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# **Robbins Geller Escapes Sanctions In Gas Price-Fixing Suit**

By Adrian Cruz | 2025-03-19 16:09:18 -0400 · Listen to article

A California federal judge on Wednesday rejected a bid to sanction <u>Robbins Geller Rudman & Dowd LLP</u> attorneys in a gas price-fixing suit, determining that the firm didn't act in bad faith or unreasonably multiply proceedings in a way that unnecessarily cost <u>Alon USA Energy</u> millions.

U.S. District Judge Jinsook Ohta said that despite substantial media and legal scrutiny regarding Alon's 2012 decision to shut down a refinery in Bakersfield, California, possibly in connection to the rise in gas prices, the company failed to sufficiently refute the allegations against it, adding that media reports, expert analysis and market data exist to help back the claims against it, including findings by energy expert Robert McCullough of McCullough Research.

Because of a "lack of transparency" into the company's actions, Judge Ohta said Robbins Geller was acting reasonably in determining, based on the aforementioned sources, that Alon was one of the companies involved in the price-fixing conspiracy.

"Plaintiffs also relied on the fact that neither Alon, nor anyone else, refuted public assertions — that Alon was a participant in the gasoline industry and shut down its refinery in Bakersfield in the April 2012 time frame — despite the fact that the McCullough Reports had received widespread and substantial attention from the press," Judge Ohta said.

The <u>sanctions bid</u> against Robbins Geller, representing gas station plaintiff Persian Gulf Inc., and <u>Robbins LLP</u>, representing individual consumers, stems from a 2015 suit over accusations that Alon teamed up with other refiners to mask artificial supply constraints behind purported

technical challenges.

Alon said the Bakersfield plant had shut down in December 2011 — which does not overlap with the other refineries closing down, as the plaintiffs alleged — as part of a seasonal slowdown in the asphalt industry before restarting operations in June 2012. Despite being notified of this in 2019 and told all the information was publicly available, the plaintiffs continued their case against Alon, according to the company.

Judge Ohta determined that although Alon did provide the additional information, Robbins Geller conducted a reasonable investigation and properly determined that there was still a plausible basis to proceed with the allegations against the company.

"Given the inconsistencies and inaccuracies in Alon's other public statements and the abundance of information supporting their conclusion, Plaintiffs' conclusions were reasonable," the order said. "They did, however, react to the information that Alon provided them by modifying their conclusion regarding the exact dates and causes of Alon's Bakersfield refinery shutdown based on their investigation."

Judge Ohta concluded in October 2022 that <u>summary judgment</u> dismissing the allegations against Alon and its fellow defendants was appropriate because the plaintiffs failed to show "any proof that defendants' actions were not profit maximizing or that they lowered supply despite market demand." However, Alon wasn't satisfied with defeating the lawsuit and sought sanctions to recoup the costs of defending itself over six years.

The case most recently went up to the Ninth Circuit, with Alon accusing the plaintiffs of costing it \$8 million to \$9 million in wasted legal bills, arguing it should never have had to face claims filed against it and units of BP, <u>Chevron</u> and <u>ExxonMobil</u> because there was never any evidence that it cut back production.

Jason Forge of Robbins Geller told Law360 that he was pleased with Judge Ohta's decision, saying that Alon's counsel, <u>BakerHostetler</u>, has a reputation for pursuing sanctions against opposing lawyers.

"I don't think I've ever encountered more unjustifiable arrogance than what I experienced from Alon's lawyers, and at the intersection of put up and shut up, they should have taken the latter when they had the chance," Forge said. "Their counsel had a reputation for getting lawyers sanctioned, but he knew the instant the hearing started he'd made a fatal mistake," Forge added, evoking the 1993 Robert De Niro film "A Bronx Tale," "This time, he tried to sanction the wrong

lawyers."

Counsel for Alon wasn't immediately available for comment Wednesday.

Alon is represented by Carl W. Hittinger, Tyson Y. Herrold and Kamran Ahmadian of BakerHostetler.

The consumer plaintiffs are represented by Michael J. Nicoud of Robbins LLP.

Persian Gulf is represented by Jason A. Forge and Alexandra S. Bernay of Robbins Geller Rudman & Dowd LLP and Jason S. Hartley of <u>Hartley LLP</u>.

The consumer cases are Richard Bartlett et al. v. BP West Coast Products LLC et al., case number 3:18-cv-01374, and Rinaldi et al. v. BP West Coast Products LLC et al., case number 3:18-cv-01377. The gas station case is Persian Gulf Inc. v. BP West Coast Products LLC et al., case number 3:15-cv-01749, all in the U.S. District Court for the Southern District of California. The appellate cases are Persian Gulf Inc. v. Alon USA Energy Inc., et al., case number 22-56016, and Joshua Ebright et al. v. Alon USA Energy Inc. et al., case number 22-56018, both in the U.S. Court of Appeals for the Ninth Circuit.

--Additional reporting by Bryan Koenig. Editing by Drashti Mehta.

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