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## **BRADFORD COUNTY LANDOWNERS FILE ANTITRUST AND RICO LAWSUIT AGAINST CHESAPEAKE ENERGY AND WILLIAMS PARTNERS**

Philadelphia, PA, February 18, 2015 – More than 90 landowners and other owners of royalty interests in natural gas produced in Bradford County have filed a lawsuit asserting that Chesapeake Energy Corporation and Williams Partners, LP, formerly known as Access Midstream Partners, L.P., have conspired to restrain trade in the market for gas gathering services in and around Bradford County, in violation of federal antitrust laws. The lawsuit also alleges that Chesapeake Energy and Williams Partners engaged in a scheme and transactions to help Chesapeake solve financial problems associated with the massive amount of debt that it incurred in acquiring oil and gas leases at the expense of royalty interest owners, in violation of the Racketeer Influenced and Corrupt Organizations Act (RICO).

According to the complaint, filed on Tuesday in the U.S. District Court for the Middle District of Pennsylvania in Scranton, the transactions between Chesapeake Energy and Williams Partners have artificially inflated the costs of gas gathering services by eliminating competition in the market, resulting in a \$5 Billion financial windfall for Chesapeake Energy, and in the ongoing underpayment of royalties to landowners and other royalty interest owners, as a result of the improper deduction of the artificially inflated costs.

The lawsuit also includes claims for breach of contract, and for an accounting and declaratory relief, against Chesapeake Appalachia, Anadarko E&P Company LP, Statoil USA Onshore Properties, Inc., and Mitsui E&P USA LLC, based on their alleged underpayment of royalties as a result of the improper deduction of gathering and other post-production costs.

Although Chesapeake is facing antitrust claims by the Attorney General of Michigan, attorneys for the Bradford County royalty interest owners say that it is the first case raising antitrust claims relating to gathering systems in the Marcellus Shale region:

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“Although several class action lawsuits and class arbitrations have been filed against Chesapeake based on similar allegations, this is the first case seeking to address what we believe is one of the underlying causes of the problem – the fact that the gathering pipeline system in most of Bradford County, and in parts of Sullivan, Susquehanna and Wyoming Counties, were, and for the most part still are, owned and controlled by the same companies responsible for paying royalties on the gas transported through those pipelines, resulting in an inherent conflict of interest, as well as harm to competition”, said Thomas McNamara, one of the attorneys for the plaintiffs. “The terms of the transaction by which Chesapeake sold its interests to Access Midstream (now Williams Partners) only made the problem worse.”

Unlike several other pending actions and arbitration claims alleging underpayment of royalties, the lawsuit by the Bradford County royalty owners asserts the direct claims of each of the plaintiffs, rather than claims on behalf of a class.

“Our clients were not satisfied with relying on the efforts of other individual royalty owners to protect their rights and interests through class actions or class arbitrations, which are largely driven by attorneys, or with the terms of settlements which have been proposed to date. As a result, they have retained us to pursue their direct claims, on a group basis, which enables them to have more direct input into and control over their claims”, stated attorney Christopher Jones, of Towanda.

The lawsuit filed this week is the first of several similar lawsuits that the team of attorneys representing the plaintiffs indicate they will be filing on behalf of other royalty owners in Bradford, Sullivan, Susquehanna and Wyoming counties.

“The initial case is on behalf of only royalty owners who signed leases with Anadarko or T.S. Calkins. We currently represent hundreds of other royalty interest owners who signed leases directly with Chesapeake Appalachia or other gas companies, and will be filing separate complaints on their behalf over the next few weeks,” said attorney Taunya Knolles Rosenbloom, of Athens.

The royalty owner plaintiffs in the lawsuit are being represented by a team of lawyers with two Bradford County, Pennsylvania, law firms -- Christopher D. Jones, of Griffin, Dawsey, DePaola & Jones, P.C., in Towanda, and Taunya Knolles Rosenbloom, of the Law Offices of Taunya Knolles Rosenbloom in Athens --, together with Philadelphia attorney Thomas McNamara, of Indik & McNamara, P.C., as co-counsel.

A copy of the complaint in *A&B Campbell Family LLC, et al. v. Chesapeake Energy Corporation, et al.*, Case No.3:15-cv-00340-MEM may be obtained from the Marcellus Royalty Action website at [www.marcellusroyaltyaction.com](http://www.marcellusroyaltyaction.com), or from the Clerk of the U.S. District Court.