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CSX files lawsuit against TCI

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CSX Corp. is hitting back against The Children's Investment Fund with a lawsuit alleging the fund violated federal securities laws. CSX also rescheduled its annual shareholder meeting.

London-based TCI has been harshly critical of CSX's management and, with fellow hedge fund 3G, intends to nominate a slate of directors for the board at the 2008 annual meeting.

CSX filed the lawsuit in federal court in New York, alleging that TCI has agreements with other shareholders who have agreed to vote TCI's way.

"In an effort to avoid the disruption and expense of a proxy contest we've spoken with TCI on a number of occasions in an attempt to find common ground," said Edward J. Kelly III, director of the CSX board. "Based on these conversations the board concluded that TCI is not simply interested in having a representative voice on the board, but instead is seeking to achieve effective control of the CSX board of directors and dictate company strategy."

CSX' annual meeting is now scheduled for June 25 in New Orleans.

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