judge Cox wrote.

Judge Cox also **approved a request** from the direct purchasers' legal team at Fink + Associates Law and The Miller Law Firm PC for roughly \$9 million in attorneys' fees and costs for their work on the case, which is a 30 percent cut of the settlement total.

"After five and a half years of hard-fought litigation, we are delighted that we were able to obtain this great result for the class." David H. Fink, a Fink + Associates Law partner who represents the direct purchasers, told Law360 on Monday.

The direct purchasers struck settlement agreements worth \$48 million with a handful of defendants late last year, a total that since has been adjusted to account for class members who chose to opt out of the settlement and pursue their own claims, according to court filings.

The claims, which have been rolled into multidistrict litigation, centered on allegations that several companies schemed to fix prices on devices that compress refrigerant gas. Such fractional compressors are found in appliances such as refrigerators, freezers and water coolers, according to the settlement filing.

A class of indirect purchasers has also attempted to bring antitrust claims against the defendants, but U.S. District Judge Sean F. Cox **dismissed the latest iteration** of that complaint with prejudice in early April.

A U.S. Department of Justice probe netted guilty pleas and criminal fines from companies like Danfoss, Embraco and Panasonic Corp. In October 2011, the DOJ announced that Danfoss had agreed to pay \$3 million and to plead guilty. In 2010, Panasonic pled guilty and was fined \$49.1 million and Embraco was fined \$91.8 million after pleading guilty in the DOJ's case.

Attorneys for the defendants did not immediately respond Monday to requests for comment.

The settling plaintiffs are represented by David H. Fink and Darryl Bressack of Fink + Associates Law and E. Powell Miller and Casey A. Fry of The Miller Law Firm PC.

The defendants are represented by James M. Andriola of Reed Smith LLP, Elaine H. Ewing of Cleary Gottlieb Steen & Hamilton LLP, David L. Greenspan of Winston & Strawn LLP and Edward A. Geltman of Squire Sanders, among others.

The case is In re: Refrigerant Compressors Antitrust Litigation, case number 2:09-md-02042, in the U.S. District Court for the Eastern District of Michigan.

--Editing by Richard McVay.

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