

National Journal

Koch Brothers, Cato to Settle Control of Think Tank

By **Chris Frates**

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CORRECTION: A prior version of this story was incorrect. Freedomworks is not funded by the Koch brothers.

The gang at *National Journal* reports:

The **Cato Institute** and famed Republican donors **Charles and David Koch** are set to settle their legal dispute over control of the libertarian think tank, ending a high-profile spat that split the conservative movement.

"Looks like we've come to an accommodation with the Koch brothers, Cato founder and president **Ed Crane** said Tuesday in a email to employees.

Staffers will be briefed Monday on the settlement by Cato Chairman **Bob Levy** and **John Allison**, a prominent libertarian and former BB&T chief executive office, who mediated the negotiations, Crane said. "It will be great to get all this unpleasantness behind us," he wrote.

In a follow up email to staff, Crane cautioned that negotiations are ongoing.

The deal will settle a lawsuit the Koch brothers filed in February over shares that determine control of Cato. It results from the original division of shares between the two Koch brothers, Crane and late Cato Chairman William Niskanen. After Niskanen died of stroke complications in October, the Koch brothers claimed a founding shareholder agreement gave them the option to buy Niskanen's shares. Crane held they should go to Niskanen's widow, which would leave him in effective control of the organization.

The settlement involves dissolving the shareholder agreement. In addition, Crane is expected to retire under an agreement that allows him to select his successor, though the Koch brothers could veto the hiring.

The lawsuit sparked concern that that Koch brothers, who have funded Tea Party linked groups like **Americans for Prosperity**, would seize control and force Cato, which has retained a strong nonpartisan, libertarian identity, to more closely hew to Republican positions.

