

COMMENTO

SOME HOUSEKEEPING MATTERS TO ADDRESS

PRESS RELEASE FOR IMMEDIATE RELEASE SETTLEMENT REACHED IN LITIGATION

Roush Publications, Cavallino Inc. and Paul "Barney" Hallingby announce today that they have settled their dispute and that Hallingby has dismissed his lawsuit against Roush Publications and Cavallino Inc., and their respective publishers, the late Gerald Roush and John W. Barnes. In the suit, Hallingby alleged that the defendants had published paid advertisements stating that a certain 1957-58 Series 1 Ferrari 250 GT with Chassis No. 0799 GT purchased by Hallingby was stolen. Hallingby alleged that these advertisements were false and defamatory. The Defendants maintain that the advertisements were true and that the litigation was frivolous. The terms of the settlement are confidential. All parties deny any wrongdoing.

ROUSH FAMILY STATEMENT:

Lawsuit against Roush Publications, Cavallino dismissed

A U.S. District Court judge in New York has dismissed due to a settlement, with prejudice, a defamation lawsuit against Roush Publications Inc., the publisher of the Ferrari Market Letter.

The claims were also dismissed against Cavallino magazine and its owner, John W. Barnes Jr. The judge filed the dismissal on Jan. 5. With prejudice means that the lawsuit can not be re-filed by the plaintiff, Paul "Barney" Hallingby.

Hallingby sued both publications in 2009, alleging that they had defamed him by publishing an advertisement from an attorney who represented a former owner of a Ferrari now in Hallingby's possession. The ad claimed that the Ferrari had been stolen.

The parties reached an out-of-court settlement. Terms of the settlement were not disclosed. Both the Ferrari Market Letter and Cavallino continue to deny any wrongdoing and will continue to publish as they have in the past.

"My father was a proud and honest man who valued his integrity above all else," said Chris Roush, the managing editor of the Ferrari Market Letter and the son of its founder, Gerald Roush, who died in 2010. "That he passed away while these unfair attacks were being made will forever sadden us.

"The FML is known for its integrity and independence, and throughout this court process, we have refused to compromise these basic values. We are pleased with the recent settlement of this matter, and we look forward to carrying on in the proud tradition of the FML, bringing to the market honest, independent and unvarnished reporting on events in the Ferrari community."

CAVALLINO STATEMENT:

I am pleased to announce that the suit against Cavallino magazine has been settled.

Terms of the settlement are confidential, as noted, but the net is that the suit was dropped. My personal opinion is that once the Judge set a firm trial date of March 13, 2012, plaintiff's side realized in December, 2011, that there was not enough evidence to convince a jury that Roush/Roush/Cavallino/Barnes were guilty of defamation. Plaintiff made an offer in December, 2011, to drop the suit and we accepted. The settlement was finalized in January, 2012.

I want to thank first of all Gerald Roush for his steadfast resolution that we should never give up on this. I also want to thank the Roush family for their continuing effort to fight this, even after Gerald's passing. Their conviction never wavered.

I want to thank all those individuals who came forward to help us by supplying information, and by providing affidavits and undergoing depositions. I also want to thank all those who supplied help and information even though they declined to provide affidavits or depositions because... they were afraid of being sued and could not afford the expense.

I want to thank our law firm, Arkin, Kaplan, Rice, LLC, in New York City, and particularly our lead lawyer Howard Kaplan, and Joseph Matteo, for their excellent work and for bringing about a successful resolution for us. I thank them also for seeing this through to the end – over 90 court dockets, dozens of court visits before the Judge, several dozen affidavits and depositions, thousands of pages of documents, etc. At the very beginning, AKR saw this suit for what it was, not simply about defamation but about First Amendment rights and freedom of the press.

Regarding defamation, under US law a publisher can be found guilty only under certain criteria – he has to knowingly publish false information and he has to do it with malice. In the first instance, I contacted a noted Ferrari historian who confirmed that his records showed that the car had a long history of being stolen. Mr. Roush had a large file on this car already but he too checked with other historians before publishing the ad. Second, plaintiff's side could find no incidence of malice – not from any of our conversations, correspondence or e-mails.

Initially, plaintiff demanded a retraction and an apology. We responded that if any proof was provided that the ads were false, we would publish a correction. But no proof came. We even offered to publish a "Letter to the Editor" so that plaintiff's side could have its say. But nothing was sent, and subsequently, we were served.

Gerald and I resisted publishing a retraction and an apology, although that would have been the easy way out of this, to avoid the lost time, the worry and the expense. Personally we could not do it. Also, if we took the easy way out, we believed it would have done irreparable harm to the reputations of the respective publications. Everyone would understand why we would have published a retraction and an apology, but going forward we believed that everyone would always wonder if what we published on other subjects was accurate, or were we susceptible to influence or coercion in some way.

Cavallino magazine will continue to publish as before.

John W. Barnes
Publisher