Banks Plead Guilty, Pay Billions for Misconduct Stemming from Collusion in Foreign Exchange Market

Related Lawyers: **Michael D. Hausfeld**, **William P. Butterfield**, **Timothy S. Kearns**, **Nathaniel C. Giddings**, **Reena A. Gambhir**, **Bonny E. Sweeney**

Related Practice Areas: **Antitrust / Competition**, **Financial Services and Securities**

May 20, 2015 (Washington, DC) — Hausfeld, a global claimants' firm dedicated to handing complex litigation, announced today that five defendants in *In re Foreign Exchange Benchmark Rates Antitrust Litigation*, 13-cv-7789 (S.D.N.Y.), have agreed with the U.S. Department of Justice to plead guilty to violating U.S. law through their conduct in the foreign exchange ("FX") market. Barclays PLC, Citicorp, JPMorgan Chase & Co., and The Royal Bank of Scotland PLC pled guilty to violating U.S. antitrust laws.

UBS AG pled guilty to wire and mail fraud after the DOJ determined that UBS's misconduct in the FX market had breached UBS's prior non-prosecution agreement for LIBOR-related misconduct. The guilty pleas entered today reflect widespread collusion in the FX market over a period of several years.

In addition to the guilty pleas, the banks agreed to pay more than $2.7 billion to the Department of Justice to resolve the DOJ's FX investigations. The Federal Reserve imposed further fines of more than $1.6 billion on affiliates of the same five banks and a fine of $205 million on Bank of America Corporation for "unsafe and unsound practices." Barclays will also pay a $1.3 billion fine as part of settlements with the New York Department of Financial Services, the Commodity Futures Trading Commission, and the Financial Conduct Authority.

With today's approximately $5.8 billion in fines, seven banks have paid roughly $10 billion to resolve allegations of collusion in the FX market. In November 2014, the U.S. Commodity Futures Trading Commission, the U.S. Office of the Comptroller of the Currency, the U.K. Financial Conduct Authority, and the Swiss Financial Market Supervisory Authority (FINMA) levied $4.3 billion in fines on Bank of America, Citigroup, HSBC, JPMorgan, RBS, and UBS. In addition to the government fines, Hausfeld has announced settlements with Bank of America, Citigroup, JPMorgan, and UBS in the FX antitrust litigation on behalf of the plaintiff class; these settlements total more than $800 million.

Speaking on the guilty pleas, Michael D. Hausfeld, Chairman of Hausfeld, stated, “In a far too often necessary condemnation of financial institution misconduct, federal regulators have again fined the world’s largest banks for market manipulation. The banks pleaded guilty to felony violations of the federal antitrust laws for colluding with their competitors to fix the prices of transactions with their customers in the market for foreign exchange rates. The rights of customers cannot be subordinated to the self-interest of trader profits. The duties of financial institutions to those who entrust them with their investments must be respected, domestically and internationally. Where there is a failure of this responsibility, there must be accountability.”

Hausfeld is co-lead counsel for plaintiffs in *In re Foreign Exchange Benchmark Rates Antitrust Litigation* with Scott + Scott LLP.

Hausfeld attorneys working on the case are Michael D. Hausfeld, William P. Butterfield, Bonny E. Sweeney, Reena A. Gambhir, Timothy S. Kearns, and Nathaniel C. Giddings.

For further information or to arrange interviews, please contact:

Deborah Schwartz
Media Relations
(240) 355-8838
deborah@mediarelationsinc.com

About Hausfeld:

Hausfeld is a leading global law firm with offices in Brussels, London, Philadelphia, San Francisco, and Washington, DC. The firm has a broad range of complex litigation expertise, particularly in antitrust/competition, financial services, sports and entertainment, environmental, mass torts, consumer protection, and human rights matters, often with an international dimension. Hausfeld aims to achieve the best possible results for clients through its practical and commercial approach, avoiding litigation where feasible, yet litigating robustly when necessary. Hausfeld’s extensive experience with alternative and innovative fee models offers clients a diverse menu of engagement options and maximum flexibility in terms of managing their cost exposure.

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