

## *In re CVR Refining, LP Unitholder Litigation*

**COURT:** Delaware Court of Chancery  
**CASE NUMBER:** 2019-0062-KSJM  
**CASE TEAM:** Thomas James

This stockholder class action sought damages for minority unitholders who were forced out at an unfair price by the controlling entities of CVR Refining, L.P. (the “Partnership”). On March 15, 2019, BLB&G, and its co-counsel, filed the class action complaint. To view the complaint, see the **Case Documents** section of this page. On April 4, 2019, BLB&G was appointed co-lead counsel in the case, and its client was appointed lead plaintiff. To view the leadership order, see the **Case Documents** section of this page.

The class action complaint alleges that beginning in early-2018, entities controlled by Carl Icahn engaged in a multi-step scheme to buy-out the minority unitholders of the Partnership at an unfair price. Following the playbook earlier established in a similar buyout of an unrelated entity, Boardwalk Pipeline Partners, L.P. (“Boardwalk”), CVR Energy, Inc., the Partnership’s indirect parent, launched a partial exchange offer for the Partnership’s common units in May 2018. After the exchange offer closed, Icahn-affiliated entities including CVR Energy controlled enough of the Partnership’s common units to exercise the right to buy out the Partnership’s minority unitholders under the Partnership Agreement (the “Call Right”).

Rather than immediately exercising the Call Right, which would have required the Icahn-affiliated entities to pay the price paid for any units within the previous ninety days (*i.e.*, the exchange offer price), the Icahn-affiliated entities publicly disclaimed any intention to exercise the Call Right. As occurred with respect to the Boardwalk buyout, the Partnership’s unit price plummeted, allowing CVR Energy to wait over ninety days to announce its intention to (and ultimately) buy out the Partnership’s minority unitholders at a steep discount. Had CVR Energy exercised the Call Right at the exchange offer price, it would have had to pay an additional \$393 million to the minority unitholders.

Plaintiffs commenced this action on behalf of minority unitholders immediately after CVR Energy exercised the Call Right, asserting claims for breach of the Partnership Agreement, breach of the implied covenant of good faith and fair dealing as to the Partnership Agreement, and tortious interference with the Partnership Agreement. After briefing and a hearing on the Defendants’ motions to dismiss, on January 31, 2020, Vice Chancellor McCormick substantially denied Defendants’ motion to dismiss, leaving the primary Defendants and the primary claims in the case. To view the memorandum decision, see the **Case Documents** section of this page.

A four-day trial was held in this action in July 2021 and post-trial argument was held on June 6, 2022 following post-trial briefing. Trial transcripts are available [here](#). On August 19, 2022, the parties entered into a stipulation and agreement of settlement, compromise, and release, in which the parties agreed to settle the claims asserted in the action for \$78.5 million in cash. The stipulation and accompanying exhibits are available [here](#). A settlement hearing was held on December 16, 2022 and the Court approved the settlement, observing that the result was “an excellent settlement for the class” and “commend[ing] everyone for achieving it.” Settlement Hearing Transcript at 24. The order approving the settlement and transcript of the settlement are available under the **Case Documents** section of this page.

The settlement administration was completed in July 2024. On August 4, 2023, the Motion for Class Distribution Order was filed. On August 4, 2023, the Court entered the Class Distribution Order. The first distribution of the net

settlement fund took place in October 2023. The second distribution will occur in the first quarter of 2025. Subsequent distributions will occur on a rolling basis, provided that net settlement funds are available.

## Case Documents

- December 19, 2022 - Final Order and Judgment
- December 16, 2022 - Transcript of Settlement Hearing
- September 19, 2022 - Exhibit D - [Proposed] Order and Final Judgment
- September 19, 2022 - Exhibit C - Summary Notice of Pendency and Proposed Settlement of Unitholder Class Action, Settlement Hearing, and Right to Appear
- September 7, 2022 - Exhibit A - [Proposed] Scheduling Order
- August 19, 2022 - Exhibit B - Notice of Pendency and Proposed Settlement of Unitholder Class Action, Settlement Hearing, and Right to Appear
- August 19, 2022 - Stipulation and Agreement of Settlement, Compromise, and Release
- July 29, 2021 - Trial Transcript Vol IV
- July 28, 2021 - Trial Transcript Vol III
- July 27, 2021 - Trial Transcript Vol II
- July 26, 2021 - Trial Transcript Vol I
- March 15, 2020 - Verified Class Action Complaint
- January 31, 2020 - Memorandum Opinion
- April 4, 2019 - Order Appointing A Leadership Structure