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## Chinese vitamin C maker to settle antitrust lawsuit

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May 21 (Reuters) - A Chinese company has agreed to pay \$10.5 million to U.S. purchasers of vitamin C who accused it of conspiring to raise prices by limiting exports, a proposed settlement showed.

The proposed settlement, filed in U.S. District Court in Brooklyn on Monday, is the first in a long-running legal battle brought by commercial buyers of vitamin C against four Chinese companies.

If it is approved by the judge overseeing the case, it would be the first civil settlement reached with a Chinese company under U.S. antitrust cartel law, lawyers for the purchasers said.

"As such, the settlement is an important step in private enforcement of U.S. antitrust laws," a court document said.

Under the settlement, the company, formerly known as Jiangsu Jiangshuan and now called Aland (Jiangsu) Nutraceutical Co., will pay \$9.5 million to direct purchasers of the vitamin C and an additional \$1 million to indirect purchasers.

The two groups of purchasers were certified as separate classes by judge Brian Cogan in January.

In September, Cogan rejected the defendants' key defense: that they were required under Chinese law to coordinate production and prices of their exports. The defendants had argued that they should be shielded from the U.S. lawsuit under a doctrine which protects foreign companies compelled by their own governments to go against U.S. law.

Jim Southwick, a lawyer who represents a class of purchasers who buy directly from the Chinese companies, said the settlement belies that defense.

"If the Chinese government truly forces them to fix the price, how is it that one defendant settles the case separately?" Southwick said.

Richard Goldstein, an attorney for Aland, did not immediately return a call seeking comment on the proposed settlement.

The purchasers sued Aland and three other Chinese vitamin C makers in 2005 after their alleged price-fixing deal in 2001 sent vitamin C prices sky-rocketing. The other three Chinese defendants are Hebei Welcome Pharmaceutical Ltd, Northeast Pharmaceutical Co Ltd and Weisheng Pharmaceutical Co Ltd.

The case is In re: Vitamin C Antitrust Litigation, in the U.S. District Court for the Eastern District of New York, No. 06-md-1738.

Vitamin C Antitrust Litigation: Charles Tompkins of Hausfeld

(Reporting by Basil Katz and Jessica Dye)

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