

# Barclays Settles Suit Over Misuse of Client's Deal Data

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Barclays Plc settled a lawsuit against CF Partners (U.K.) LLP after a London judge criticized the banks' employees and ruled the lender had breached confidential client information to help it buy a carbon trading firm.

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Yesterday's settlement was disclosed minutes after Judge Robert Hildyard issued a verdict saying Barclays misused the information to buy Tricorona AB in 2010. He called a bank employee who was central to the deal "a law unto herself." Barclays won part of the lawsuit saying it broke exclusivity rules by doing the deal. Financial details of the agreement weren't given. Hildyard said in his ruling that that CF Partners should get 10 million euros (\$12.8 million.)

"Both defendants misused CF Partners' confidential information for the purpose of establishing a strategic partnership," Hildyard said. "The object of which was to pave the way for any transaction." The two sides agreed to settle all "outstanding matters including costs and appeals," Barclays and CF Partners said in an e-mailed joint statement.

The ruling added to Barclays's legal and regulatory woes a day after the lender was **fined** in the U.S. and U.K. for client account failures and agreed to pay a total of \$77 million in penalties. Hildyard said that Harshika Patel, one of the Barclays witnesses, was not reliable and "something of a law unto herself."

## 'Disingenuous Conduct'

Patel, who headed the lender's product and business development, environmental markets unit from August 2007, was an "intelligent," "engaging," yet unreliable witness, the judge said.

Her "disingenuous conduct," with a colleague during the deal "demonstrated a capacity, perhaps a tendency, for manipulative conduct and occasional indifference to propriety," Hildyard said.

Patel now works at JPMorgan Chase & Co. in Singapore, according to her LinkedIn account. She didn't respond to an e-mail seeking comment sent outside of normal trading hours. Barclays declined to comment beyond the joint statement.

CF Partners, which specializes in emissions trading and renewable energy, introduced in the trial transcripts of phone conversations. It said these showed Barclays employees talking about circumventing

an exclusivity agreement preventing the bank from making its own bid.

### ‘A Fantasy’

“We could buy it,” one said. “We’ve done all the work.” Another said: “Let’s not get ourselves in trouble,” warning a colleague not to use e-mails or taped telephone lines.

A lawyer representing Barclays said at an April hearing they were discussing hedging agreements with Tricorona rather than a takeover. “The case that has evolved about a secret line of communication is a fantasy,” the lawyer said.

The ruling, which has taken 14 months to complete, was delayed for hours yesterday as the judge waited for both sides to provide an order setting out the settlement details, which can’t be disclosed to the public.

The case is CF Partners (UK) LLP v. Barclays, High Court of Justice, Chancery Division, HC11C03443

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