

Market *Blôg*

Where are Timminco's damages?

David Berman, June 3, 2008 at 11:53 AM EDT

The court proceedings that Timminco Ltd. chief executive Heinz Schimmelbusch alluded to last week have come to light: Timminco, which produces silicon for use in the booming solar industry, is seeking more than \$6-million in damages from Ravi Sood for his recent comments on the company.

But Mark McQueen, writing on the Wellington Financial blog, made two excellent points in Mr. Sood's defence against the libel suit. He noted that damages could be hard to quantify when Timminco announced on Tuesday morning that it had been awarded with a large contract from Canadian Solar Inc., for up to 5,000 metric tonnes of solar grade silicon over a number of years. Clearly, Mr. McQueen said, Canadian Solar didn't cancel a contract as a result of Mr. Sood's views.

As well, Timminco's shares are currently trading at \$30.43 in Toronto, very close to their record high last week and certainly higher than when Mr. Sood spoke his thoughts on BNN in April, when the shares traded between \$18 and \$28. Again, damages could be hard to prove.

“The market cap is a great proxy for [damages] as it serves as the reputational barometer for public companies,” Mr. McQueen. “Unlike a person, a company can't really profess hurt feeling and embarrassment as a result of the ‘sting’ of the alleged Slander.”