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## Koch brothers, Cato Institute reach settlement

By Allen McDuffee

The Cato Institute and billionaire brothers Charles and David Koch have reached an agreement that will end their legal dispute for control of the libertarian think tank. The two have been embroiled in a public battle since March 1 when [the Kochs filed a lawsuit](#) over the distribution of controlling shares of the think tank, first reported by The Washington Post.

A [subsequent lawsuit](#) was filed in April in response to additions Cato made to its board.

Today's settlement, [first reported at the National Journal](#) and based on an internal e-mail, includes a solution to dissolve the controversial shareholders agreement, and Edward H. Crane, Cato co-founder and its only president since 1977, will step down. Crane, who is nearing retirement, told Think Tanked in an interview this spring that he offered to step down multiple times in the last year in exchange for dissolution of the shareholder's agreement, despite having "at least a few good years" left in him. The Koch's declined.

Details of the settlement outlined in the National Journal report could not be confirmed because Cato declined to comment until the staff has been briefed on the matter, which will occur Monday.

It is unclear how Cato will emerge from this very public battle, in which many have argued since it began that its reputation would be tarnished if the think tank is viewed as losing its independence and falling under complete control of the Koch brothers.

But did the dispute end early enough to avoid that criticism?

The Koch brothers will remain on Cato's board and have the opportunity to exercise power through those channels, but they will no longer have vetoing power if the shareholder's agreement is indeed terminated, provided the governing rules of the board stay intact.

However, Crane, who may have made the ultimate sacrifice for Cato's independence by stepping down for the dissolution of the shareholder's agreement, may not be totally out of the picture.

It is not immediately clear whether or not the agreement requires Crane to resign from his position from the board.

Keeping him a board member would certainly be one way to give the perception of a level the playing field and a savvy way to keep broad support behind the organization in an uncertain period.