

In re Mexican Government Bonds Antitrust Litigation

Consumer, Privacy & Antitrust

Role	BFA represents Southeastern Pennsylvania Transit Authority and is assisting the team litigating the case in the Southern District of New York.
Background	Plaintiffs allege that Defendant broker-dealers have fixed auctions for securities issued by the Mexican government and manipulated the bid-ask spread in transactions to U.S.-based investors, causing U.S.-based investors to pay artificially inflated prices for their Mexican government bonds.
Court	U.S. District Court for the Southern District of New York
Case Number	18-CV-02830
Status	Pending

BFA represents Southeastern Pennsylvania Transit Authority and is assisting the team litigating the case in the Southern District of New York. Plaintiffs allege that Defendant broker-dealers have fixed auctions for securities issued by the Mexican government and manipulated the bid-ask spread in transactions to U.S.-based investors, causing U.S.-based investors to pay artificially inflated prices for their Mexican government bonds.

Plaintiffs have negotiated ice-breaker settlements with JPMorgan for \$15 million and Barclays PLC for \$5.7 million, totaling \$20.7 million in addition to cooperation in litigating against the remaining defendants, and filed a highly detailed complaint based in part on highly incriminating documents received from the cooperating defendants. The action against the remaining Defendants is pending appeal.

On January 15, 2025, the Court denied the non-settling defendants' Motion to Dismiss in its entirety, upholding Plaintiffs' Antitrust and Unjust Enrichment claims, finding that the complaint set forth allegations that "read as explicit agreements between Defendants to raise the price of certain MGBs in concert," and so adequately allege the existence of a conspiracy in violation of the Sherman Act.

Further the Court found that Plaintiffs “have shown that they experienced an antitrust injury and that they are the proper parties to bring this enforcement suit” and that while investment contracts must have existed between Plaintiffs and Defendants for the MGBs exchanged, because such contracts would not “clearly cover ... whether Defendants were permitted to collude on MGB resale prices in the secondary market,” Plaintiffs’ unjust enrichment claims may also proceed.