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## BP Shareholders Seek to Sue as Group Over 2010 Gulf Spill Losses

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**June 15 (Bloomberg)** -- BP Plc's U.S. investors asked a federal court to grant class action, or group, status for their lawsuit claiming the company misled them before and after the 2010 spill in the Gulf of Mexico.

The investors, led by the New York and Ohio pension funds, sued BP and certain officers in 2010, alleging violations of U.S. securities laws. The investors also claim the company publicly proclaimed a commitment to safety improvement while internally cutting budgets and rejecting employees' concerns about safety.

The investors are seeking permission to sue in two groups. The larger group, comprised primarily of institutional investors, includes all buyers of BP's American depository receipts from Nov. 8, 2007, to May 28, 2010. A subgroup, claiming to represent about 900,000 individual investors, purchased BP ADRs from March 4, 2009, to April 20, 2010, the date BP's Macondo well blew out, unleashing the largest offshore spill in U.S. history.

All the investors contend the depository receipts "were artificially inflated as a result of defendants' dissemination of materially false and misleading statements and material omissions," the investors' attorneys said in a filing yesterday in federal court in Houston.

"All suffered losses when the truth surrounding those misstatements and material omissions were revealed to the market and BP's stock price declined," they said.

### Market Value

BP shares fell about 40 percent in the weeks after the explosion, investors said in court papers. The drop eliminated billions

of dollars in the company's market value, which hasn't fully recovered.

Scott Dean, a spokesman for London-based BP, declined to comment on the filing.

"It's been over three years now, and we're looking forward to a trial in August of next year," Richard Mithoff, the Houston attorney representing individual investors in the case, said in a phone interview. "We believe we'll be able to recover substantial losses on behalf of shareholders who have suffered enormously."

The investors also sued BP's former Chief Executive Officer Tony Hayward and Doug Suttles, ex-chief operating officer of BP's exploration unit, over statements the men made in connection with the spill.

Hayward allegedly misled investors about how thoroughly BP had improved its safety practices and was prepared to handle a large spill in ultra-deep water, according to the complaint. Both men allegedly lied publicly about the size of the spill in order to prop up BP's stock price, the investors claim.

### Explosion, Sinking

Investor securities-fraud suits were among hundreds of claims filed in U.S. courts after the explosion and sinking of the Deepwater Horizon drilling rig off the Louisiana coastline in April 2010. Eleven rig workers were killed in the blast, which sent more than 4 million barrels of oil into the Gulf.

Ellison refused in March to dismiss the bulk of the investors' securities-fraud claims. He previously limited participation in the litigation to investors who bought shares on the U.S. stock exchange.

BP has denied fraud or any lack of attention to safety in court filings. Investors are

trying to "transform a matter involving allegedly negligent processes into an action for securities fraud," the company said in court papers. "A commitment to safety is not a guarantee that no future accidents will occur."

### SEC Claim

BP agreed to pay \$525 million to settle a U.S. Securities and Exchange Commission claim that the company underestimated the size of the spill. The company also pleaded guilty to a felony count of obstruction of Congress related to its spill size estimate.

The plea was part of a \$4 billion settlement of criminal charges brought by the U.S. against BP over the incident. The company also pleaded guilty to 11 other felony counts related to the rig workers' deaths and two misdemeanor environmental law violations.

BP is currently between phases of a different trial in federal court in New Orleans, where another judge is weighing liability for the spill between BP and its contractors, including Transocean Ltd., which owned the rig, and Halliburton Co., which provided cementing services.

Testimony in the liability phase of that trial concluded in April, and no decision has been announced. The second trial phase will focus on the size of the spill, which will affect the size of the fine BP would pay for violating the U.S. Clean Water Act. That phase is scheduled to begin in September before the New Orleans judge.

The case is *In Re BP Plc Securities Litigation*, 4:10-md-2185, U.S. District Court, Southern District of Texas (Houston).

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