

Class action alleged compressor price fixing

Counsel reaches separate settlements

By: Michigan Lawyers Weekly Staff in Verdicts & Settlements June 25, 2014

This case arises out of an alleged conspiracy to manipulate prices of fractional compressors. In February 2009, numerous class-action complaints were filed against compressor manufacturers in New York, New Jersey, Pennsylvania, Maryland, Ohio, Michigan and the District of Columbia.

Plaintiffs argued that the defendants conspired to sell fractional compressors at allegedly ultracompetitive prices between Feb. 25, 2005, and Dec. 31, 2008.

In mid-2008, the Tecumseh Products Co. defendants disclosed to the U.S. and other authorities information about possible anti-competitive practices in the market for compressors. They subsequently entered into leniency agreements with the authorities in exchange for their continued cooperation.

The investigation was made public on Feb. 18, 2009, when news reports revealed that Brazilian antitrust authorities had raided the offices of some of the Embraco North America Inc. defendants in connection with the investigation. The U.S. Department of Justice Antitrust Division subsequently confirmed that it was investigating anti-competitive practices in the compressor industry.

Plaintiffs' counsel began conducting an extensive investigation into the allegations of the conspiracy and pricing, input costs and the structure of the industry to learn whether those factors were consistent with the allegations of a price-fixing conspiracy. Plaintiffs' counsel also learned that a grand jury had been empanelled in the Eastern District of Michigan to hear evidence regarding the defendants' anticompetitive conduct.

Plaintiffs also alleged that, as a result of the defendants' conspiracy, members of the class paid higher prices than they would have paid for compressors and compressor products absent the conspiracy.

After five years of litigation, plaintiffs' counsel reached separate settlements with the Tecumseh defendants, Danfoss Flensburg GmbH, the Embraco defendants and the Panasonic Corp. defendants. The total value of the settlements achieved on behalf of the class is approximately \$30 million.

Type of action: Antitrust class action

Name of case: In re: Refrigerant Compressors Antitrust Litigation

Court/Case no./Date: U.S. District Court, Eastern District of Michigan; 2:09-md-02042; June 12, 2014

Name of judge: Sean Cox

Settlement amount: \$30 million

Attorneys for plaintiff: E. Powell Miller, Casey A. Fry, David H. Fink, Darryl Bressack

Attorney(s) for defendant: Withheld

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