OFFICE OF THE CITY MANAGER
LITTLE ROCK, ARKANSAS

BOARD OF DIRECTORS COMMUNICATION
AUGUST 4, 2026 AGENDA

Subject: Zelle LLP and Antimonopoly Counsel Contingency Fee Agreement **Submitted By:** Office of the City Attorney	**Action Required:** Ordinance √ **Resolution**	**Approved By:** Delphone Hubbard City Manager

SYNOPSIS

A resolution to authorize the City Manager to enter into a contingency fee agreement with Zelle LLP and Antimonopoly Counsel, and to authorize the City Attorney to prosecute affirmative litigation on behalf of the City of Little Rock as a named plaintiff and proposed class representative in federal antitrust class action proceedings against fire apparatus manufacturers.

FISCAL IMPACT

None to the General Fund. Counsel will be compensated solely on a contingency basis. If a class is certified, counsel's fee is fixed by the court and paid from the common fund recovered on behalf of the class. If a class is not certified, or if the City recovers on claims outside a certified class, counsel is first reimbursed for advanced expenses from the recovery and thereafter receives one-third of the value of the remaining money or property recovered. Counsel advances all litigation expenses including filing fees, expert witness fees, court reporting, document management, and class notice costs of which the City is not obligated to reimburse those expenses if there is no recovery. The City incurs no upfront fees, costs, or expenses under the agreement.

The City will incur ordinary staff time associated with serving as a class representative, including document preservation and collection, responses to written discovery, and the availability of City and Little Rock Fire Department personnel for deposition and court appearances upon reasonable notice. This work will be absorbed within existing departmental resources and supervised by the Office of the City Attorney.

RECOMMENDATION Adopt the Resolution.

BACKGROUND Fire apparatus — pumpers, ladder trucks, and rescue vehicles — is among the most expensive capital equipment a municipality purchases, and no substitute exists. The Little Rock Fire Department operates 22 stations with more than 400 career firefighters and cannot decline to place its apparatus in service. The litigation alleges that REV Group, Inc., Oshkosh Corporation and its subsidiary Pierce Manufacturing, Inc., and the Rosenbauer entities together control approximately seventy to eighty percent of the national fire apparatus market, and that they achieved and maintained that position through a decade-long campaign of acquisitions of formerly independent manufacturers, followed by coordinated restraint of competition rather than competition on price and delivery.

The core allegations are that REV Group, while under private equity ownership, acquired E-ONE, Ferrara, KME, and Spartan Emergency Response, and through the Spartan acquisition obtained a monopoly in custom cab chassis — the single largest cost component of a fire truck — on which its remaining competitors depend; that the manufacturers restricted production capacity as demand grew, extending delivery backlogs from roughly one year to more than four years and presenting those backlogs to investors as a source of value; that competitively sensitive sales and order data was exchanged among the manufacturers through a trade association while being withheld from municipal purchasers; and that "floating price" clauses permitted the manufacturers to raise the price of an apparatus after the order was placed and before delivery. Claims are pleaded under Section 7 of the Clayton Act, Section 1 of the Sherman Act, and the antitrust and consumer protection statutes of the several states, including the Arkansas Deceptive Trade Practices Act.

The classes pleaded are a nationwide class seeking injunctive and equitable relief and a damages class comprising purchasers of fire apparatus, not for resale, from January 1, 2018 forward. The relief sought includes actual, consequential, and treble damages; injunctive relief to restore competition, including divestiture; disgorgement and restitution; and attorneys' fees and costs.

Zelle LLP and Antimonopoly Counsel will represent the City as co-counsel under joint responsibility, with Zelle LLP receiving eighty percent and Antimonopoly Counsel receiving twenty percent of any net earned attorneys' fees and costs after recoupment of out-of-pocket expenses. Because Antimonopoly Counsel is a Texas firm whose attorneys are licensed in Texas, the agreement includes the fee-division disclosures and client advisories required

BACKGROUND CONTINUED

by the Texas Disciplinary Rules of Professional Conduct; those provisions govern only the professional conduct of counsel and do not alter the governing law of the agreement, which remains the law of the State of Arkansas. The Office of the City Attorney has reviewed and negotiated the proposed agreement and will exercise supervisory oversight of this litigation at all stages. Any settlement of the City's claims shall require prior approval of the Board of Directors. The Office of the City Attorney recommends adoption of the Resolution.