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FRONTIER OIL CORPORATION V. HOLLY CORPORATION

McKool Smith represented Dallas-based Holly Corporation in a case files by Houston-based Frontier Oil Corporation. In March 2003, Holly and Frontier announced a \$450 million merger agreement that would have created a single entity with five refineries and a refining capacity exceeding 260,000 barrels-per-day. However, before the merger could be consummated, officials from Holly learned that a Frontier subsidiary had been targeted in a California environmental pollution lawsuit filed by the law firm of Masry & Vititoe, home of famed consumer activist Erin Brockovich. After the two companies tried to negotiate a revised deal in light of the California litigation, Frontier sued Holly and Holly countersued in the Delaware Court of Chancery. The litigation was set on an expedited schedule and, following several months of intense discovery, involved a two-week trial in Delaware during February and March 2004.

In late April 2005, Vice Chancellor John Noble issued a decision in favor of Holly. In his detailed 116-page ruling, the Court found that Frontier, not Holly, had breached the merger agreement.