



BP investors win bid to form class in oil spill lawsuit

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HOUSTON – Some BP investors can form a class to sue the company over allegations it misled shareholders on how much oil spilled into the Gulf of Mexico in 2010, a federal judge ruled late Tuesday.

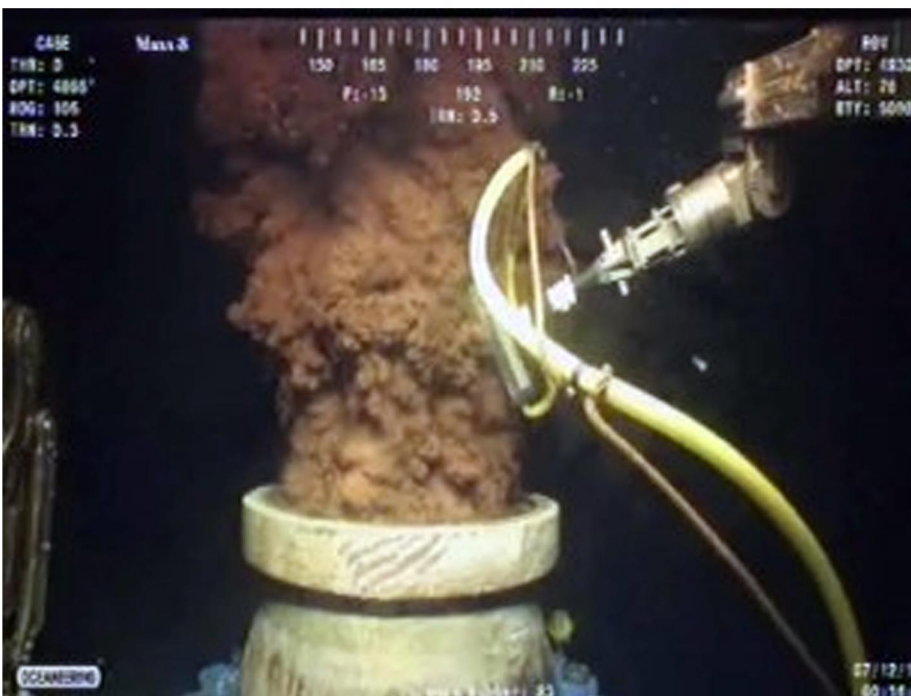
The ruling followed the investors' second bid last month to gain class certification needed for a securities lawsuit over allegations BP executives played down the amount of oil spewing from its blown-out Macondo well in early days of the 87-day disaster four years ago.

Richard Mithoff, a Houston attorney representing the investors, told FuelFix on Wednesday he expects the court to issue a scheduling order shortly and for a trial to begin early next year. He said his legal team hasn't made estimates of total spill damages the investors would seek.

In the same ruling, the judge denied class certification to another set of shareholders who wanted to sue BP over allegations it misled the market for years on how safe its deep-water drilling operations were before the oil spill. Mithoff said plaintiffs' attorneys are still reviewing options for the subclass that was not granted class certification.

In an emailed statement, BP spokesman Geoff Morrell called the ruling a victory for the company because the judge denied class certification to investors who bought BP stock over two and a half years, and only gave those rights to investors who purchased shares in a 33-day period.

"BP has long argued that plaintiffs' damages theories do not meet their



Oil flows out of the top of the transition spool, which was placed into the gushing Macondo wellhead at the site of the Deepwater Horizon oil spill in the Gulf of Mexico in July 2010. AP Photo/BP PLC, File)

burden under the law," Morrell said. "BP believes that all of the plaintiffs' securities claims are meritless and will continue to vigorously defend against them."

The investors claim BP's initial estimates of the spill "were overly optimistic and contradicted" internal estimates and the actual flow rate, according to court documents.

BP first publicly estimated 1,000 to 5,000 barrels of oil were flowing from the well every day, while the company's shareholders allege it had internal estimates ranging from 14,266 to 92,000 barrels per day.

The investors believe that "spill severity misrepresentations prevented the

(American depository shares) stock price from falling to a level which accurately reflected the magnitude of the spill," U.S. District Judge Keith Ellison in Houston wrote in a ruling Tuesday.

More than 100 institutional and individual BP investors had petitioned to form a class for the securities lawsuit. Ellison initially denied the investors class certification in December.

It's not clear how much in total damages the investors would seek, but it could figure into how much BP has already set aside to pay for oil spill cleanup efforts, settlement payments and possible environmental fines. The company has allotted \$42.7 billion for oil spill costs.