Shareholders Get Rare Win in Freeport Deal Lawsuit

Freeport-McMoRan Inc. reportedly is nearing a $100 million-plus settlement to resolve shareholder litigation over its 2013 purchase of two oil-and-gas companies, an unusually big win for investors, who are increasingly challenging merger deals.

Recent reports indicate that Freeport is close to a deal to set aside more than $130 million, most of which will be paid out to its shareholders. The agreement, which is not yet final, would resolve allegations that the company overpaid when it bought McMoRan Exploration Co. and Plains Exploration & Production Co. for a combined $9 billion last year, reports *The New York Times*.

The Times says this deal is unusual because few M&A lawsuits yield any money for investors. And it's also unusual because the case was filed as a "derivative" lawsuit, in which shareholders sue board members and others on behalf of the company itself.

Read the story.