

UNITED STATES DISTRICT COURT

SOUTHERN DISTRICT OF TEXAS

Coutinho & Ferrostaal, Inc.,

Plaintiff,

versus

Posco Asia Co. Ltd., et al.,

Defendants.

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Civil Action H-08-2727

### Opinion on Arbitration

1. *Introduction.*

Posco Asia Company, Ltd., sold steel to Coutinho & Ferrostaal, Inc., in a written contract. They agreed to arbitrate disputes about the quality of steel sold. They are bound by their agreement.

2. *History.*

In 2007, Coutinho & Ferrostaal, Inc., a Houston steel trader, bought steel coils from Posco, a Korean steel mill. The trader claims that some of the steel the mill sold it was defective under their contract because when the trader later sold the steel, the buyer could not polish it for lamination because of rust. The trader sued the mill, and the mill has moved to compel arbitration.

3. *Evidence.*

The trader and the mill signed a contract for the sale of steel coils. The contract requires arbitration in Hong Kong.

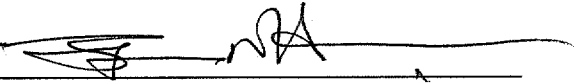
The mill rejected the trader's original purchase order when it sent a counter-offer for the sale of steel coils to the trader. The trader signed the counter-offer, binding it.

4.

*Conclusion.*

Posco Asia Company, Ltd., and Coutinho & Ferrostaal, Inc., will arbitrate.

Signed on October 8, 2009, at Houston, Texas.

A handwritten signature in black ink, appearing to read "Lynn N. Hughes", is written over a horizontal line.

Lynn N. Hughes  
United States District Judge