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Philly And Citibank Resolve Libor-Rigging Claims In MDL

By **Anne Cullen**

Law360 (June 26, 2019, 4:42 PM EDT) -- Philadelphia has resolved its claims against Citibank in the massive Libor-rigging litigation playing out in New York federal court, although no information on the agreement was provided.

The City of Brotherly Love and Citibank snagged approval Tuesday on a pair of short stipulations that would free the New York City-based financial institution from Philadelphia's antitrust claims in two lawsuits lodged in the long-running litigation.

U.S. District Judge Naomi Reice Buchwald, who is overseeing the sprawling dispute, signed off on the plans the same day they were filed.

Counsel for the city on Wednesday said it wasn't authorized to comment on the agreements, and a representative for Citibank declined to comment.

Counsel for Citibank and representatives for Philadelphia's law department did not immediately respond to requests for comment Wednesday.

A representative for Philadelphia told Law 360 on Friday, "The city of Philadelphia and Citibank mutually agreed to resolve the city's claims through this settlement. The city believes the settlement is in its best legal and financial interests."

Citibank is just one of many big banks that Philadelphia and other investors have accused of partaking in a global conspiracy to manipulate the London InterBank Offered Rate, known as Libor, which is the average interest rate at which major banks in London borrow money from one another.

Philadelphia sits among the direct action plaintiffs in the litigation, a group that also includes Freddie Mac, Fannie Mae, a handful of cities in California, and other cities countrywide.

And those investors brought suit alongside several other groups, including the so-called over-the-counter investors — such as Baltimore and Yale University — the exchange-based investors, which includes investment manager Metzler

Investment GmbH, as well as a group of U.S. lenders and a set of credit unions.

The investors in the nearly decade-old case said the world's biggest banks deliberately lowballed their submissions in the Libor rate-setting process to manipulate the benchmark. As a result, the banks raked in hundreds of millions, and perhaps even billions, of dollars in ill-gotten gains, according to case filings.

The litigation kicked off in the wake of worldwide investigations by a number of governmental authorities, including in the U.S., the European Union, the United Kingdom, Switzerland, Japan, Canada and Singapore. After digging into the banks' Libor-setting behavior, regulators ultimately extracted more than $8.5 billion in fines.

Up next on Judge Buchwald's docket is the distribution agreement of $182 million worth of deals the exchange-based plaintiffs struck with Bank of America, Barclays, Citibank, Deutsche Bank, HSBC and JP Morgan. The class is currently **working out the kinks** in their plan after the judge called the first draft **"problematic at best."**

Philadelphia is represented by Daniel L. Brockett, Jeremy D. Andersen and Christopher R. Barker of Quinn Emanuel Urquhart & Sullivan LLP.

The Citi defendants are represented by Andrew A. Ruffino and Andrew D. Lazerow of Covington & Burling LLP.

The exchange-based investors are represented by Christopher Lovell, Gary S. Jacobson and Jody R. Krisiloff of Lovell Stewart Halebian Jacobson LLP, and David E. Kovel, Karen M. Lerner and Thomas W. Elrod of Kirby McInerney LLP.

The rest of the banks are represented by Hogan Lovells, Davis Polk & Wardwell LLP, Sullivan & Cromwell LLP, Boies Schiller Flexner LLP, Cleary Gottlieb Steen & Hamilton LLP, Milbank LLP, Cahill Gordon & Reindel LLP, Paul Weiss Rifkind Wharton & Garrison LLP, Locke Lord LLP, Simpson Thacher & Bartlett LLP, Katten Muchin Rosenman LLP, Sidley Austin LLP, WilmerHale, Mayer Brown LLP, Clifford Chance LLP, Latham & Watkins LLP, Gibson Dunn & Crutcher LLP, and Hughes Hubbard & Reed LLP.

The case is In re: Libor-based Financial Instruments Antitrust Litigation, case number 1:11-md-02262, in the U.S. District Court for the Southern District of New York.

--Additional reporting by Nadia Dreid. Editing by Stephen Berg.

Updated: This story has been updated with comment from the city of Philadelphia.
