



Brevard County Board of County Commissioners

2725 Judge Fran Jamieson
Way
Viera, FL 32940

Legislation Text

File #: 1192, **Version:** 1

Subject:

Class action lawsuit seeking damages associated with alleged price fixing on Government-Sponsored Enterprise (G.S.E.) Bonds.

Fiscal Impact:

This action will have no negative fiscal impact.

Dept/Office:

County Attorney's Office

Requested Action:

Authorize filing a proof of claim by the County in the pending class action lawsuit seeking damages for alleged price fixing on Government-Sponsored Enterprise bonds; authorize the County Manager to make decisions and execute documents as necessary to exercise the County's rights/options in the class action litigation process.

Summary Explanation and Background:

The allegations of the action are that Defendants conspired to fix prices for unsecured Government-Sponsored Enterprise bonds issued by various financial institutions and violated Section 1 of the Sherman Act, 15 U.S.C. §1. (A "Government-Sponsored Enterprise Bond" is often referred to as a "G.S.E. Bond" and defined as any and each unsecured bond or debt instrument regardless of currency or credit quality, issued by Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit Banks, and Federal Home Loan Banks.) A settlement has been reached by some of the Defendants. The settling Defendants have agreed to pay approximately \$29.5 million dollars into a fund for disbursement to qualifying class members.

The County Attorney's Office has been advised by County Finance that the County's investment portfolio includes Government-Sponsored Enterprise Bonds, however specific information on how many and for what amount still needs to be researched.

The deadline to electronically file the Proof of Claim is February 5, 2020.

By joining the class, the County would be bound by all rulings, orders, judgments, or settlements approved by the Court, whether favorable or unfavorable. The court has already chosen class counsel and there is no out of pocket fees or costs associated with joining the class. Class counsel will submit their fees and expenses to the

Court, and once those are determined, it could be deducted from the money obtained for the Class and reduce the amount available for distribution and therefore reduce the amount of funds received.

There does not appear to be any downside to joining the class.

Options for the Board to consider include:

1. Choose not to participate in the class action case; or
2. Choose to participate in the class action case by approving the Chair to sign the Proof of Claim form and authorize the County Manager to make decisions and execute documents as necessary through the class action litigation process.

Clerk to the Board Instructions:

E-mail the Clerk Memo as soon as possible after the meeting to Eden.bentley@brevardfl.gov [<mailto:Eden.bentley@brevardfl.gov>](mailto:Eden.bentley@brevardfl.gov) and Melissa.Powers@brevardfl.gov [<mailto:Melissa.Powers@brevardfl.gov>](mailto:Melissa.Powers@brevardfl.gov). Thank you.