

## Big Banks Dodge Investors' Rate-Rigging Claims

By **Melissa Daniels**

*Law360, Los Angeles (March 10, 2017, 9:58 PM EST)* -- An investor suit accusing around 20 big banks and financial institutions of rigging interbank loan rates was tossed for lack of standing Friday by a New York federal judge who also trimmed claims and defendants in a related action.

In the two investor lawsuits, one filed in 2012 and the other in 2015, HSBC, Citigroup, RP Martin and other banks were accused of rigging the yen-denominated London Interbank Offered Rate, the Euroyen Tokyo Interbank Offered Rate and Euroyen Tibor contracts. Defendants also included Deutsche Bank AG, Barclays and JPMorgan Chase & Co., as well as several Japanese banks and United Kingdom institutions.

On Friday, U.S. District Judge George B. Daniels dismissed the operative complaint in the 2015 case in its entirety, saying the plaintiffs didn't show how they were harmed by the alleged manipulation.

"Because plaintiffs did not transact in forward rate agreements, they could not have suffered any injury traceable to these instruments and lack standing to bring these claims," Judge Daniels said.

Citing the lack of standing, Judge Daniels declined to exercise supplemental jurisdiction over the plaintiffs' state law claims.

The decision to toss the 2015 action came down in one of three orders Judge Daniels issued on Friday. In the related investor suit filed in 2012, he also trimmed six months' worth of claims from the case against JPMorgan Chase & Co., Deutsche Bank AG, Societe Generale SA and other big banks, and dismissed three defendants, Lloyds Banking Group PLC and global markets operators Tullett Prebon PLC and ICAP Europe Ltd.

The three United Kingdom-based institutions were added to the case in a third amended complaint filed in December 2015. But Judge Daniels dismissed them for lack of personal jurisdiction, saying the plaintiffs failed to show how the defendants' alleged misconduct was connected to parties in the United States.

Several big banks had already reached settlements in the 2012 litigation. In November, Judge Daniels approved a \$58 million settlement with Citigroup Inc., HSBC Holdings PLC and brokerage firm RP Martin Holdings Ltd.

A multiyear Libor investigation by law enforcement agencies and regulators worldwide has focused on

whether employees at the world's largest banks made fraudulent submissions to a London-based trade association that calculated and published the benchmark interest rate.

ICAP declined to comment. Representatives for other parties didn't immediately respond to requests for comment late Friday.

The investors in both actions are represented by Lowey Dannenberg Cohen & Hart PC, Berman DeValerio and Lovell Stewart Halebian Jacobson LLP.

The Bank of Tokyo Mitsubishi UFJ Ltd. is represented by Sullivan & Cromwell LLP. Sumitomo Mitsui Banking Corp. is represented by Paul Hastings LLP and Morgan Lewis & Bockius LLP. Mizuho Corporate Bank is represented by Shearman & Sterling LLP. The Bank of Yokohama Ltd. is represented by Debevoise & Plimpton LLP. Bank of America is represented by Davis Polk & Wardwell LLP. The Sumitomo Trust and Banking Co. Ltd. is represented by Seward & Kissel LLP. Resona Bank Ltd. is represented by Akin Gump Strauss Hauer & Feld LLP. JPMorgan Chase & Co. is represented by Simpson Thacher & Bartlett LLP. the Royal Bank of Scotland Group PLC is represented by Clifford Chance US LLP and WilmerHale. Deutsche Bank AG is represented by Paul Weiss Rifkind Wharton & Garrison LLP. UBS AG is represented by Gibson Dunn. Shinkin Central Bank is represented by Pillsbury Winthrop Shaw Pittman LLP. The Shoko Chukin Bank is represented by Arnold & Porter Kaye Scholer LLP. The Norinchukin Bank is represented by Sidley Austin LLP. Barclays Bank PLC is represented by Boies Schiller & Flexner LLP and Sullivan & Cromwell LLP. Societe Generale SA is represented by Mayer Brown LLP. Cooperative Rabobank UA is represented by Milbank Tweed Hadley & McCloy LLP. Tullett Prebon PLC is represented by Schulte Roth & Zabel LLP. ICAP Europe Ltd. is represented by Richards Kibbe & Orbe LLP and Lloyds Banking Group plc Hogan Lovells.

The cases are Sonterra Capital Master Fund Ltd. et al. v. UBS AG et al., case number 1:15-cv-05844, and Laydon v. Mizuho Bank Ltd. et al., case number 1:12-cv-03419, both in the U.S. District Court for the Southern District of New York.

--Additional reporting by Evan Weinberger and Eric Kroh. Editing by Mark Lebetkin.