

Cahill Wins Dismissal in \$5.9B Securities Suit for Standard & Poor's

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A Cahill litigation team prevailed on behalf of McGraw Hill Financial, Inc., and its wholly owned subsidiary Standard & Poor's Financial Services LLC (together, "S&P"), on claims arising from ratings S&P assigned to certain Private Label Mortgage-Backed Securities ("PLMBS") prior to the financial crisis. Plaintiff, the Federal Home Loan Bank of Boston, filed suit in April 2011 against S&P and multiple other defendants seeking recovery for alleged losses in connection with the Bank's purchase of \$5.9 billion dollars' worth of PLMBS. The Complaint asserted claims for negligent misrepresentation, violation of the Massachusetts unfair trade practices statute, and common law fraud. The Court previously had dismissed the negligent misrepresentation and Massachusetts statutory claims against S&P.

On September 30, 2014, U.S. District Judge for the District of Massachusetts, George O'Toole, dismissed the remaining common law fraud claim against S&P, finding that S&P was not subject to personal jurisdiction in Massachusetts in light of the United States Supreme Court's ruling in *Daimler AG v. Bauman*, -- U.S. --, 134 S. Ct. 746 (2014). The dismissal was the result of a motion for reconsideration filed by S&P with regard to an earlier order by Judge O'Toole finding jurisdiction over S&P. In his reconsideration opinion, Judge O'Toole noted that "[t]he Daimler decision requires a tighter assessment of the standard than perhaps was clear from *Goodyear*" (*Goodyear Dunlop Tires Operations, S.A. v. Brown*, -- U.S. --, 131 S. Ct. 2847 (2011)) and agreed "with the rating agency defendants that under the analytical framework expressed in *Daimler*, it is clear that they are not subject to personal jurisdiction in Massachusetts."

The Court also denied Plaintiff's request that the claims against S&P be severed and transferred to New York pursuant to 28 U.S.C. §§ 1631, 1404 and 1406, in lieu of dismissal.

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