IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF IOWA
CENTRAL DIVISION

Principal Financial Group, Inc.; Principal Financial Services, Inc.; Principal Life Insurance Company; Principal Capital Interest Only I, LLC; Principal Commercial Funding, LLC; Principal Commercial Funding II, LLC; and Principal Real Estate Investors, LLC Plaintiffs, v. Bank of America Corporation; Bank of America, N.A.; Bank of Tokyo-Mitsubishi UJF Ltd.; Barclays Bank PLC; British Bankers' Association; BBA Enterprises, Ltd.; BBA Libor, Ltd.; Citigroup, Inc.; Citibank, N.A.; Coöperatieve Centrale Raiffseisen-Boerenleenbank, B.A.; Credit Suisse Group AG; Deutsche Bank AG; HBOS PLC; HSBC Holdings PLC; HSBC Bank PLC; ICAP PLC; JPMorgan Chase & Co.; JPMorgan Chase Bank, N.A.; Lloyds Banking Group PLC; The Norinchukin Bank; Portigon AG; Royal Bank of Canada; The Royal Bank of Scotland Group PLC; R.P. Martin Holdings Ltd.; Société Générale, S.A.; Tullett Prebon PLC; UBS AG; WestLB AG; and Westdeutsche ImmobilienBank AG; Defendants.	Civil Case No. **COMPLAINT** **JURY TRIAL DEMANDED**

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COMPLAINT

Plaintiffs Principal Financial Group, Inc.; Principal Financial Services, Inc.; Principal Life Insurance Company; Principal Capital Interest Only I, LLC; Principal Commercial Funding, LLC; Principal Commercial Funding II, LLC; and Principal Real Estate Investors, LLC (collectively "Plaintiffs") bring this action against Defendants Bank of America Corporation; Bank of America, N.A.; Bank of Tokyo-Mitsubishi UJF Ltd.; Barclays Bank PLC; British Bankers' Association; BBA Enterprises, Ltd.; BBA Libor, Ltd.; Citigroup, Inc.; Citibank, N.A.; Coöperatieve Centrale Raiffseisen-Boerenleenbank, B.A.; Credit Suisse Group AG; Deutsche Bank AG; HBOS PLC; HSBC Holdings PLC; HSBC Bank PLC; ICAP PLC; JPMorgan Chase & Co.; JPMorgan Chase Bank, N.A.; Lloyds Banking Group PLC; The Norinchukin Bank; Portigon AG; Royal Bank of Canada; The Royal Bank of Scotland Group PLC; R.P. Martin Holdings Ltd.; Société Générale, S.A.; Tullett Prebon PLC; UBS AG; WestLB AG; and Westdeutsche ImmobilienBank AG (collectively, "Defendants") for violations of the Sherman Act (15 U.S.C. § 1) and the Iowa Competition Law (Iowa Code § 553.4) and for fraud, breach of contract and covenant of good faith and fair dealing, and unjust enrichment based on the following allegations:

NATURE OF CLAIM

1. This case arises from Defendants' conspiracy to manipulate the London Interbank Offered Rate ("Libor")—the world's leading short-term interest rate benchmark. As a benchmark, Libor is used as a reference point to set the interest rate for all types of financial products, from simple loans to complex derivatives. Libor is so pervasively used that it has assumed a fundamentally important role in financial systems throughout the world. Indeed, Defendants advertise Libor as "the world's most important number" and describe Libor as a "simple, transparent benchmark . . . [that is]

a reliable indicator of the state of the money markets, and one of the most reliable barometers of risk in the global economy."

2. Unknown to investors like Plaintiffs, from at least August of 2007 until at least May of 2010 (the "Conspiratorial Period"), Defendants conspired to manipulate Libor and fix it at artificially low levels in order to reap billions of dollars in ill-gotten profits (the "Conspiracy").

3. Plaintiffs are Principal Financial Group, Inc.; Principal Financial Services, Inc.; Principal Life Insurance Company; and four related entities: Principal Capital Interest Only I, LLC; Principal Commercial Funding, LLC; Principal Commercial Funding II, LLC; and Principal Real Estate Investors, LLC. During the Conspiratorial Period, Plaintiffs held a variety of financial instruments tied to Libor including corporate bonds, residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), loans, interest-rate swaps, and various types of short-term paper.

4. Defendants' Conspiracy to artificially suppress Libor rates during the Conspiratorial Period caused Plaintiffs substantial losses in that they earned less money from their Libor-tied investments than they would have absent Defendants' unlawful price fixing.

5. Accordingly, Plaintiffs seek relief for the damages they have suffered as a result of Defendants' anticompetitive conduct under the Sherman Act, 15 U.S.C. §§ 1, *et seq*., the Clayton Act, 15 U.S.C. §§ 12, *et seq*., and the Iowa Competition Law, Iowa Code §§ 553.1, *et seq*. Plaintiffs additionally assert claims for fraud, breach of contract and covenant of good faith and fair dealing, and unjust enrichment.

JURISDICTION AND VENUE

6. This Court has original subject matter jurisdiction over Plaintiffs' federal antitrust claims under 28 U.S.C. §§ 1331 and 1337 and 15 U.S.C. §§ 15 and 26. Additionally, this Court has supplemental jurisdiction over Plaintiffs' Iowa Competition Law, fraud, breach of contract and covenant of good faith and fair dealing, and unjust enrichment claims under 28 U.S.C. § 1367, because these claims are so closely related to Plaintiffs' federal antitrust claim that they form part of the same case or controversy.

7. This Court has personal jurisdiction over Defendants because Defendants each caused false interest rate information to be published within this District. The Panel Bank Defendants also marketed and sold to Plaintiffs numerous Libor-tied financial instruments within the District. Defendants' contacts with this District caused Plaintiffs the financial losses described in this Complaint.

8. Venue is proper in this District pursuant to Sections 4, 12 and 16 of the Clayton Act, 15 U.S.C. §§ 15, 22 and 26 and 28 U.S.C. § 1391(b), (c) and (d). One or more of the Defendants transacted business, were found, or had agents in the District, a substantial part of the events giving rise to Plaintiffs' claims arose in the District, and a substantial portion of the affected interstate trade and commerce described in this Complaint has been carried out in this District.

PARTIES

9. Plaintiffs are Principal Financial Group, Inc.; Principal Financial Services, Inc.; Principal Life Insurance Company; and four related entities: Principal Capital Interest Only I, LLC; Principal Commercial Funding, LLC; Principal Commercial Funding II, LLC; and Principal Real Estate Investors, LLC. Plaintiffs owned financial products tied to Libor during the Conspiratorial Period and were significantly damaged

by Defendants' illegal conduct. Plaintiffs are continuing their investigation to determine whether additional related entities were damaged by Defendants' conduct and should be added as plaintiffs to this Complaint.

10. Plaintiff Principal Financial Group, Inc. is a Delaware corporation having its principal place of business at 711 High Street, Des Moines, Iowa 50392.

11. Plaintiff Principal Financial Services, Inc. is a Delaware corporation having its principal place of business at 711 High Street, Des Moines, Iowa 50392.

12. Plaintiff Principal Life Insurance Company, including its Separate Accounts, is an Iowa corporation having its principal place of business at 711 High Street, Des Moines, Iowa 50392.

13. Plaintiff Principal Capital Interest Only I, LLC was a Delaware limited liability company during the Conspiratorial Period whose principal place of business was at 711 High Street, Des Moines, Iowa 50392. Plaintiff Principal Real Estate Investors, LLC was the only member of Principal Capital Interest Only I, LLC and brings this suit on its behalf.

14. Plaintiff Principal Commercial Funding, LLC is a Delaware limited liability company having its principal place of business at 711 High Street, Des Moines, Iowa 50392.

15. Plaintiff Principal Commercial Funding II, LLC was a Delaware limited liability company during the Conspiratorial Period whose principal place of business was at 711 High Street, Des Moines, Iowa 50392. Principal Commercial Funding, LLC was a member of Principal Commercial Funding II, LLC and brings this suit on its behalf.

16. Plaintiff Principal Real Estate Investors, LLC is a Delaware limited liability company having its principal place of business at 711 High Street, Des Moines, Iowa 50392.

17. Defendants are a collection of the world's largest and most powerful financial institutions. Defendants are the British Bankers Association, who administered USD Libor during the Conspiratorial Period, the sixteen banks that comprised the U.S. Dollar Libor panel during the Conspiratorial Period (along with certain parent or related companies), and the interdealer money brokers who the panel banks consulted regarding their Libor submissions.

18. Defendant British Bankers' Association ("BBA") is a trade association based in the United Kingdom, which owned Libor throughout the 2000s. The BBA is governed by a Board, which officially meets four times per year and is comprised of the BBA Chief Executive and Chief Executives of several Defendants. Defendant BBA Enterprises, Ltd. is a wholly owned subsidiary of the BBA located in London, England. In late 2009, the BBA incorporated a new legal subsidiary, Defendant BBA Libor, Ltd. to house Libor. Defendants BBA; BBA Enterprises, Ltd.; and BBA Libor, Ltd. are referred to collectively as the "BBA Defendants."

19. Defendant Bank of America Corporation ("Bank of America") is a Delaware corporation headquartered in Charlotte, North Carolina. Defendant Bank of America, N.A. is a federally-chartered national banking association headquartered in Charlotte, North Carolina and is an indirect, wholly-owned subsidiary of Defendant Bank of America Corporation. Bank of America Corporation and Bank of America, N.A. are referenced collectively in this Complaint as "Bank of America."

20. Defendant Bank of Tokyo-Mitsubishi UFJ Ltd. ("Tokyo-Mitsubishi") is the commercial banking subsidiary of Mitsubishi UFJ Financial Group, Inc. and is headquartered in Tokyo, Japan.

21. Defendant Barclays Bank PLC ("Barclays") is a United Kingdom public limited company headquartered in London, England.

22. Defendant Citigroup, Inc. is a Delaware corporation headquartered in New York, New York. Defendant Citibank, N.A. is a federally-chartered national banking association headquartered in New York, New York and is a wholly-owned subsidiary of Defendant Citigroup, Inc. Defendants Citigroup, Inc. and Citibank, N.A. are referenced collectively in this Complaint as "Citigroup."

23. Defendant Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("Rabobank") is a Dutch financial services provider headquartered in Utrecht, the Netherlands.

24. Defendant Credit Suisse Group AG ("Credit Suisse") is a Swiss company headquartered in Zurich, Switzerland.

25. Defendant Deutsche Bank AG ("Deutsche Bank") is a German financial services company headquartered in Frankfurt, Hesse, Germany.

26. Defendant HSBC Holdings PLC is a United Kingdom public limited company headquartered in London, England. Defendant HSBC Bank PLC is a United Kingdom public limited company headquartered in London, England and is a wholly-owned subsidiary of Defendant HSBC Holdings PLC. Defendants HSBC Holdings PLC and HSBC Bank PLC are referenced collectively in this Complaint as "HSBC."

27. Defendant ICAP PLC ("ICAP"), an interdealer money broker, is a United Kingdom public limited company headquartered in London, England.

28. Defendant JPMorgan Chase & Co. is a Delaware corporation headquartered in New York, New York. Defendant JPMorgan Chase Bank, N.A. is a federally-chartered national banking association headquartered in New York, New York and is a wholly-owned subsidiary of Defendant JPMorgan Chase & Co. Defendants JPMorgan

Chase & Co. and JPMorgan Chase Bank, National Association are referenced collectively in this Complaint as "JPMorgan."

29. Defendant Lloyds Banking Group PLC ("Lloyds") is a United Kingdom public limited company headquartered in London, England. Defendant Lloyds was formed in 2009 through the acquisition of Defendant HBOS PLC—a United Kingdom banking and insurance company headquartered in Edinburgh, Scotland—by Lloyds TSB Bank PLC.

30. Defendant The Norinchukin Bank ("Norinchukin") is a Japanese bank headquartered in Tokyo, Japan.

31. Defendant Royal Bank of Canada ("RBC") is a Canadian company headquartered in Toronto, Canada.

32. Defendant The Royal Bank of Scotland Group PLC ("RBS") is a United Kingdom public limited company headquartered in Edinburgh, Scotland.

33. Defendant R.P. Martin Holdings Ltd. ("RP Martin"), an interdealer money broker, is a United Kingdom private limited company headquartered in London, England.

34. Defendant Société Générale, S.A. ("SocGen") is a French corporation with its principal place of business in Paris, France.

35. Defendant Tullett Prebon PLC ("Tullett Prebon"), an interdealer money broker, is a United Kingdom public limited company headquartered in London, England.

36. Defendant UBS AG ("UBS") is a Swiss company based in Basel and Zurich, Switzerland.

37. Defendant WestLB AG is a German joint stock company headquartered in Dusseldorf, Germany. Defendant Portigon AG, the successor to WestLB, is a German joint stock company headquartered in Dusseldorf, Germany. Defendant Westdeutsche ImmobilienBank AG is a German company headquartered in Mainz, Germany and is a wholly-owned subsidiary of WestLB AG. Defendants WestLB AG, Portigon AG, and Westdeutsche ImmobilienBank AG are referenced collectively in this Complaint as "WestLB."

38. This Complaint refers to Defendants Bank of America, Tokyo-Mitsubishi, Barclays, Citigroup, Rabobank, Credit Suisse, Deutsche Bank, HSBC, JPMorgan, Lloyds, RBC, Norinchukin, SocGen, RBS, UBS, and WestLB collectively as the "Panel Bank Defendants." Additionally, Defendants ICAP, RP Martin, and Tullett Prebon are referred to as the "Interdealer Broker Defendants."

AGENTS AND CO-CONSPIRATORS

39. Each of the Defendants have participated, as members of the Conspiracy, and have acted expressly or impliedly in furtherance of the Conspiracy, or aided or assisted in carrying out the purposes of the Conspiracy, and have performed acts and made statements in furtherance of the Conspiracy and other violations of federal and state law. Each of the Defendants acted as the agents, employees, and/or representatives of each other, and in alignment with other Defendants with full knowledge of their respective wrongful conduct. Defendants conspired together, building upon each other's wrongdoing, in order to accomplish the acts outlined in this Complaint. Defendants are individually sued as principals, participants, and aiders and abettors in the wrongful conduct complained of, the liability of each arises from the fact that each has engaged in all or part of the improper acts, plans, schemes, conspiracies, or transactions described in this Complaint.

UNNAMED CO-CONSPIRATORS

40. Various other entities and individuals not named as Defendants in this Complaint participated as co-conspirators in the Conspiracy, and performed acts and made statements which aided and abetted and was in furtherance of the Conspiracy.

FACTUAL ALLEGATIONS

I. Libor is administered by the BBA and advertised as a reflection of the costs paid by major banks to borrow funds in the London interbank lending market.

41. Throughout the Conspiratorial Period, Libor was administered by the BBA. The BBA advertised Libor as a benchmark reflecting the average cost (or interest rate) at which certain well-capitalized banks could borrow funds from other banks in the London interbank lending market for a given period, in a given currency. This information was valuable because the interest rates paid by major banks in the competitive interbank lending market provided market participants a useful barometer of risk in the financial system.

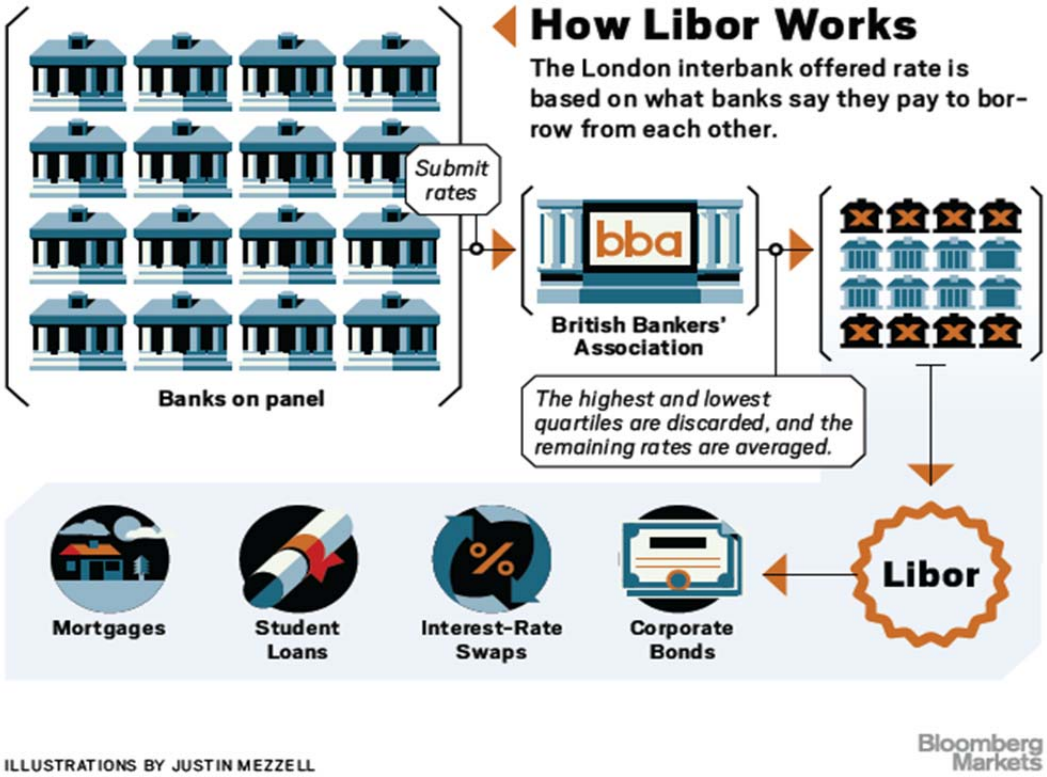
42. Libor is calculated using information reported from individual panel banks. Every business day by 11:10 a.m. London time, each panel bank sends data to Thompson Reuters Group ("Reuters"), a news information provider, reporting what it would cost them to "borrow funds, were [they] to do so by asking for and then accepting inter-bank offers in reasonable market size, just prior to 11.00 [a.m.] London time."

43. Libor is calculated for ten different currencies including the U.S. Dollar ("USD"), Japanese Yen, Euro, and Swiss Franc. Additionally, the Libor rate for each currency is calculated for numerous maturities. For example, USD Libor is calculated for fifteen maturities ranging from overnight to twelve months.

44. A different panel of contributor banks is used for each of the ten currencies for which Libor is calculated. For example, prior to February 2011, the USD Libor panel consisted of sixteen banks. The Panel Bank Defendants are the sixteen banks that, from August of 2007 until February of 2011, comprised the USD Libor panel. Many of the Panel Bank Defendants also sit on Libor panels for other currencies.

45. Reuters calculated USD Libor using the Panel Bank Defendants' daily submissions. Each business day during the Conspiratorial Period, Reuters would receive sixteen different submissions for each maturity of USD Libor—one set of submissions from each of the sixteen Panel Bank Defendants. Reuters calculated USD Libor for each maturity by discarding the four lowest and four highest submissions for that maturity and averaging the remaining eight. The result for each maturity would then be published as that day's USD Libor rate or "fixing." Figure 1 illustrates the Libor setting process.

Figure 1: Libor rate setting process (source: Bloomberg Markets)



46. The same "interquartile averaging" method illustrated in Figure 1 is used to calculate Libor for other currencies. In other words, regardless of the currency, Libor is calculated by discarding the highest and lowest quartile (or 25%) of the submissions and averaging the remaining submissions.

47. By decreasing the impact of outlier submissions on the daily Libor fixing, the BBA's use of an interquartile (or trimmed) average appeared to limit the effectiveness with which any single panel bank could intentionally manipulate Libor.

48. The BBA created other rules ostensibly aimed at protecting Libor's integrity. For example, the BBA mandated that each panel bank's daily submissions would remain confidential until after the calculation and publication of the daily Libor rates.

Adherence to this rule would help prevent collusion and ensure that each panel bank's submission was not influenced by other banks' submissions.

49. The BBA also mandated that upon publication of each day's Libor, Reuters would simultaneously publish the individual rates submitted that day by each panel bank. This rule promoted competition between the panel banks both to submit the lowest accurate submissions and to monitor the accuracy of other panel banks' submissions. A bank's borrowing costs reflect the bank's creditworthiness and financial strength—the lower the borrowing costs, the greater the bank's perceived creditworthiness and financial strength. Because the panel banks were themselves competitors in selling financial services and products, no bank wished to appear less financially sound than its fellow panel banks. Thus, publishing each panel bank's submissions appeared to provide a strong disincentive to panel banks to submit artificially high rates. Additionally, because each panel bank faced competitive pressure to be perceived as financially stronger than its competitors, publishing each bank's individual submissions provided a strong incentivize to each panel bank to police other banks' submissions and report any artificially low submissions.

50. The BBA bolstered Libor's perceived integrity by touting it as a "simple, transparent benchmark . . . [that is] a reliable indicator of the state of the money markets, and one of the most reliable barometers of risk in the global economy." As the BBA put it, Libor was a valuable benchmark because it "represent[ed] a unique snapshot of competitive funding costs."

51. Because it was thought to reflect competitive forces of supply and demand in the competitive interbank lending market, and because competition between the panel banks should have protected its integrity, Libor became the world's leading short-term interest rate benchmark. Libor is currently used to set the interest rate or price of numerous financial products including loans, mortgages, bonds, futures, options,

swaps, and other derivative instruments. In 2012, the *New York Times* estimated that $350 trillion in financial products were tied to Libor, substantiating the BBA's description of Libor as "the world's most important number."

II. Defendants formed a conspiracy to manipulate numerous interest-rate benchmarks, including USD Libor.

52. The Defendants conspired amongst each other to manipulate various interest-rate benchmarks around the world, including USD Libor. The supporting evidence includes (1) the BBA's ownership of Libor and the Panel Bank Defendants' position on the USD Libor panel, which provided Defendants the means for manipulating USD Libor; (2) the Panel Bank Defendants' strong financial incentives to manipulate Libor to benefit their trading positions and to portray financial stability, which provided Defendants the motive to manipulate USD Libor; (3) the Panel Bank Defendants' communications with the Interdealer Broker Defendants and the BBA, which provided Defendants the opportunity to conspire; (4) empirical evidence demonstrating that, during the Conspiratorial Period, the Panel Bank Defendants' USD Libor submissions did not accurately reflect their borrowing costs and suggesting that Defendants colluded to artificially suppress USD Libor; (5) Barclays' admissions that it submitted false USD Libor rates on a daily basis and conspired with other financial institutions to manipulate Euribor during the Conspiratorial Period;[1] (6) UBS's admissions that it conspired with other panel banks to manipulate Yen Libor during the Conspiratorial Period; (7) the arrest and indictment of numerous individuals including former UBS traders for conspiring to manipulate Yen Libor during the Conspiratorial Period; (8) and RBS's admissions that, with the cooperation of other panel banks and

[1] Euribor stands for the Euro Interbank Offered Rate, which like Libor, is a daily reference rate based on the averaged interest rates at which Eurozone banks offer to lend unsecured funds to other banks in the euro interbank market. It is distinct from the BBA-published Euro Libor.

interdealer brokers, it attempted to and succeeded in manipulating Yen and Swiss Franc Libor during the Conspiratorial Period.

A. Defendants had the means, motive, and opportunity to collude to suppress USD Libor.

1. The BBA's ownership of Libor and the Panel Bank Defendants' position on the USD Libor panel provided them the ideal means to manipulate Libor.

53. Defendants collectively possessed complete control over Libor. The BBA owned Libor and was responsible for creating and enforcing its rules and regulations. The Panel Bank Defendants not only exercised power over the BBA, as its most powerful and influential members, but also controlled the daily Libor fixings through their position as panel banks.

54. Defendants demonstrated their control over Libor by manipulating its daily fixings during the Conspiratorial Period. While the interquartile averaging method—discarding the highest and lowest four USD Libor submissions—minimized the effect a single bank could have on the composite Libor fixing, Libor was susceptible to manipulation by a cartel of panel banks.

55. Collusion allowed Defendants to manipulate USD Libor more dramatically. For example, if five panel banks colluded to submit false rates, at least one would be averaged into the final fixing. If all sixteen panel banks colluded to submit false rates, Defendants could set the final fixing to whatever they desired.

56. Collusion also allowed Defendants to better conceal their manipulation. It may draw suspicion if a single panel bank's submissions differed too dramatically from those of other panel banks with similar credit risk profiles. By colluding, however, Defendants could make even artificial rates appear legitimate.

57. Lastly, the Panel Bank Defendants' positions on Libor panels for foreign currencies allowed them to leverage their collusion to manipulate Libor fixings for numerous currencies. While each currency has its own panel of contributor banks, the BBA allows a single bank to serve on numerous panels. This has led to significant overlap in the panel banks for different currencies. For example, during the Conspiratorial Era, nine of the sixteen banks that served on the USD panel also served on the Japanese Yen, Euro, and Swiss Franc panels. In particular, the USD and Yen Libor panels had nearly complete overlap—during the Conspiratorial Period, thirteen of the sixteen USD panel banks also served on the Yen panel. The Panel Bank Defendants leveraged their positions on numerous overlapping Libor panels to manipulate Libor fixings for numerous currencies including Yen, Euro, and Swiss Franc.

2. The Panel Bank Defendants had strong financial incentives to manipulate Libor.

58. The Panel Bank Defendants were motivated to manipulate Libor for their own gain by two primary financial incentives. First, the Panel Bank Defendants themselves bought and sold numerous financial instruments tied to Libor and stood to profit from movements in Libor. For example, during the Conspiratorial Period, the Panel Bank Defendants held financial instruments that required them to make payments to counterparties based on Libor. Artificially suppressing Libor would significantly reduce the amount of money the Panel Bank Defendants were required to pay to others.

59. The size of the Panel Bank Defendants' positions, in the billions and trillions of dollars, meant that minute changes in the rate—even a fraction of a single percentage point—would result in hundreds of millions of dollars of ill-gotten profits for the Panel

Bank Defendants. By artificially suppressing Libor during the Conspiratorial Period, Defendants collectively reaped billions of dollars in illicit unearned revenues.

60. Second, investors' serious concerns regarding the stability of financial institutions during the financial crisis that began in 2007 provided a strong incentive for the Panel Bank Defendants to artificially suppress Libor. The Panel Bank Defendants knew that a bank's borrowing cost is widely viewed as reflecting that bank's creditworthiness and financial strength. This incentivized the Panel Bank Defendants to understate their borrowing costs (thereby suppressing Libor) to portray themselves as economically healthier than they actually were. Moreover, because no one bank would want to stand out as bearing a higher degree of risk than its competitors, each Panel Bank Defendant shared a powerful incentive to collude with other Panel Bank Defendants to ensure it was not the odd man out.

61. Libor was so lucrative for the Panel Bank Defendants that *The Wall Street Journal* reported that around November 2008, BBA officials toyed with selling Libor or spinning it off into a wholly independent entity.[2] The BBA drew up plans to license Libor to an independent third party that would pay a fee to administer the rate instead of the BBA.[3] But when BBA staffers pitched the idea to industry executives, they got the impression that the big banks—which paid most of the BBA's bills through their membership fees—wanted Libor kept in-house so that they could continue to influence it, according to people familiar with the talks.[4]

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[2] David Enrich & Max Colchester, *Before Scandal, Clash Over Control of Libor*, The Wall St. J., Sept. 11, 2012.
[3] *Id*.
[4] *Id*.

3. The Panel Bank Defendants' interactions with the Interdealer Broker Defendants and the BBA provided Defendants ample opportunities to conspire.

62. The numerous channels of communication available to Defendants provided them with ample opportunity to plan, implement, and carry out the Conspiracy. Though many facts remain unknown to Plaintiffs, and are known only to Defendants and their co-conspirators, Defendants are believed to have had frequent contact with one another directly and through the Interdealer Broker Defendants. Interdealer money brokers (also called interdealer or cash brokers) are used by panel banks to gain "market color" and help banks estimate their own borrowing costs. These interdealer brokers provided a convenient mechanism for Libor panel banks to communicate indirectly with one another to coordinate their submissions in a way that benefited the panel banks' trading portfolios. Indeed, Defendants UBS and RBS have admitted to communicating with other panel banks both directly and indirectly through the interdealer brokers to influence panel banks' Libor submissions.

63. The Panel Bank Defendants' executives are also believed to have had numerous private interactions with one another through their involvement with the BBA. The BBA provided Defendants with a convenient mechanism to strengthen and reinforce their Conspiracy and offered a cloak of legitimacy to meetings between the Panel Bank Defendants' executives to discuss Libor.

64. For example, *The Wall Street Journal* reported that, in May of 2008 the BBA held a meeting of the Foreign Exchange & Money Markets Committee, a long-standing BBA-organized panel whose primary role is to make decisions about Libor.[5] The committee is made up of banking-industry officials whose names and affiliations the BBA won't disclose.[6] The meeting's agenda was how to improve Libor.[7] "We need to

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[5] David Enrich & Max Colchester, *Before Scandal, Clash Over Control of Libor*, The Wall St. J., Sept. 11, 2012.
[6] *Id*.
[7] *Id*.

adopt a minimal approach," said one executive, identified in a transcript as Representative 2 of "Bank B."[8] "Too big a change would cause an explosive reaction."[9] Another bank representative argued that the BBA should deal with banks that report artificially low data "by just picking up the phone . . . and have a conversation behind closed doors."[10] The transcript indicates that other bank representatives agreed.[11]

65. Defendants' interactions were not limited to USD Libor. Rather the Panel Bank Defendants served with one another on numerous Libor panels for other currencies. For example, from 2006 to 2009, thirteen of the sixteen banks on the USD Libor panel were also on the Yen Libor panel. The Panel Bank Defendants' frequent interactions and service on similar Libor panels allowed them to spread their Conspiracy across numerous Libor currencies, thereby increasing their ill-gotten profits.

III. Empirical evidence confirms that USD Libor's aberrant behavior during the Conspiratorial Period was the result of Defendants' manipulation.

66. In 2007, growing concerns over the subprime mortgage market caused U.S. financial markets to experience severe illiquidity. Banks became reluctant to make loans, even to other banks. Historically, such periods have given rise to high Libor rates as banks demand larger interest payments (even from each other) as a condition of loaning their funds. Nonetheless, in the early months of 2008, during the most significant financial crisis since the great depression, the Panel Bank Defendants' USD Libor submissions did not vary markedly, and neither increased nor decreased sharply, despite the Panel Bank Defendants' increased credit risk and decreased liquidity.

67. This and other empirical data suggests that Libor's aberrant behavior during the Conspiratorial Period was caused by Defendants' collusion to manipulate and

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[8] *Id.*
[9] *Id.*
[10] *Id.*
[11] *Id.*

suppress USD Libor. In particular, during the Conspiratorial Period, USD Libor deviated dramatically from its historic relationships with other economic indicators including Eurodollar, equity options implied volatility, and credit default swap rates. This evidence, as well as inconsistencies in the borrowing costs the Panel Bank Defendants reported for different currencies and quote bunching, strongly suggests that Defendants colluded to artificially suppress USD Libor during the Conspiratorial Period.

A. USD Libor's divergence from its historical relationship with the Eurodollar suggests manipulation.

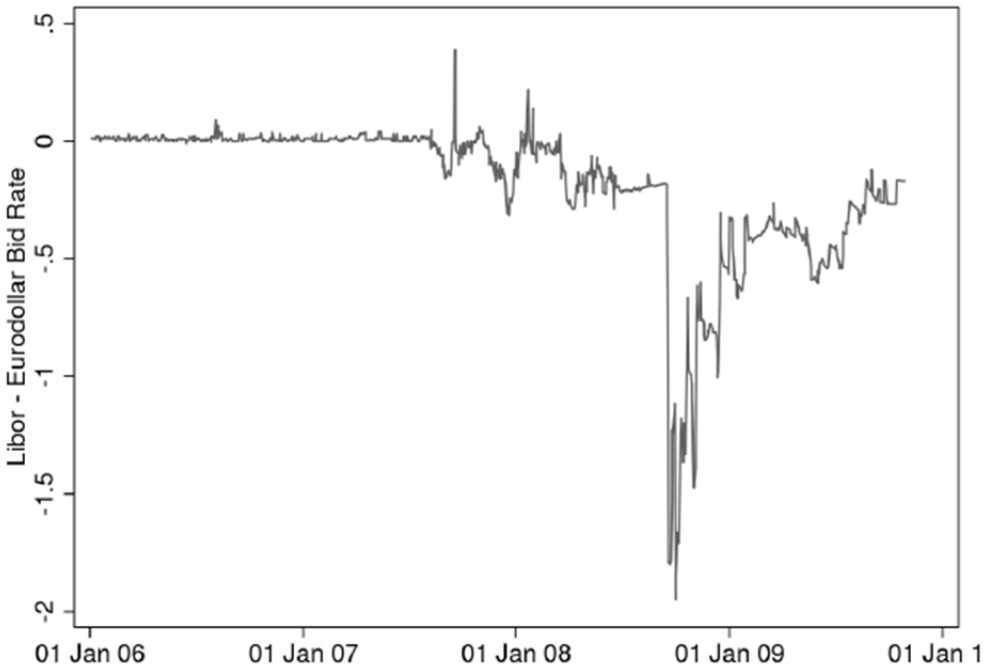
68. Eurodollar is a term used to describe USD-denominated time deposits which are located in foreign banks or in foreign branches of U.S. banks. The interest rate paid on these deposits for particular maturities (*e.g.*, overnight, one-month, or three-month) is commonly viewed as the best market proxy for USD Libor because the two have historically been closely correlated. Eurodollars are actively traded globally and their market rates are therefore readily observable. An analysis conducted by UCLA professor Connan Snider and PhD candidate Thomas Youle ("Snider and Youle"), emphasized that, prior to August 2007, the previous day's Eurodollar bid rate was a better predictor of Libor than the previous day's Libor.

69. Historically, the difference between USD Libor and the Eurodollar rate, known as the USD Libor /Eurodollar spread (effectively USD Libor minus the Eurodollar bid rate), averages 2.75 basis points (equivalent to 0.0275%).[12] The spread has generally been positive, meaning the Eurodollar rate is slightly lower, reflecting the measurement of Libor as an offer rate and the Eurodollar rate as a bid rate on USD deposits. After August 2007, Defendants' manipulation and suppression of USD Libor

[12] A "basis point" is a term commonly used to measure a financial instrument's interest rate. It is equal to 1/100th of 1 percent, and is useful because daily rate changes are typically smaller than 1 percent, though they still have huge financial effects.

resulted in a radical decoupling of USD Libor and the Eurodollar rate, and a reversal of the relationship so that the spread was negative. Figure 1 illustrates the decoupling of USD Libor and the Eurodollar rate during the Conspiratorial Period, as seen in a sudden and radical increase in the USD Libor /Eurodollar spread.

Figure 1: 3 Month USD Libor / Eurodollar Spread (source: Snider & Youle)



70. This change in the historical relationship to the Eurodollar is evidence that Defendants artificially depressed USD Libor. This wider than normal spread implies that the Panel Bank Defendants' were artificially suppressing USD Libor.

71. When Snider and Youle performed the identical analysis for the period after August 2007, they found that the previous day's Eurodollar rate had less predictive power on USD Libor. In fact, as USD Libor dropped below the Eurodollar rate, the previous day's USD Libor became a better predictor of the current USD Libor. This demonstrates that USD Libor was no longer reflecting the Panel Bank Defendants' true borrowing costs, but instead was being manipulated.

B. Comparing the Panel Bank Defendants' USD Libor submissions to the implied volatility of their equity options demonstrates that they artificially suppressed USD Libor.

72. Stock markets provide a wealth of information regarding the financial health and credit risk of the companies whose stocks are publicly traded. During the Conspiratorial Period, eleven of sixteen USD Libor panel banks were publicly-traded companies. The market price of these eleven panel banks' stock options during the Conspiratorial Period demonstrates that investors perceived each of these banks as riskier than their USD Libor submissions indicate.

73. One of the most accepted and widely-used methods of measuring the financial risk of a publicly-traded company is to analyze the implied volatility of the company's equity options. Typically, assets which exhibit high volatility are considered to be riskier than assets with lower volatility. It is possible to derive, from stock (or equity) option prices, a forward-looking measure of volatility, known as "implied volatility," which measures market expectations regarding the instability or riskiness of future stock returns. Because they both measure financial risk, the accuracy of a bank's Libor submissions can be gauged by comparing the submissions to the bank's equity options implied volatility.

74. The accuracy with which a bank's USD Libor submissions reflect the bank's financial risk can be improved by subtracting the Overnight Index Swap ("OIS") rate from the bank's USD Libor submissions. The OIS rate is the expected average of the effective federal funds rate over the duration of the interest rate swap. Swapping the two interest rates allows a bank to use the overnight market to fund their short-term lending. In this sense, a bank's cost to loan money for three months equals the 3–month OIS rate. There is very little default risk in the OIS market because there is no exchange of principal; funds are exchanged only at the maturity of the contract, when one party

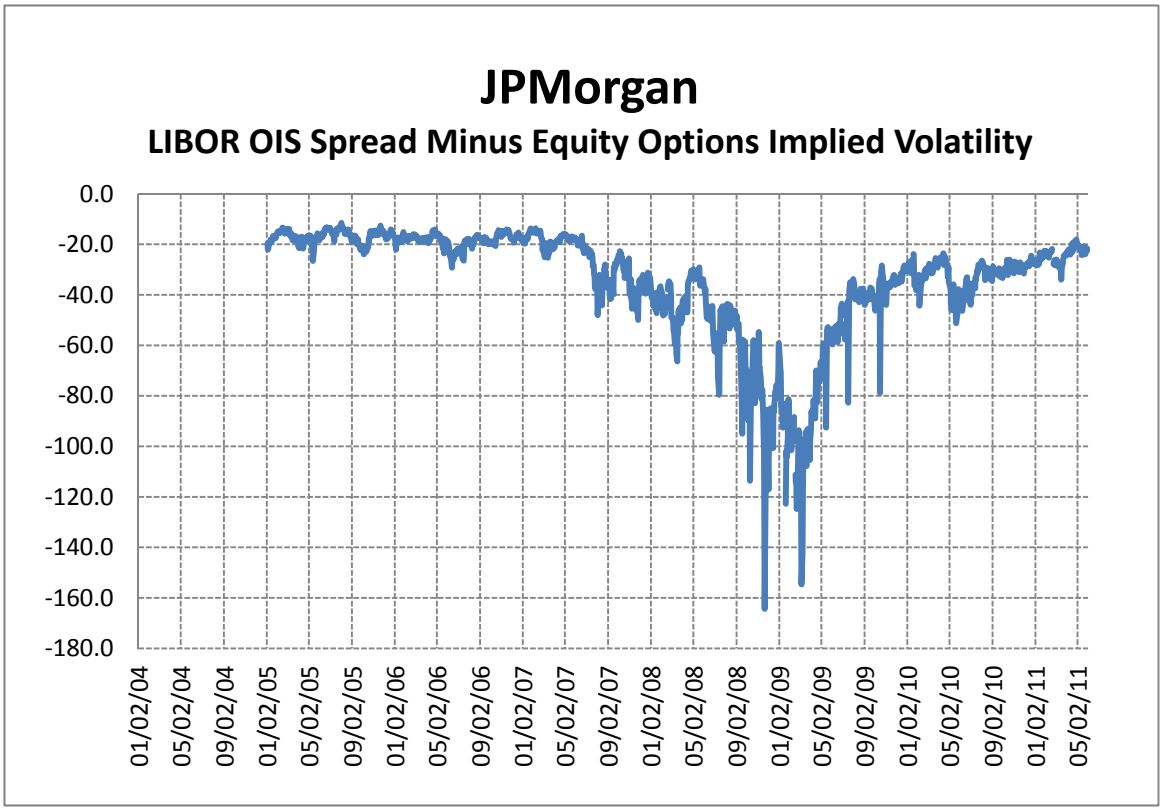
pays the net interest obligation to the other. In this sense, the OIS rate can be considered to be risk free.

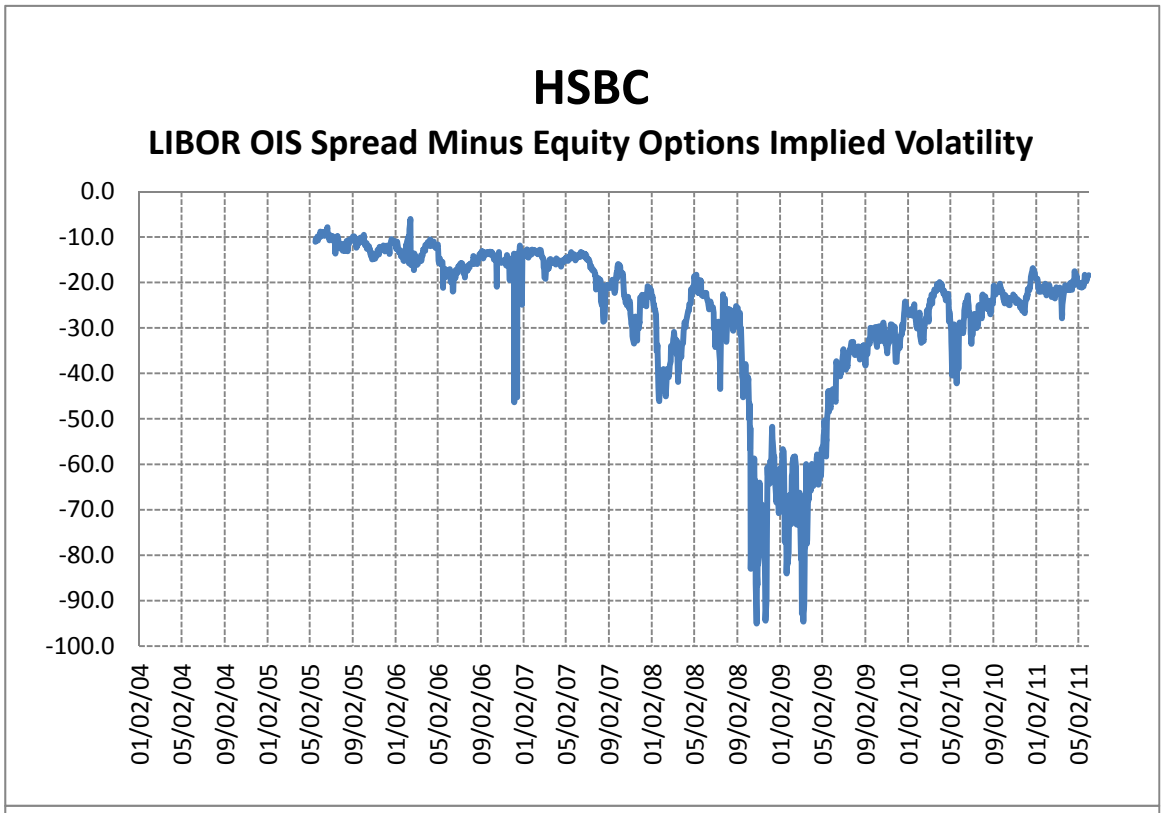
75. Subtracting the OIS rate from a bank's USD Libor submissions separates the impact of changes in monetary policy from changes in the creditworthiness of the bank. Because Libor is the rate at which other banks are willing to lend to a given bank, the difference between a bank's Libor submission and the OIS rate (referred to as the "Libor-OIS spread") measures the risk the lender assumes by lending to the bank. For example, if Bank A lends to Bank B at 3% and the OIS rate is 1% then the difference of 2% is the compensation for risk that Bank A assumes in lending to Bank B. The 1% OIS rate merely reflects Bank A's cost of raising the money it lends to Bank A. The Libor-OIS spread is widely recognized as a barometer for the financial health of a bank.

76. Since the implied option volatility and the Libor-OIS spread both measure a panel bank's financial risk, they should be closely correlated. However, if the Panel Bank Defendants were artificially suppressing their USD Libor submissions, the close relationship between implied options volatility and Libor-OIS spread would break down. As Figure 2 demonstrates, the previously stable relationship between the Libor-OIS spread and the equity options implied volatility for each of the eleven publicly-traded panel banks was disrupted during the Conspiratorial Period. Specifically, Figure 2 shows that, between August 2007 and May 2010 the market attributed additional risk to each panel bank that was not reflected in the bank's USD Libor submissions.[13] This indicates that, during the Conspiratorial Period, the Panel Bank Defendants were artificially suppressing their USD Libor submissions.

[13] Though Figure 2 uses equity options implied volatility, which is a forward-looking prediction of each bank's financial risk, comparing each bank's Libor-OIS spread to its historical options volatility shows similar disruption during the Conspiratorial Period.

Figure 2: Libor OIS spread minus equity options implied volatility for eleven publicly-traded panel banks.




HSBC
LIBOR OIS Spread Minus Equity Options Implied Volatility
0.0
-10.0
-20.0
-30.0
-40.0
-50.0
-60.0
-70.0
-80.0
-90.0
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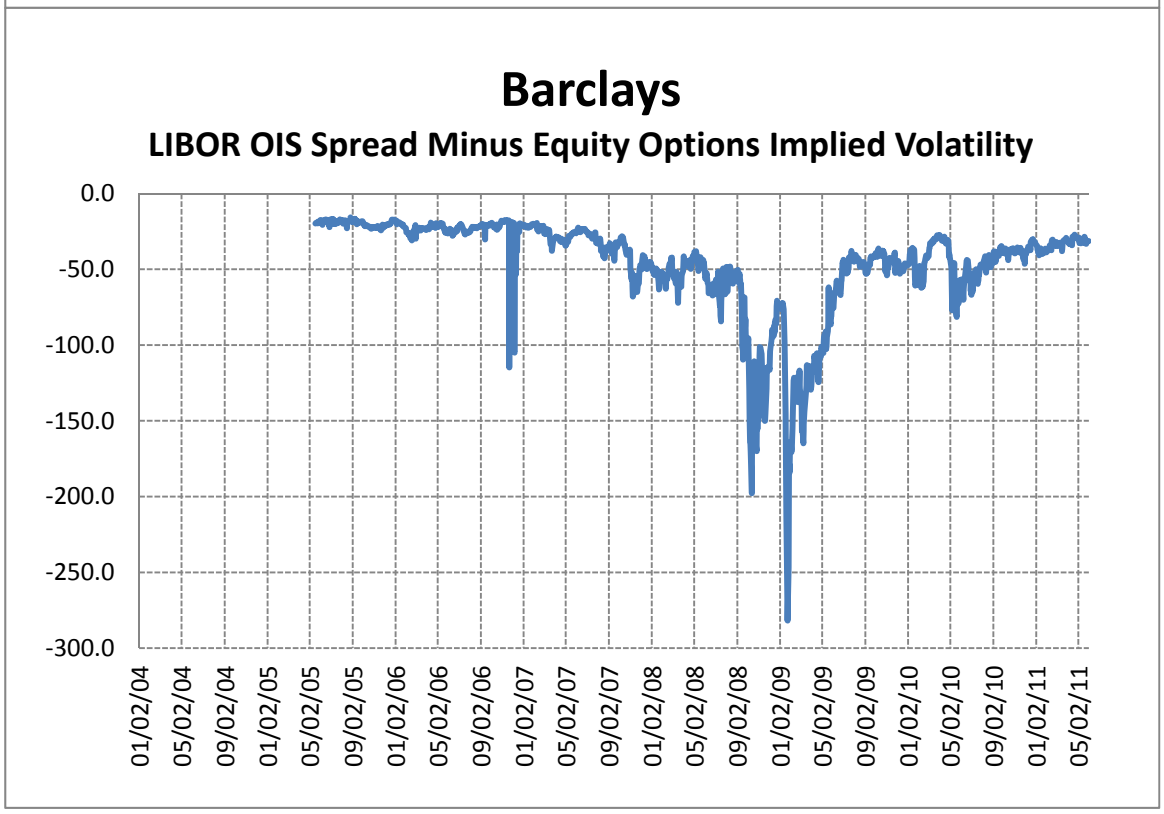
Barclays
LIBOR OIS Spread Minus Equity Options Implied Volatility
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-100.0
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-200.0
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01/02/04
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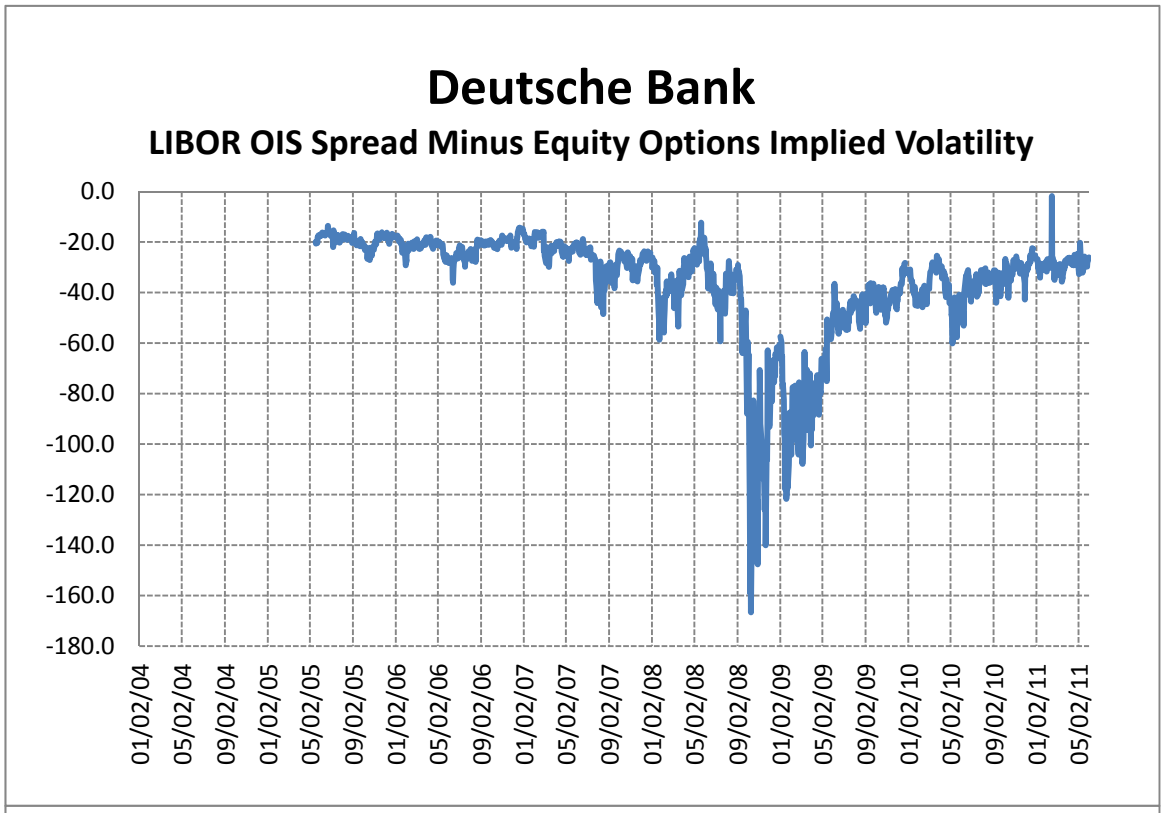
Deutsche Bank
LIBOR OIS Spread Minus Equity Options Implied Volatility
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-80.0
-100.0
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-140.0
-160.0
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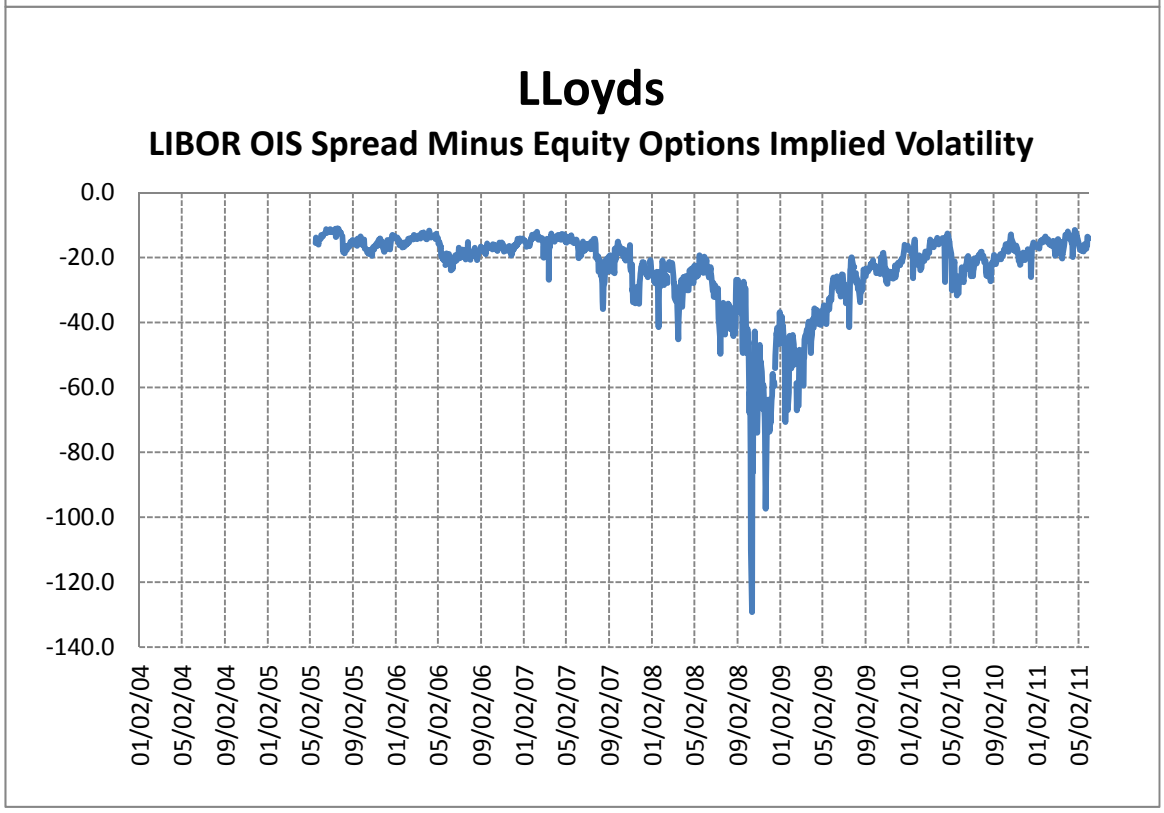
LLoyds
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-80.0
-100.0
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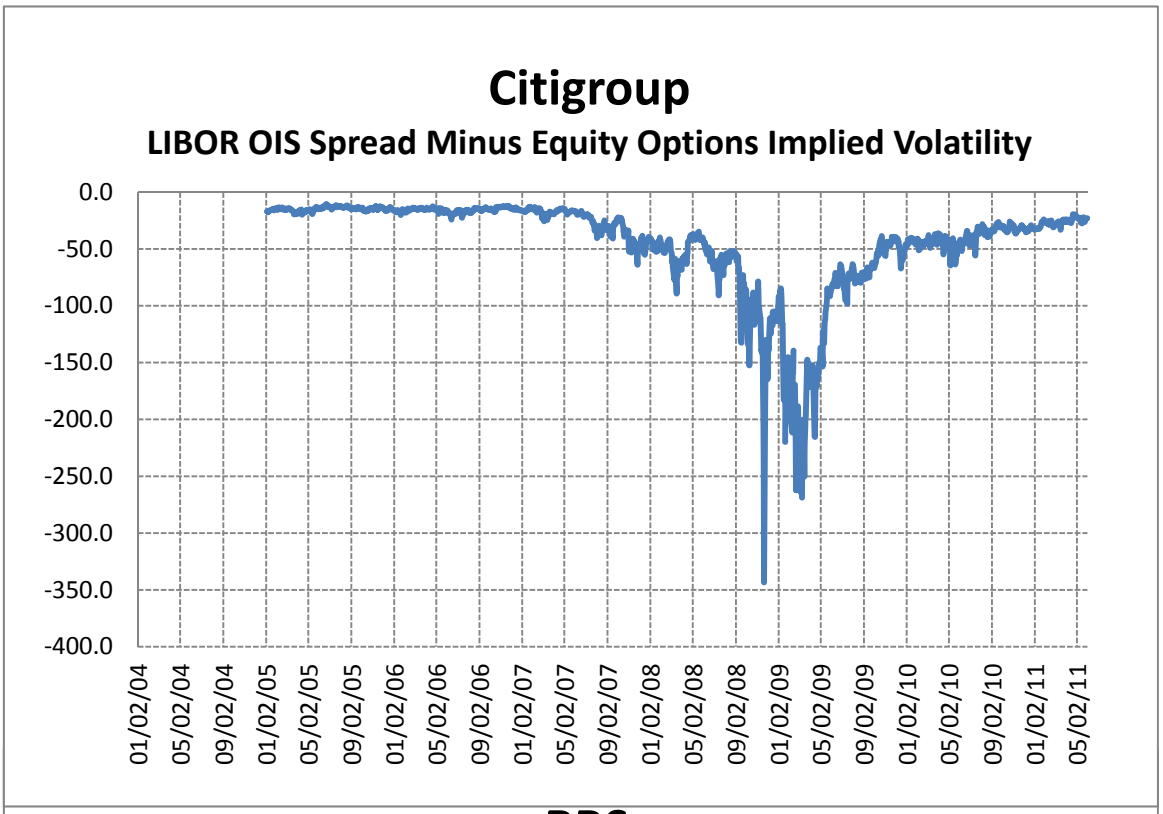
Citigroup
LIBOR OIS Spread Minus Equity Options Implied Volatility
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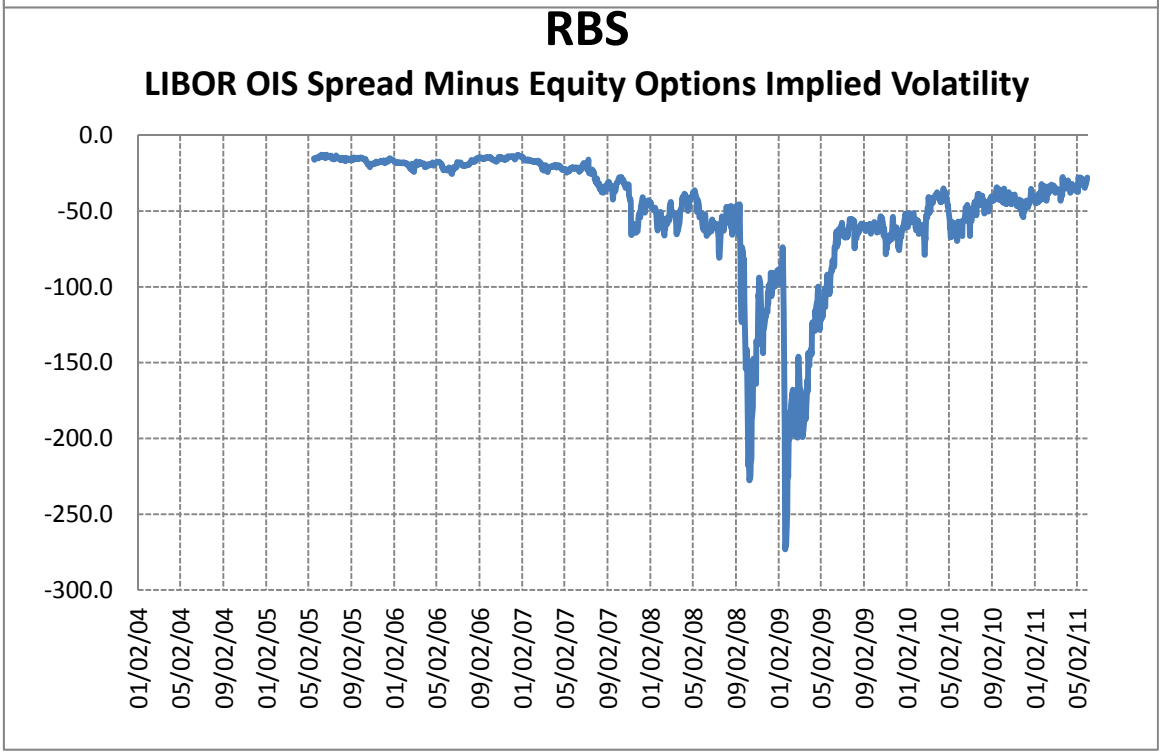
RBS
LIBOR OIS Spread Minus Equity Options Implied Volatility
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-150.0
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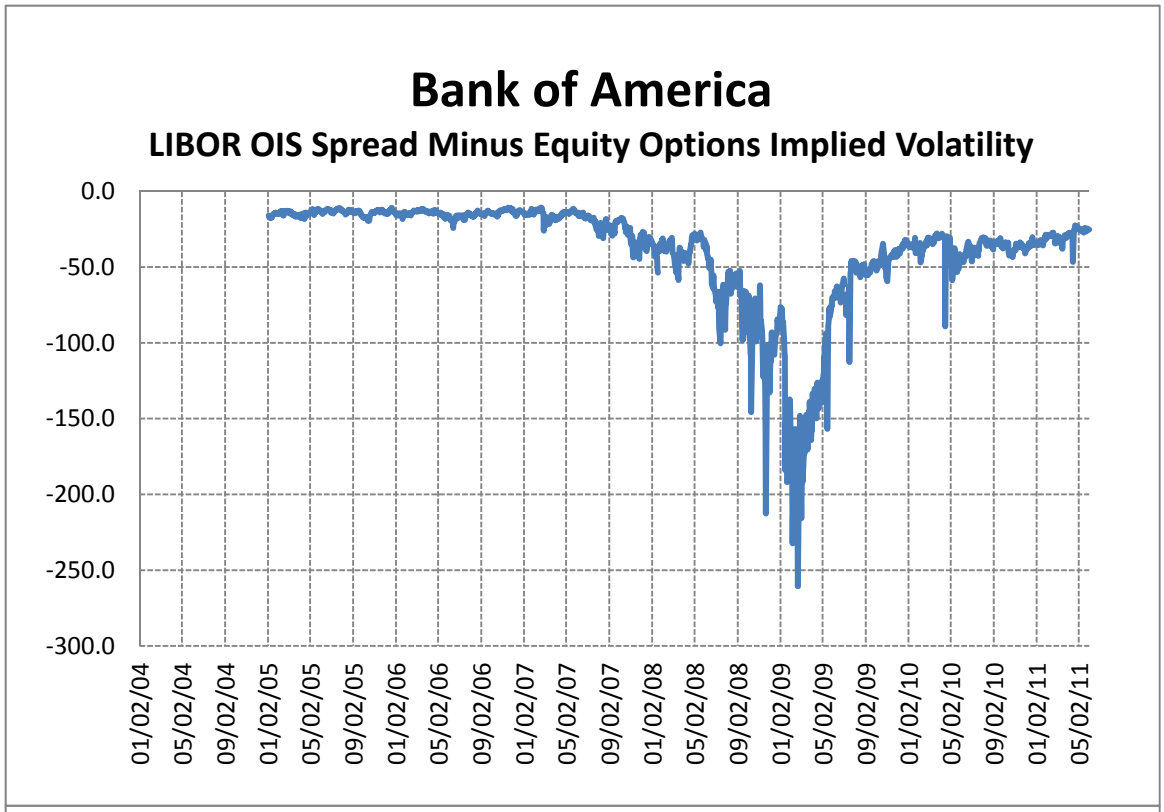
Bank of America
LIBOR OIS Spread Minus Equity Options Implied Volatility
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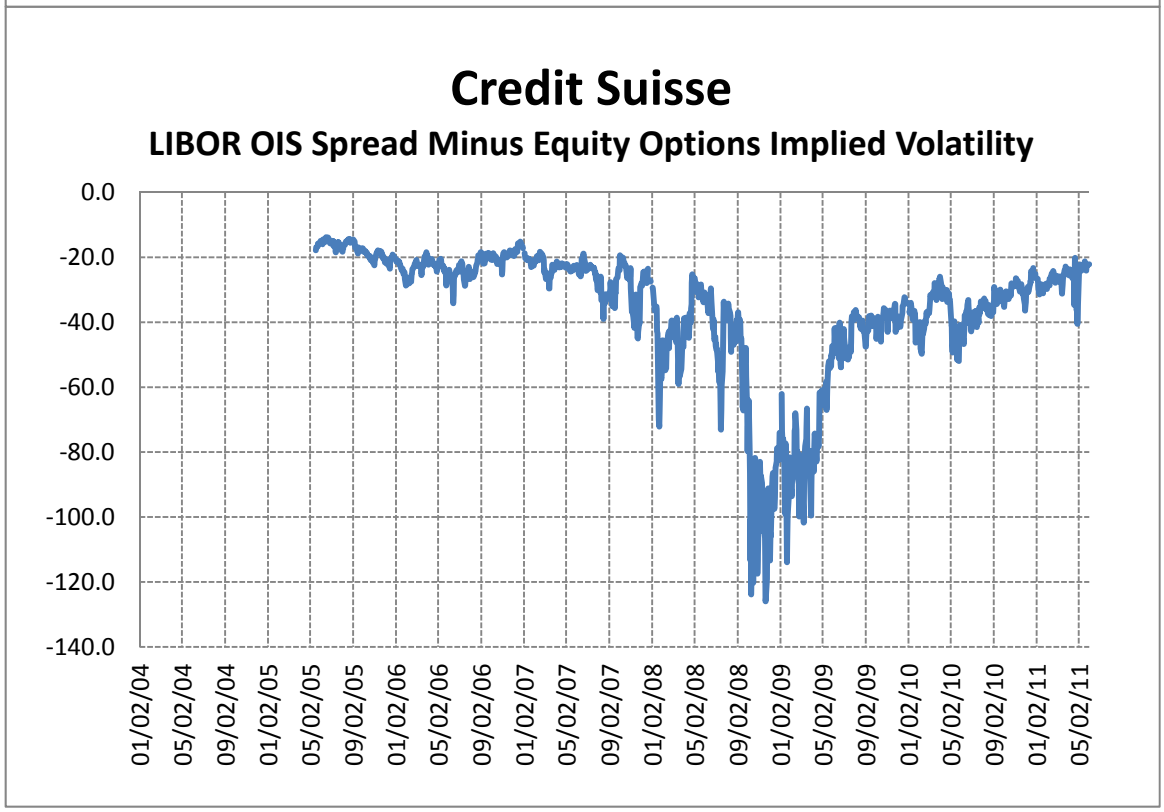
Credit Suisse
LIBOR OIS Spread Minus Equity Options Implied Volatility
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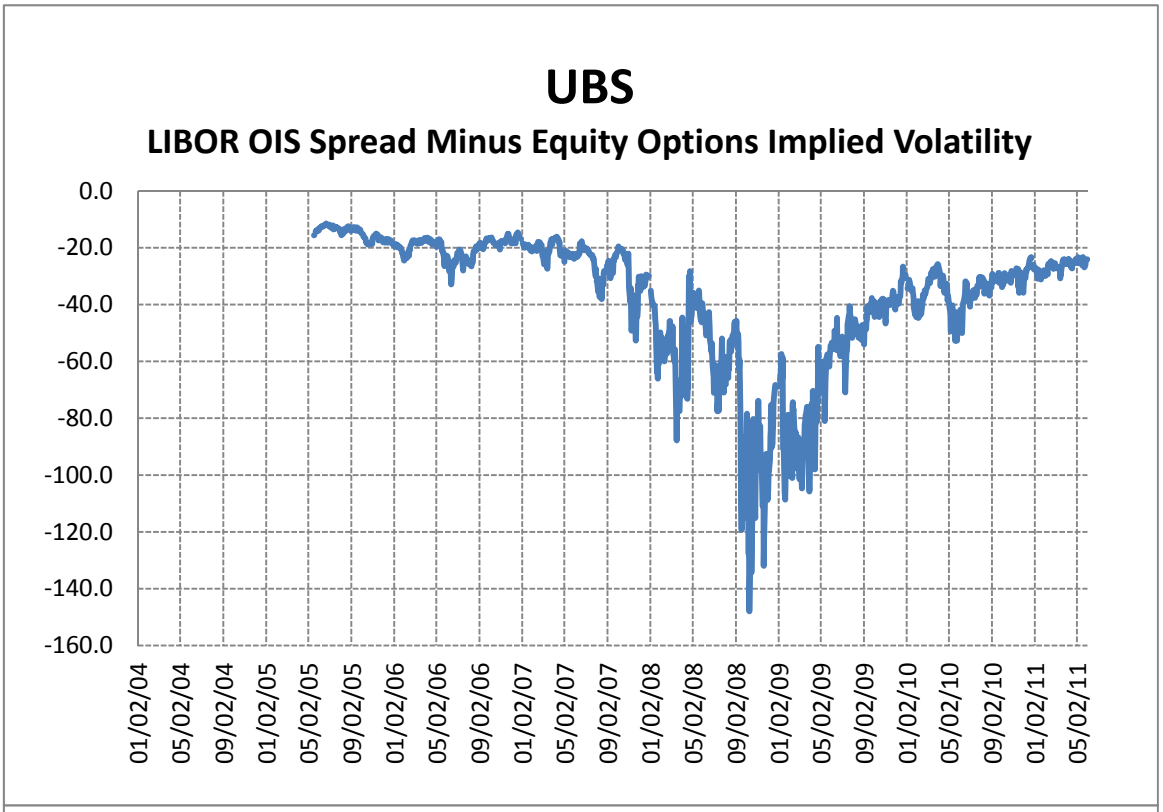
UBS
LIBOR OIS Spread Minus Equity Options Implied Volatility
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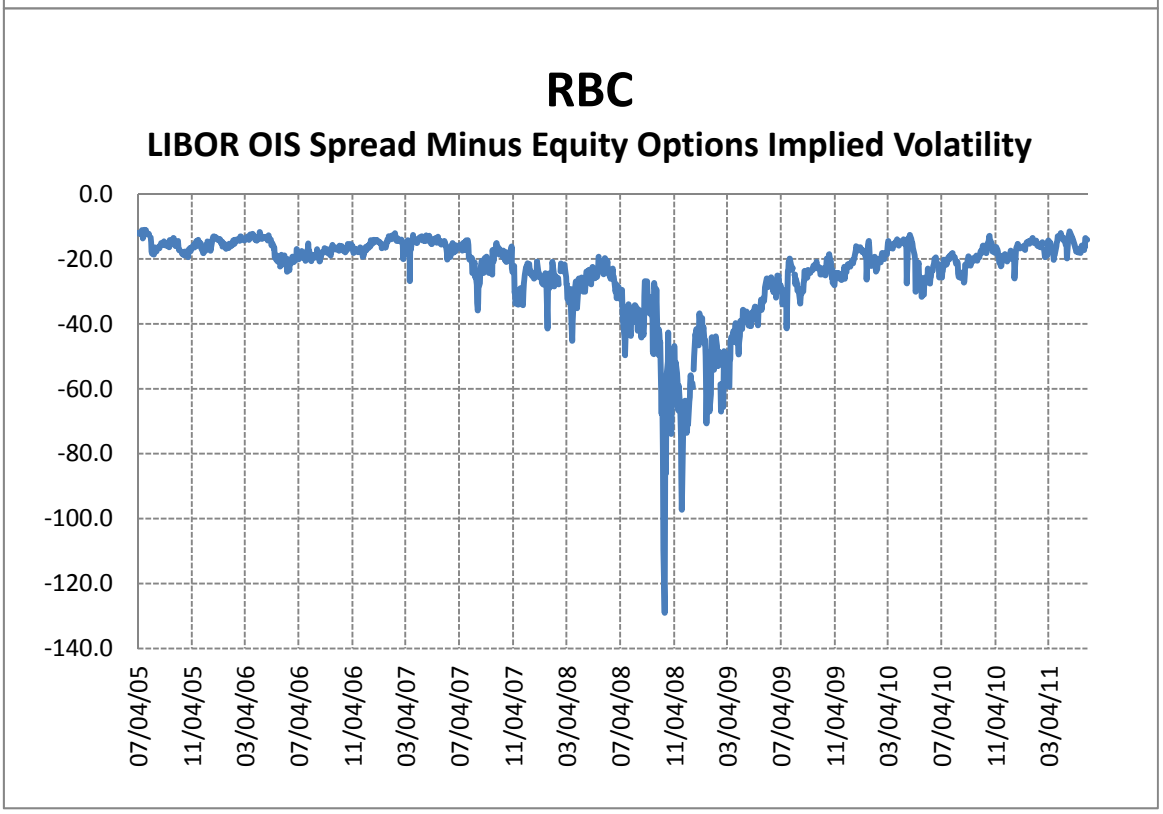
RBC
LIBOR OIS Spread Minus Equity Options Implied Volatility
0.0
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-40.0
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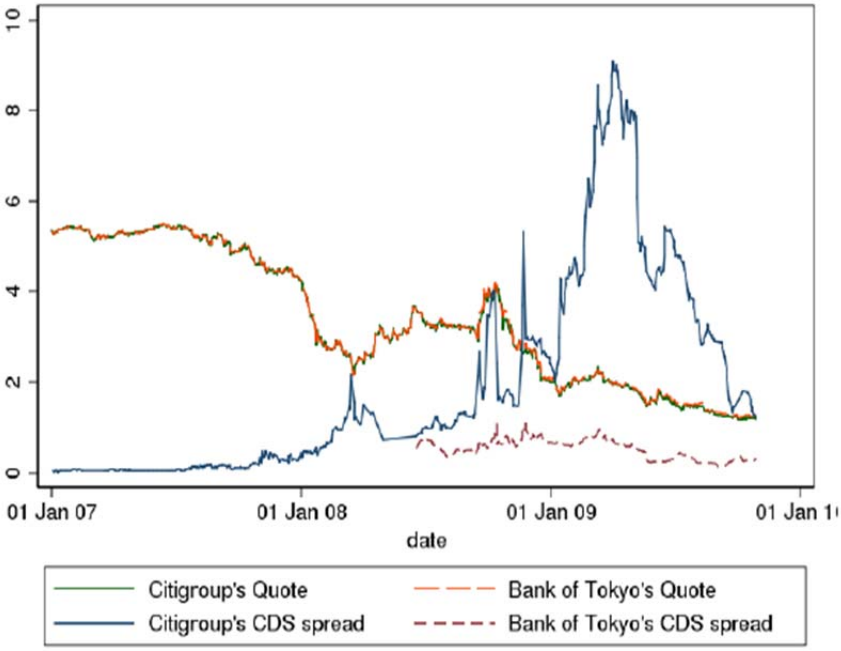
C. USD Libor's divergence from its historical relationship with credit default swaps demonstrates that Defendants artificially suppressed USD Libor.

77. A credit default swap ("CDS") is a derivative instrument through which the buyer acquires, and the seller agrees to provide, protection against the possibility of credit default by a particular obligor or on a particular debt. The fee paid by the purchaser (also referred to as the CDS spread) serves as a measure of the seller's perceived risk of default by the entity whose performance is effectively being guaranteed. The greater the risk of default on the underlying instrument (typically a bond or loan) the greater the spread. This same concept applies to CDS instruments used to guarantee interbank loans made to Libor panel banks. The greater the perceived risk that the panel bank will default on the loan, the higher its CDS spread.

78. CDSs are a useful proxy for Libor because both CDSs and Libor are a measure of perceived credit risk. During the Conspiratorial Period, the significant disparities between the assessment of certain Panel Bank Defendants' credit risk as reflected in the CDS market and their USD Libor reporting strongly suggest manipulation.

79. In their analysis, Snider and Youle performed comparisons between USD Libor and CDSs to highlight inconsistencies in USD Libor reporting. They noted that a specific reporting bank may have a comparatively higher CDS spread than a second reporting bank (and therefore be perceived as comparatively "riskier"), while simultaneously having a lower Libor than the same bank (which would indicate that it is perceived as a "less risky" investment). For example, as Figure 2 illustrates, during the Conspiratorial Period, Citigroup consistently had a substantially higher CDS spread than the Tokyo-Mitsubishi, yet Citigroup reported slightly lower USD Libor quotes. This seemingly anomalous observation can be rationally explained by intentional USD Libor manipulation.

Figure 2: One Year USD Libor Quotes versus CDS Spreads (source: Snider & Youle)



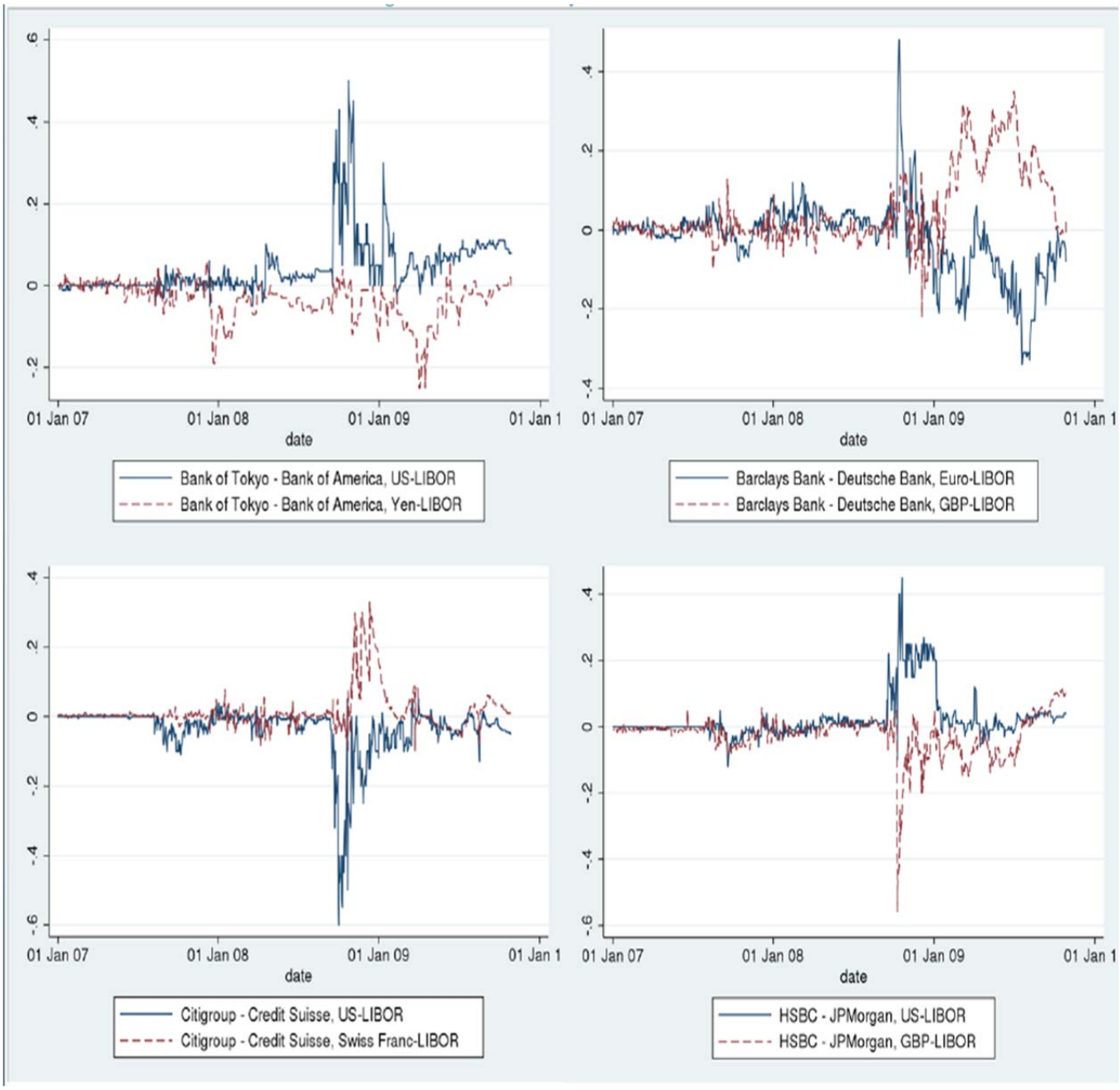
D. Inconsistencies in the borrowing costs the Panel Bank Defendants reported across currencies suggest manipulation.

80. Panel banks report Libor across different currencies each day. Since Libor is a measure of a bank's stability as an institution, absent manipulation, the comparative ranking of panel banks should largely be the same across different currencies (allowing for the variation in panel composition across currencies). A comparison of Libor across different currencies shows this was not consistently so during the Conspiratorial Period.

81. For example, Bank of America and Tokyo-Mitsubishi both report rates to Reuters for calculating USD and Yen Libor. However, during the Conspiratorial Period, it was common for Bank of America to quote a lower rate than Tokyo-Mitsubishi in USD Libor, while simultaneously quoting a higher rate in the Yen Libor. This type of cross currency rank reversal occurred between other Panel Bank Defendants as well. Since institutional risk should be the same for each panel bank regardless of the

currency in which it is measured, this strongly indicates that the reported rates did not accurately reflect the Panel Bank Defendants' true borrowing costs and were the likely product of manipulation.

Figure 3: Cross-Currency Rank Reversals (source: Snider & Youle)



E. Quote bunching strongly suggests that Defendants colluded to artificially suppress USD Libor.

82. Throughout the Conspiratorial Period, the USD Libor rates reported by certain Panel Bank Defendants "bunched" around the fourth lowest quote each day. That is to say, the rates reported by those Panel Bank Defendants to Reuters were consistently near the fourth lowest of the 16 panel banks. Since Reuters, at the time, calculated USD Libor by removing the lowest (and highest) four reported rates every day, bunching around the fourth lowest rate suggests that those Panel Bank Defendants colluded to suppress USD Libor.

83. Initially, bunching among the Panel Bank Defendants' reported rates demonstrates that they intended to report the same or similar rates. Individual variation in the financial circumstances of each reporting bank should lead to differences in their reported rates. The fact that, throughout the Conspiratorial Period, certain Panel Bank Defendants repeatedly reported identical or nearly identical rates to Reuters is an indication that Defendants were conspiring to manipulate USD Libor.

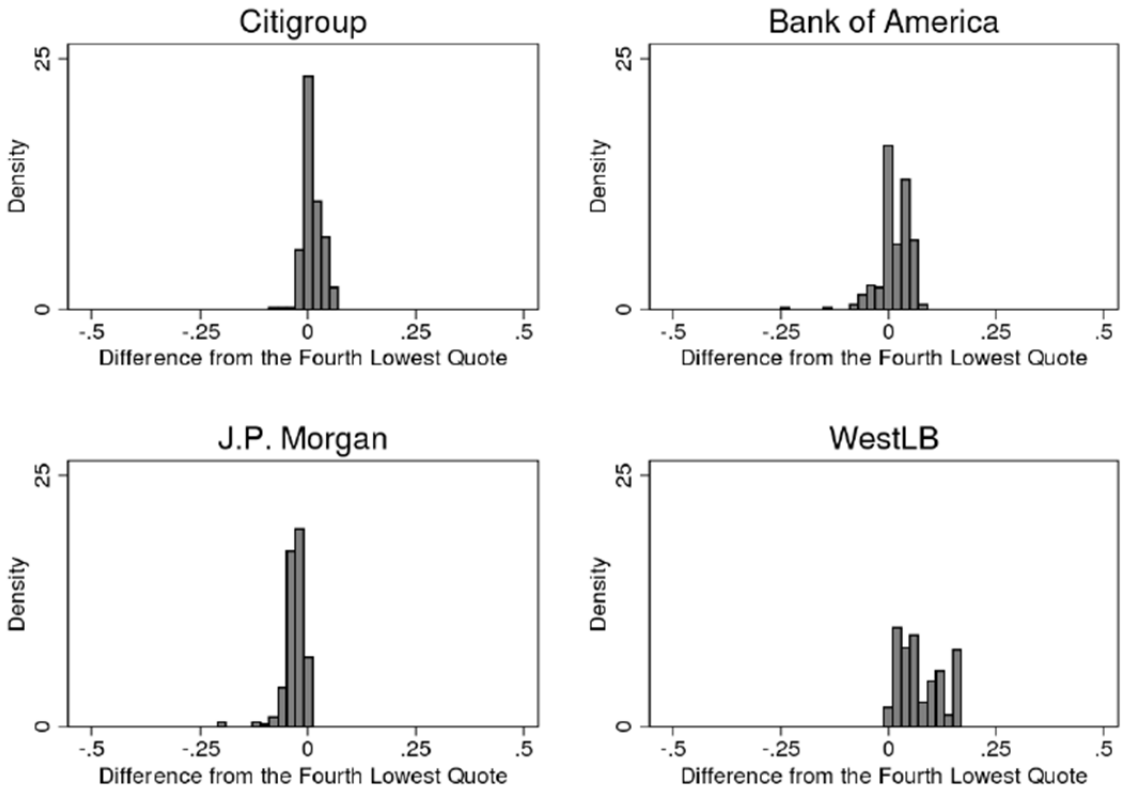
84. Further, certain Panel Bank Defendants' consistent bunching of their reported rates at or near the fourth *lowest* position is suggestive of their intent to artificially *suppress* USD Libor. This is because the fifth lowest quote is the lowest quote that is included by Reuters in calculating the day's USD Libor. The Panel Bank Defendants' clustering at or near the fourth lowest rate suggests they wanted to have the lowest rate possible counted in the USD Libor fixing, in order to artificially suppress USD Libor.

85. Bunching also suggests that, at the time each Panel Bank Defendant reported its rates to Reuters, it was aware of the rates submitted by other Panel Bank Defendants. But the BBA's website states that "[a] bank cannot see other contributor rates during the submission [process]—this is only possible after final publication of the BBA LIBOR

data." Quote bunching indicates the Panel Bank Defendants communicated before submitting their USD Libor rates to coordinate their submissions—centering them around the fourth lowest quote—so as to ensure maximum downward pressure on USD Libor.

86. Figure 4 illustrates the frequency with which the USD Libor rates Defendants Citigroup, Bank of America, JPMorgan, and WestLB submitted bunched around the fourth lowest quote. A negative difference means that they were below the fourth lowest quote, and therefore not included in the daily USD Libor calculation. Zero difference means that they either were the fourth lowest quote on a given day or tied at the same value as the fourth lowest quote (if there is a tie between Libor quotes on a given day, one of the banks' quotes is discarded at random).

Figure 4: Clustering of 3 Month USD Libor Quotes around Fourth Lowest Quote between August 2007 and October 2009 (source: Snider & Youle)



IV. To date, three Defendants have admitted to conspiring to manipulate numerous benchmarks including USD Libor.

87. To date, three Panel Bank Defendants have admitted to manipulating various currencies of Libor. These admissions resulted from ongoing government investigations in the United States, Switzerland, Japan, United Kingdom, Canada, the European Union, and Singapore by numerous governmental agencies, including the U.S. Department of Justice ("DOJ"), the Commodities Future Trading Commission (the "CFTC"), and the U.K.'s Financial Services Authority (the "FSA").

88. To date, Defendants Barclays, UBS, and RBS have avoided prosecution for colluding to manipulate Libor by paying regulators a collective sum exceeding $2 billion. In connection with these settlements, Defendants Barclays, UBS, and RBS have admitted to manipulating various Libor currencies during the Conspiratorial Period on

a daily basis. On March 25, 2013, *The Wall Street Journal* reported that "more than a dozen financial firms are still under scrutiny as part of the world-wide rate rigging probe" and that regulators are now aiming to reach agreements with Defendants Rabobank and Lloyds as well as Interdealer Broker Defendant ICAP.

A. Barclays settles Libor-manipulation charges with U.S. and U.K. authorities and admits to conspiring with other financial institutions to manipulate USD Libor, Euribor, Yen Libor, and Sterling Libor.

89. On June 27, 2012, U.S. and U.K. authorities announced they had settled Libor-manipulation charges with Barclays. In order to avoid prosecution for its role in Defendants' Conspiracy, Barclays agreed to pay a combined $453.6 million to the CFTC, DOJ, and the U.K.'s FSA.

1. Barclays' settlement with the CFTC.

90. On June 27, 2012, the CFTC issued an Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, As Amended, Making Findings and Imposing Remedial Sanctions (the "Barclays CFTC Order").

91. In the below excerpt, the Barclays CFTC Order concludes that Barclays' Libor manipulation spanned multiple desks, traders, offices, and currencies from at least 2005 through at least 2009:

> (1) During the period from at least mid-2005 through the fall of 2007, and sporadically thereafter into 2009, Barclays based its LIBOR submissions for U.S. Dollar (and at limited times other currencies) on the requests of Barclays' swaps traders, including former Barclays swaps traders, who were attempting to affect the official published LIBOR, in order to benefit Barclays' derivatives trading positions; those positions included swaps and futures trading positions; this same conduct occurred with respect to Barclays' Euribor submissions for the period of at least mid-2005 through mid-2009;

> (2) During the period from at least mid-2005 through at least mid-2008, certain Barclays Euro swaps traders, led by a former Barclays senior Euro swaps trader, coordinated with, and aided and abetted traders at certain other banks to influence the Euribor submissions of multiple banks, including Barclays, in order to affect the official published Euribor, and thereby benefit their respective derivatives trading positions; and
>
> (3) During the volatile, global market conditions of the financial crisis of late August 2007 through early 2009 . . . Barclays lowered its LIBOR submissions in order to manage what it believed were inaccurate and negative public and media perceptions that Barclays had a liquidity problem based in part on its high LIBOR submissions relative to the low submissions of other panel banks that Barclays believed were too low given market conditions. Pursuant to a directive by certain members of Barclays' senior management, Barclays submitted lower rates for U.S. Dollar LIBOR, and at limited times Yen and Sterling LIBOR, than what it had determined to be the appropriate rates reflecting the costs of borrowing unsecured funds in the relevant markets.

92. Barclays admitted that its swaps traders' practice of requesting Barclays' Libor submitters to alter Barclays' USD Libor submissions to favor Barclays' derivative trading positions was "common and pervasive" and at times "occurred on an almost daily basis."

93. Barclays' traders also conspired with traders from other financial institutions to improperly influence USD Libor. For example, Barclays admitted that its swaps traders received external requests to alter Barclays' USD Libor submissions from "former Barclays swaps traders who had left Barclays and now were employed by other financial institutions."

94. The false rate requests, whether internal or external, typically concerned USD Libor submissions. The following are examples, published in the Barclays CFTC Order, of such requests:

> 1) "WE HAVE TO GET KICKED OUT OF THE FIXINGS TOMORROW!! We need a 4.17 fix in 1m (low fix) We need a 4.41

fix in 3m (high fix)" (November 22, 2005, Senior Trader in New York to Trader in London);

2) "This is the [book's] risk. We need low 1M and 3M libor. Pls ask [submitter] to get 1M set to 82. That would help a lot" (March 27, 2006, Trader in New York to Trader in London);

3) "Hi Guys, We got a big position in 3m libor for the next 3 days. Can we please keep the lib or fixing at 5.39 for the next few days. It would really help. We do not want it to fix any higher than that. Tks a lot." (September 13, 2006, Senior Trader in New York to Submitter);

4) "For Monday we are very long 3m cash here in NY and would like the setting to be set as low as possible ... thanks" (December 14, 2006, Trader in New York to Submitter); and

5) "PIs. go for 5.36 Libor again tomorrow, very long and would be hurt by a higher setting ... thanks." (May 23, 2007, Trader in New York to Submitter).

95. Barclays' Libor submitters frequently responded to traders that they would accommodate their requests, often by saying "sure," "will do my best," or words to similar effect. The following are examples of submitters agreeing to make false submissions in an attempt to alter the published USD Libor rate:

1) "For you ... anything. I am going to go 78 and 92.5. It is difficult to go lower than that in threes. looking at where cash is trading. In fact, if you did not want a low one I would have gone 93 at least." (March 16, 2006, Submitter's response to swaps trader's request for a high one-month and low three-month USD LIBOR); and

2) "Done ... for you big boy ... " (April 7, 2006, Submitter's response to swaps trader requests for low one-month and three-month USD LIBOR).

96. Although Barclays' Libor submitters knew it was inconsistent with the BBA's definition and criteria for Libor, they regularly submitted USD Libor rates that did not accurately reflect the bank's true borrowing costs.

97. In addition to Libor rates, Barclays also manipulated other benchmark interest rates, such as Euribor. The CFTC found that from at least mid-2005 through mid-2008, certain Barclays Euro swaps traders coordinated with traders at certain other panel banks to have their respective Euribor submitters make certain Euribor submissions in order to affect the official Euribor fixing.

98. The Barclays CFTC Order states that a former Barclays senior Euro swaps trader, while still employed by Barclays, "spoke daily with traders at certain panel banks concerning their respective derivatives positions in order to determine how to change the official EBF Euribor fixing in a manner that benefitted their derivatives positions." In such conversations, the traders agreed to contact their respective Euribor submitters to request the agreed-upon Euribor submission.

99. Barclays admitted that, beginning in August 2007 and continuing until at least mid-2009, the bank's senior management directed its USD Libor submitters to lower their daily USD Libor submissions in order to protect Barclays' reputation against what it believed were negative and unfair media and market perceptions that Barclays had a liquidity problem based in part on its high Libor submissions. For example, senior Barclays' Treasury managers admonished Barclays' Libor submitters not to stick the bank's "head above the parapet," meaning submitting USD Libor rates higher than other panel banks.

100. Barclays' Libor submitters followed management's directive to submit artificially low USD Libor rates. For example, on November 28, 2007, Barclays' senior USD Libor submitter emailed a large group of Barclays' employees, including the senior Barclays Treasury managers, stating "LIBORs are not reflecting the true cost of money. I am going to set . . . , probably at the top of the range of rates set by libor contributors . . . [T]he true cost of money is anything from 5–15 basis points higher." A senior Barclays

Treasury manager endorsed the submissions, replying "[f]ine on LIBOR settings – thanks for remaining pragmatic but at the upper end."

101. In early December 2007, Barclays' senior USD Libor submitter warned his supervisor that Barclays was not setting "honest" rates when making its Libor submissions. The senior USD Libor submitter emailed his supervisor stating that he submitted Barclays' one month USD Libor at 5.30 percent, which was four basis points over the next highest submission and almost five basis points over the USD Libor fixing. However, this submitted rate was well below the 5.40 percent that Barclays was paying (i.e., asking) to borrow funds in the market, and that "given a free hand [he] would have set around 5.45%." He continued, "My worry is that we (both Barclays and the contributor bank panel) are being seen to be contributing patently false rates. We are therefore being dishonest by definition and are at risk of damaging our reputation in the market and with the regulators. Can we discuss urgently please?" The supervisor directed these concerns to a senior compliance officer and a member of Barclays' senior management.

102. On or about April 2008, a Barclays senior USD Libor submitter spoke on the telephone with a senior Barclays Treasury manager and expressed concerns about Barclays' Libor submissions. The Libor submitter stated that he was doing the same thing as other banks, by submitting at one level while paying (i.e., asking to borrow funds) at a higher level in the market. He noted his prior Libor submissions were lower than where he thought he could obtain funds. He stated, "I would be paying . . . [2.98] today and I'm going to be setting my LIBOR at [2.74] and I'm as guilty as hell . . . . I will go [2.74] unless I'm given permission to go otherwise, but I would be prepared to pay [2.98]." The senior Barclays Treasury manager replied, "I'm happy for you to be at and around the top of the pack but can we please not sort of be ten basis points above the next . . . ?"

103. Around this time, a senior Barclays Treasury manager informed the BBA in a telephone call that Barclays had not been reporting accurately, although he noted that Barclays was not the worst offender of the panel bank members. **"We're clean, but we're dirty-clean, rather than clean-clean"** (emphasis added). The BBA representative responded, **"no one's clean-clean"** (emphasis added).

104. In late October 2008, believing that Barclays needed to lower its Libor submissions even further, a member of senior management instructed Barclays' Libor submitters, through their supervisor, that Barclays' USD and Sterling Libor submissions needed to be lowered to be "within the pack," meaning Barclays' Libor submissions were to be made at or around the same rate as the other panel banks. The same senior manager confirmed and reiterated this directive in a meeting with the supervisors and some of the submitters a few days later.

105. Barclays' Libor submitters complied with management's additional directive and sent their supervisor emails confirming their reluctant acquiescence. The senior USD submitter emailed his supervisor, "following on from my conversation with you I will reluctantly, gradually and artificially get my libors in line with the rest of the contributors as requested. I disagree with this approach as you are well aware. I will be contributing rates which are nowhere near the clearing rates for unsecured cash and therefore will not be posting honest prices."

2. Barclays' settlement with the DOJ.

106. On June 27, Barclays entered a Non-Prosecution Agreement with the U.S. DOJ's Fraud Section. The Non-Prosecution Agreement included a Statement of Facts, which Barclays acknowledged as true and accurate.

107. While the DOJ's findings are similar to the CFTC's, in that they detail Barclays' pervasive and frequent manipulation of USD Libor, the Non-Prosecution

Agreement contains some additional communications and admissions not contained in the CFTC's Order. For example, the Non-Prosecution Agreement states that on Friday, March 10, 2006, a Barclays Dollar swaps trader located in London ("Trader 1") sent an e-mail to a Barclays USD Libor submitter ("Submitter 1") stating: "Hi mate[.] We have an unbelievably large set on Monday (the IMM). We need a really low 3m [3–month] fix, it could potentially cost a fortune. Would really appreciate any help, I'm being told by my NYK [counterparts in New York] that it's extremely important. Thanks." Then, on Monday, March 13, 2006, at approximately 7:48 a.m., Trader 1 wrote to Submitter 1: "The big day has[] arrived . . . My NYK were screaming at me about an unchanged 3m libor. As always, any help wd [would] be greatly appreciated. What do you think you'll go for 3m?" Submitter 1 responded, "I am going 90 altho[ugh] 91 is what I should be posting." Trader 1 replied in part: "I agree with you and totally understand. Remember, when I retire and write a book about this business your name will be in golden letters . . . ." Submitter 1 replied, "I would prefer this not be in any books!" Barclays' 3–month USD Libor submission on March 13, 2006 was 4.90%, which was a rate unchanged from the previous trading day and was tied for the lowest rate submitted.

108. In addition, the Non-Prosecution Agreement states that, from at least as early as May 2005 through approximately September 2007, certain Barclays Euro swaps traders in London submitted requests for favorable Euribor settings to Barclays Euribor submitters in London on an ongoing basis. From approximately September 2007 through at least approximately May 2009, such requests were made occasionally. Barclays rate submitters for Euribor accommodated the requests by Euro swaps traders on numerous occasions and submitted Barclays' Euribor contributions consistent with the requests.

109. The Non-Prosecution Agreement states that, from at least approximately August 2005 through at least approximately May 2008, certain Barclays swaps traders

made requests of traders at other panel banks for favorable Libor or Euribor submissions from those banks. In addition, certain Barclays swaps traders received requests from traders at other banks for favorable Libor or Euribor submissions, which Barclays rate submitters accommodated.

110. From at least approximately August 2006 through at least approximately June 2007, Trader 1, who had left Barclays and joined another financial institution, requested favorable USD Libor submissions from a current Barclays Dollar swaps trader in London ("Trader 6"), who agreed to make such requests of the Barclays USD Libor submitter. Barclays' USD Libor submitters accommodated Trader 1's requests on numerous occasions. In addition, from approximately March 2006 through approximately February 2007, another former Barclays Dollar swaps trader who had joined another financial institution communicated with Barclays swaps traders about requests for favorable USD Libor submissions.

111. As an example, on October 26, 2006, at approximately 7:12 a.m., Trader 1 communicated by electronic messages with Trader 6, stating, "where do u think 3m libor will be today?" Trader 6 replied, "[Submitter 1] thinks 38." Trader 1 responded in part: "wow ... unchanged!!!?!??! Short dates have rallied by 0.75bp ... So I take it he's going unchanged? If it comes in unchanged I'm a dead man ha ha." (ellipses in original). Trader 6 replied, "i'll [sic] have a chat." Later that day, Trader 1 wrote: "Dude I owe you big time! Come over one day after work and I'm opening a bottle of Bollinger! Thanks for the libor." Trader 6 replied, "know [sic] worries!!!" Barclays' 3–month USD Libor submission on October 26, 2006 was 5.375%, which was lower than Barclays' submission on the previous trading day.

B. UBS settles Libor-manipulation charges with U.S., U.K., and Swiss authorities and admits to colluding with other panel banks and interdealer brokers to manipulate Yen Libor, Euroyen Tibor, and Euribor.

112. On December 19, 2012, Defendant UBS announced a settlement with regulators in the U.K., U.S., and Switzerland, under which UBS would pay an aggregate fine of over $1.5 billion.

1. UBS's settlement with the CFTC.

113. On December 19, 2012, UBS and its subsidiary, UBS Securities Japan Co. Ltd., agreed to pay $700 million to the CFTC pursuant to an Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, as Amended, Making Findings and Imposing Remedial Sanctions ("UBS CFTC Order"). According to the UBS CFTC Order, from at least January 2005 through 2011, UBS by and through dozens of employees, officers, and agents located around the world, engaged in systematic misconduct that undermined the integrity of various global benchmarks, including USD Libor.

114. As with the Barclays settlement, the UBS settlement documents reveal dozens of communications evidencing UBS's collusion with employees of other panel banks and interdealer brokerage firms to manipulate Yen Libor, Euroyen Tibor, and Euribor. The following are examples of such communications cited in the CFTC Order:

<u>December 24, 2008</u>:

- UBS Yen Trader: "Can we pls go for lower Libors tonight, across all tenors (1 m 3m and 6m) much appreciated"
- UBS Yen Trader-Submitter: "Will do"

<u>February 27, 2007</u>:

- UBS Senior Yen Trader: "hi... can we go low 1m and 3m again pls"

- UBS Senior Yen Trader-Submitter: "we'll try...but there's a limit on to how much [w]e can shade it i.e. we still have to be within an explainable range"

April 20, 2007:

- UBS Senior Yen Trader: "i know i only talk to you when i need something but if you could ask your guys to keep 3m low wd be massive help as long as it doesn't interfere with your stuff tx in advance ... mate did you manage to spk to your cash boys?"

- Yen trader at "Bank B": "yes u owe me they are going 65 and 71"

- UBS Senior Yen Trader: "thx mate yes i do in fact I owe you big time mater they set 64! thats beyond the call of duty!"

November 1, 2007:

- UBS Senior Yen Trader: "hello mate, real big favour to ask. could you try for low 6m fix today pls wld be most appreciated. Thx mate"

- Yen trader at "Bank B": "will try my best due hows u ??"

July 7, 2008:

- UBS Senior Yen Rates Trader: "1m libor is causing me a real headache .. i need it to start coming lower"

- Derivatives Broker [at unidentified brokerage firm]: "yeah i know mate ... ill try and push a few fictitious offers ard this mng see if that helps"

September 18, 2008:

- UBS Senior Yen Trader [to Derivatives Broker at unidentified brokerage firm]: "... I need you to keep it as low as possible... I'll pay you, you know, 50,000 dollars, 100,000 dollars ... whatever you want... I'm a man of my word."

2. UBS's settlement with the DOJ.

115. As part of UBS's settlement with the DOJ, UBS Securities Japan Co. Ltd. pled guilty to felony wire fraud and agreed to pay a $100 million fine. Additionally, Defendant UBS AG executed a Non-Prosecution Agreement with the DOJ, under which UBS agreed to pay a $400 million penalty and admit to a 51–page Statement of Facts setting forth in great detail UBS's collusion with other panel banks and interdealer brokers to manipulate Yen Libor, Euroyen Tibor, and Euribor. UBS also obtained conditional leniency for potential Sherman Act violations involving financial instruments that reference Yen Libor and Euroyen Tibor.

C. Former UBS and RP Martin employees are criminally charged with violating the Sherman Act.

116. On December 11, 2012, the U.K. Serious Fraud Office arrested three individuals as part of its criminal investigation. The individuals arrested were Tom Alexander William Hayes, who had worked as a trader for Defendants UBS and Citigroup, and Terry Farr and Jim Gilmour, both employees of Interdealer Broker Defendant RP Martin.

117. On December 19, 2012, the same day that UBS announced its settlement with regulators, the DOJ's criminal complaint against Tom Hayes and former senior UBS trader Roger Darin was unsealed in the Southern District of New York. The complaint charged Mr. Hayes and Mr. Darin with conspiracy to commit wire fraud. Mr. Hayes was also charged with wire fraud and violation of Section 1 of the Sherman Act for conspiring with others inside UBS, as well as interdealer brokers and other banks, to manipulate Yen-Libor. *The Wall Street Journal* has reported that it received a text

message from Mr. Hayes in January of 2013 stating "this goes much much higher than me."[14]

118. In June, 2013, the U.K.'s Serious Fraud Office charged Mr. Hayes with eight counts of "conspiring to defraud" in an alleged attempt to manipulate Libor.[15] The charges read in court accused Mr. Hayes of conspiring with employees of Defendants JPMorgan, Deutsche Bank, HSBC, RBS, and Rabobank; Interdealer Broker Defendants ICAP, Tullett Prebon, and RP Martin; and former colleagues at UBS and Citigroup.[16]

D. RBS settles Libor-manipulation charges with U.S., U.K., and Swiss authorities and admits to colluding with other panel banks and interdealer brokers to manipulate Yen and Swiss Franc Libor.

119. On February 6, 2013, RBS paid an aggregate $612 million to the CFTC, DOJ, and FSA to settle Libor manipulation charges. As part of the settlement, RBS admitted to colluding with other panel banks to manipulate Yen and Swiss Franc Libor. Additionally, RBS entered a non-prosecution agreement with the DOJ for criminal wire fraud and criminal violation of Section 1 of the Sherman Act.

1. RBS's settlement with the CFTC.

120. RBS's settlement with the CFTC is memorialized in a February 6, 2013 Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, Making Findings and Imposing Remedial Sanctions (the "RBS CFTC Order").

121. The RBS CFTC Order states that, commencing in at least mid-2006 and continuing through 2010, RBS made hundreds of attempts to manipulate Yen and Swiss Franc Libor and, on numerous occasions, made false Libor submissions to benefit its

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[14] David Enrich et al., *Trader Tied to Probe Departs*, The Wall St. J., June 26, 2013.
[15] David Enrich, *More Firms Named in Libor Case*, The Wall St. J., June 20, 2013.
[16] *Id*.

derivatives and money market trading positions. The RBS CFTC Order also states that RBS succeeded in manipulating Yen and Swiss Franc Libor.

122. RBS cooperated with other panel banks to manipulate Yen Libor. On a number of occasions from at least early 2007 through at least mid-2009, RBS colluded with a UBS Yen Trader ("UBS Yen Trader") in coordinated attempts to manipulate Yen Libor. RBS knew that other Yen Libor panel banks (referred to in the RBS CFTC Order as "Banks A through I") and interdealer brokers were also colluding with the UBS Yen Trader.

123. For example, in the following communications, a manager of RBS's subsidiary in Tokyo who was responsible for RBS's Yen trading globally ("Yen Manager"), and numerous RBS yen traders discuss how the UBS Yen Trader has turned the Yen Libor panel into "a cartel."

August 20, 2007:

- Senior Yen Trader: this libor setting is getting nuts . . .
- Bank A Trader: im puzzled as to why 3m libor fixing not coming off after the FED action . . .
- Bank B Trader: [UBS] is lending dolls through my currencies in 3 month do u see him doing the same in urs . . .
- Senior Yen Trader: yes[,] he always led usd in my mkt[,] **the jpy libor is a cartel now** . . . [Emphasis added]
- Senior Yen Trader: its just amazing how libor fixing can make you that much money . . .
- Senior Yen Trader: **its a cartel now in london**[.] they smack all the 1yr irs .. and fix it very high or low [Emphasis added]

December 5, 2007:

- Yen Trader 2: FYI libors higher again today . . .

- Yen Trader 4: 'ucksake. keep ours low if poss. don't understand why needs to go up in yen
- Yen Trader 2: no reason dude[,] [Bank C] and [Bank D] went high yest
- Yen Trader 4: send the boys round . . .
- Yen Manager: pure manipulation going on

124. Another RBS derivatives trader engaged in "wash trades"—a pair of offsetting trades that result in a financial nullity—with UBS to generate brokerage commissions to compensate interdealer brokers for assisting UBS's attempted manipulation. That same RBS derivatives trader also attempted to manipulate Yen Libor by coordinating with an interdealer broker to influence the submissions of other panel banks.

125. For example, in the following communication, Yen Trader 1 asks an interdealer broker ("Interdealer Broker A") to try to influence other panel banks' Yen Libor submissions to benefit Yen Trader 1's trading positions:

June 26, 2009:

- Yen Trader 1: Has [UBS Yen Trader] been asking you to put LIBORs up today?
- Interdealer Broker A: [speaking to another person] What's [UBS Yen Trader] want on LIBORs today? Is he fixing anything about LIBORs? What does he want? What way does he want it? [speaking to Yen Trader 1] Did you hear that?
- Yen Trader 1: No.
- Interdealer Broker A: He wants ones, ones and threes a little bit lower and sixes probably about the same where they are now. He wants them to stay the same.
- Yen Trader 1: I want them lower.

- Interdealer Broker A: You want them lower? What the sixes?
- Yen Trader 1: Yeah.
- Interdealer Broker A: Alright, well, alright, alright, we'll work on it.

Later that same day, Interdealer Broker A reported back to Yen Trader 1 as follows:

- Interdealer Broker A: Hello mate, [Yen Trader 1]? You all set?
- Yen Trader 1: Yeah.
- Interdealer Broker A: Right listen we've had a couple of words with them, you want them lower right?
- Yen Trader 1: Yeah.
- Interdealer Broker A: Alright okay, alright listen, we've had a couple words with them. You want them lower, right?
- Yen Trader 1: Yeah.
- Interdealer Broker A: Alright okay, alright, no we're okay just confirming it. We've, so far we've spoke to [Bank F]. We've spoke to a couple of people so we'll see where they come in alright. We've spoke, basically one second, basically we spoke to [Bank F], [Bank G], [Bank H], who else did I speak to? [Bank I]. There's a couple of other people that the boys have spoke to but as a team we've basically said we want a bit lower so we'll see where they come in alright?
- Yen Trader 1: Cheers.
- Interdealer Broker A: Cheers no worries mate.

Yen Trader 1 then executed a wash trade with UBS to compensate Interdealer Broker A for its assistance, generating about $20,000 in commissions for Interdealer Broker A.

126. On numerous occasions, from at least late 2006 through mid-2009, RBS coordinated with other Libor panel banks to manipulate Swiss Franc Libor to benefit the trading positions held by RBS Swiss Franc derivatives traders.

127. RBS created an environment for a number of years that eased the path to manipulation inasmuch as RBS sat derivatives traders and submitters together on the same desk, heightening the conflict of interest between the profit motives of the traders and the responsibility of submitters to make honest submissions. When derivatives traders and submitters eventually were separated (for business, not compliance reasons), the misconduct continued through Bloomberg chats and an internal instant messaging system rather than by one trader merely turning in his chair to speak to his colleague on the desk. Some of these submitters were even traders themselves, and skewed their Libor submissions to drive the profitability of their own money market and derivatives trading positions.

2. RBS's Japanese subsidiary pleads guilty to wire fraud while RBS enters a deferred prosecution agreement with the DOJ for wire fraud and violation of Section 1 of the Sherman Act.

128. As part of RBS's settlement with the DOJ's Criminal Division, Fraud Section, and Antitrust Division, RBS executed a Deferred Prosecution Agreement, under which (1) RBS's Japanese Subsidiary, RBS Securities Japan Ltd., pled guilty to criminal wire fraud, and (2) the DOJ deferred prosecuting RBS for criminal wire fraud and *price-fixing in violation of Section 1 of the Sherman Act* based on its collusion with other Defendants to manipulate Yen and Swiss Franc Libor.

V. Plaintiffs were damaged by Defendants' USD Libor manipulation.

129. Plaintiffs are institutional investors who owned and traded in numerous financial products tied to USD Libor during the Conspiratorial Period. Specifically,

Plaintiffs owned variable rate bonds, asset-backed securities, loans, and interest rate swaps. Plaintiffs are continuing their investigation to determine whether additional related entities were damaged by Defendants' conduct and should be added as plaintiffs to this Complaint.

A. Variable rate bonds

130. Variable rate bonds (also called floating rate bonds) are bonds that pay a variable interest rate. These bonds typically have coupons renewable every three months and pay interest according to a set calculation, such as "USD Libor + 1%." This means that the interest paid to the bondholder is recalculated before each payment by taking whatever the USD Libor rate happens to be at the time and adding one percent.

131. Plaintiffs purchased numerous variable rate bonds from the Panel Bank Defendants and others where the interest payments Plaintiffs received were set according to USD Libor. Because Defendants conspired to artificially suppress USD Libor during the Conspiratorial Period, Plaintiffs received less interest on these bonds than they would have absent Defendants' manipulation, i.e. if Defendants had reported their true borrowing costs, as the definition of Libor required.

132. The following are examples of USD Libor-tied variable rate bonds Plaintiffs owned during the Conspiratorial Period:

Purchaser	Issuer	Face Amount	Interest rate tied to
Principal Life Insurance Company	Royal Bank of Scotland Group PLC	$15,000,000	3M USD Libor
Principal Life Insurance Company	Bear Stearns	$10,000,000	3M USD Libor
Principal Life Insurance Company	Bank of America Capital	$2,978,260	3M USD Libor
Principal Life Insurance Company	Chase Capital II	$2,988,091	3M USD Libor

B. Asset-backed securities

133. An asset-backed security is a security whose value and income payments are derived from (or backed) by a specified pool of underlying assets (also called collateral). Common types of collateral include mortgages, credit cards, auto loans, and student loans. Returns on an asset-backed security come from installment payments made on the collateral. For example, if an asset-backed security is backed by a pool of residential mortgages, the homeowners' monthly mortgage payments are collected and distributed to the owners of the asset-backed securities. Because the interest rate on the collateral—for example, the interest rate on a residential mortgage—is often tied to USD Libor, the payments the asset-backed security owners receive are affected by USD Libor. If USD Libor is artificially suppressed, as it was during the Conspiratorial Period, the payments the asset-backed security owners receive will also be suppressed.

134. In addition to the collateral being tied to USD Libor, some securities themselves can pay interest tied to USD Libor. For example, when a pool of collateral is securitized, the resulting asset-backed securities are divided or "structured" into multiple tiers called "tranches," which range from senior to subordinate. Securities that belong to subordinate tranches absorb losses first and are often rated below investment grade. In contrast, securities that belong to senior tranches absorb losses last and are often given high investment grade ratings. Some tranches pay interest tied to USD Libor.

135. Plaintiffs purchased numerous asset-backed securities underwritten and sold by the Panel Bank Defendants and others where the interest rate on the collateral was tied to USD Libor and/or the particular tranche Plaintiffs' securities belonged to paid interest tied to USD Libor. Because Defendants conspired to artificially suppress USD Libor during the Conspiratorial Period, Plaintiffs received lower payments on these

securities than they would have absent Defendants' manipulation, i.e. if Defendants had reported their true borrowing costs, as the definition of Libor required.

136. The following are examples of USD Libor-tied asset-backed securities Plaintiffs owned during the Conspiratorial Period:

Purchaser	Security	Face Amount	Interest rate of collateral tied to
Principal Life Insurance Company	Morgan Stanley Aces Spc	$17,500,000	3M USD Libor
Principal Life Insurance Company	ABN Amro Bank NV London	$10,000,000	3M USD Libor
Principal Life Insurance Company	SLC Student Loan Trust	$5,916,000	3M USD Libor
Principal Life Insurance Company	Countrywide Asset-Backed Certificates	$11,278,577	1M USD Libor
Principal Life Insurance Company	Citigroup Global Markets Inc.	$14,860,833	1M USD Libor
Principal Life Insurance Company	MBNA Credit Card Master Note Trust	$15,000,000	1M USD Libor
Principal Life Insurance Company	Morgan Stanley Aces Spc	$17,500,000	3M USD Libor

C. Loans

137. Even simple loans can have interest rates tied to USD Libor. Plaintiffs participated in numerous loans to third parties where the interest payments Plaintiffs received were set with reference to USD Libor. Because Defendants conspired to artificially suppress USD Libor during the Conspiratorial Period, Plaintiffs received less

interest on these loans than they would have absent Defendants' manipulation, i.e. if Defendants had reported their true borrowing costs, as the definition of Libor required.

138. The following are examples of loans Plaintiffs participated in during the Conspiratorial Period where the interest payments Plaintiffs received were set with reference to USD Libor:

Purchaser	Borrower	Face Amount	Interest rate tied to
Principal Life Insurance Company	Caproc Third Avenue LLC	$32,500,000	USD Libor
Principal Life Insurance Company	Westlake Tower Associates	$60,000,000	USD Libor
Principal Life Insurance Company	GreDel Urban Renewal LLC	$29,059,217	USD Libor

D. Interest rate swaps

139. Interest rate swaps are agreements between two parties in which the parties agree to essentially swap a fixed interest rate on a specified notional amount for a floating rate. For example, Company A may issue a bond on which it is obligated to pay bondholders a floating interest rate. In order to reduce its exposure to future interest rate increases, Company A may prefer to swap its floating rate for a fixed rate. In this case, Company A would find a counterparty to which Company A would pay interest on the notional value of its bond at an agreed-upon fixed rate. The counterparty would then pay Company A interest on the notional value of the bond at a floating rate, which Company A would essentially pass on to its bondholders. While, in this example, one of the parties to the interest rate swap issued the underlying bond that serves as the reference point for the swap, this is not always the case. Interest rate swaps can be made between two parties where neither party owns the underlying bond or instrument used as the reference point for the swap.

140. Plaintiffs entered numerous interest rate swaps with Defendants and others where the interest Plaintiffs received was set according to USD Libor. Because Defendants conspired to artificially suppress USD Libor during the Conspiratorial Period, Plaintiffs received less interest on these interest rate swaps than they would have absent Defendants' manipulation, i.e. if Defendants had reported their true borrowing costs, as the definition of Libor required.

141. The following are examples of interest rate swaps Plaintiffs entered with the Panel Bank Defendants and others where the interest payments Plaintiffs received were based on USD Libor:

Purchaser	ID#	Counterparty	Date Acquired	Notional Amount	Interest rate tied to
Principal Commercial Funding II, LLC	ISW5160	Bank of America	11/30/2007	$788,400,000	3M USD Libor
Principal Commercial Funding II, LLC	ISW5927	MSCO Capital Ser	2/6/2008	$384,000,000	3M USD Libor
Principal Life Insurance Company Separate Account B	ISW7105	UBS AG	7/2/2008	$46,000,000	3M USD Libor
Principal Life Insurance Company Separate Account B	ISW8135	JP Morgan Chase	7/14/2008	$437,000,000	3M USD Libor

142. Defendants' artificial suppression of USD Libor directly injured Plaintiffs in these and other USD Libor-tied instruments Plaintiffs held during the Conspiratorial Period. By artificially suppressing USD Libor, Defendants caused Plaintiffs to receive millions of dollars less on their investments than Plaintiffs would have received had USD Libor reflected Defendants' true borrowing costs.

VI. The statute of limitations on Plaintiffs' claims is tolled under the discovery rule, the Clayton Act, and under the fraudulent concealment, continuous violation, and *American Pipe* doctrines.

A. The discovery rule

143. The discovery rule tolls the statute of limitations for Plaintiffs' claims until Plaintiffs discovered or with reasonable diligence should have discovered their injury. Here, no reasonable investor could have known of Defendants' Libor manipulation until at least March 15, 2011—the date when UBS publicly disclosed it had "received subpoenas" from the SEC, the CFTC, and the DOJ "in connection with investigations regarding submissions to the [BBA]." This disclosure spurred investors to file numerous lawsuits in the following months against Defendants based on their USD Libor manipulation. The fact that, despite strong financial incentives to do so, no investor filed a lawsuit based on Defendants' Libor manipulation before UBS's March 15, 2011 disclosure demonstrates that even sophisticated and prudent investors did not and could not have reasonably known of Defendants' USD Libor manipulation prior to March 15, 2011.

144. Regulators too were unaware of Defendants' Libor manipulation until late in the Conspiratorial Period. For example, the FSA opened its investigation into rate manipulation in early 2010. Although previous "dislocations" in Libor had been observed, the FSA concluded that "[c]lear evidence of this dislocation did not, in itself, however, carry any implication that 'low-balling' was occurring."[17] Even now, with global investigators conducting a massive probe into Libor manipulation, the true scope of Defendants' Conspiracy is not yet apparent.

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[17] Lindsay Fortado & Ben Moshinsky, *FSA Mostly Clears Itself on Missed Libor-Rigging Signals*, Bloomberg, March 5, 2013.

B. Tolling under the Clayton Act

145. The Clayton Act itself contains a tolling provision triggered whenever the United States institutes civil or criminal proceedings to prevent, restrain, or punish antitrust violations:

> Whenever any civil or criminal proceeding is instituted by the United States to prevent, restrain, or punish violations of any of the antitrust laws . . . the running of the statute of limitations in respect of every private or State right of action arising under said laws and based in whole or in part on any matter complained of in said proceeding shall be suspended during the pendency thereof and for one year thereafter.

15 U.S.C. § 16(i).

146. As discussed above, on December 12, 2012, the DOJ filed a complaint charging Tom Hayes, a former trader for Defendants UBS and Citigroup, with criminal violation of Section 1 of the Sherman Act. Mr. Hayes' Yen Libor manipulation and Defendants' USD Libor manipulation were part of the same overarching conspiracy, which involved the same panel banks, the same means of submitting false rates, and the same objectives of boosting perceived financial health and profiting from derivative trading. Because Plaintiffs' claims are "based in whole or in part on any matter complained of" in the December 12, 2012 complaint against Mr. Hayes, the Clayton Act tolls Plaintiffs' claims against Defendants beginning on December 12, 2012 and continuing to the present.

147. Additionally, on February 5, 2013, the DOJ entered a deferred-prosecution agreement with Defendant RBS, in connection with which the DOJ filed a criminal information charging RBS with one count of wire fraud and one count of price-fixing in violation of Section 1 of the Sherman Act. Because Plaintiffs' claims are "based in whole or in part on any matter complained of" in the criminal information, the Clayton Act

tolls Plaintiffs claims against Defendants beginning on February 5, 2013 and continuing to the present.

C. *American Pipe* tolling

148. Under the *American Pipe* doctrine, "the commencement of a class action suspends the applicable statute of limitations as to all asserted members of the class who would have been parties had the suit been permitted to continue as a class action." *Am. Pipe & Constr. Co. v. Utah*, 414 U.S. 538, 554 (1974); *see also Crown, Cork & Seal Co., Inc. v. Parker*, 462 U.S. 345, 355 (1983).

149. Numerous class actions have been filed against Defendants based on their USD-Libor manipulation during the Conspiratorial Period and consolidated in the multi-district litigation ("MDL") proceedings in the Southern District of New York. Plaintiffs were putative class members of many of these class actions and, therefore, reasonably and justifiably relied on the class representatives to protect their rights. The claims Plaintiffs assert in this Complaint are either the same as those asserted in the class actions in the Libor MDL proceedings or arise from the same wrongful acts and, therefore, concern the same evidence, memories, and witnesses as the class actions in the Libor MDL proceedings.

150. For example, on August 5, 2011, the Mayor and City Council of Baltimore filed a class action against Defendants Bank of America, Barclays, Citibank, HSBC, JPMorgan, Lloyds, UBS, and WestLB asserting federal antitrust, unjust enrichment, and restitution claims on behalf of "[a]ll persons or entities . . . who purchased LIBOR-Based Derivatives [i.e. "financial products that had rates of return tied to LIBOR"] directly from Defendants . . . from August 1, 2007 through such time as the effects of Defendants' illegal conduct ceased." *Mayor & City Council of Baltimore v. Credit Suisse Group AG*, No. 11–cv-5450 (S.D.N.Y. Aug. 5, 2011). This class definition was later

changed to "[a]ll persons or entities . . . that purchased in the United States, directly from a Defendant, a financial instrument that paid interest indexed to LIBOR . . . any time during the period August 2007 through May 2010." *Mayor & City Council of Baltimore v. Credit Suisse Group AG*, No. 12–md-2262 (S.D.N.Y. April 30, 2012). Because Plaintiffs fit within both the original and revised class definition, they reasonably and justifiably relied on the class representatives to protect their rights. Thus, the filing of the *Mayor & City Council of Baltimore* class action tolls Plaintiffs' claims against Defendants under the *American Pipe* doctrine beginning on August 5, 2011 and continuing to the present.

151. Additionally, on February 9, 2012, Ellen Gelboim filed a class action asserting a federal antitrust claim against the Panel Bank Defendants "for herself and on behalf of all others who owned . . . any debt security: (a) that was issued by any Fortune 500 company; (b) on which interest was paid at any time between January 1, 2006 and December 31, 2010 . . . ; (c) where that interest was paid at a rate expressly linked to the U.S. Dollar Libor rate . . . ; and (d) that was underwritten, exclusively or with others, by any of the defendant banks . . . ." *Gelboim v. Credit Suisse Group AG*, No. 12–cv-01025–NRB (S.D.N.Y. February 9, 2012). This class definition was later revised to include all persons or entities "who owned . . . any U.S. dollar-denominated debt security (a) that was assigned a unique identification number by the CUSIP system; (b) on which interest was payable at any time between August 2007 and May 2010 . . . ; and (c) where that interest was payable at a rate expressly linked to the U.S. Dollar Libor rate . . . [excluding] debt securities issued by any Defendant as obligor." *Gelboim v. Credit Suisse Group AG*, No. 11–md-02262–NRB (S.D.N.Y. April 30, 2012). Because Plaintiffs fit within both the original and revised class definition, they reasonably and justifiably relied on the class representatives to protect their rights. Thus, the filing of the *Gelboim* class

action tolls Plaintiffs' claims against Defendants under the *American Pipe* doctrine beginning on February 9, 2012 and continuing to the present.

D. Continuous violation tolling

152. Defendants began artificially suppressing USD Libor by at least August, 2007. Defendants were able to continuously keep USD Libor suppressed until at least May, 2010. Defendants accomplished this long-term USD Libor suppression by continuously and repeatedly making artificially low Libor submissions. Indeed, Barclays admitted to making false USD Libor submissions "on an almost daily basis" during the Conspiratorial Period. Defendants' continuous conduct successively damaged Plaintiffs in that they received lower cash flows from their USD Libor-tied investments, not for a brief or isolated time, but over the course of years.

153. These facts require that any applicable statute of limitations be tolled until, at the earliest, the occurrence of Defendants' last bad act. Because admissions made by Barclays, UBS, and RBS demonstrate that Defendants' bad acts continued at least through May, 2010, the statute of limitations on Plaintiffs' claims should be tolled until at least May, 2010.

E. Fraudulent concealment

154. Defendants' misconduct was, by its very nature, self-concealing. First, the Panel Bank Defendants' actual or reasonably expected borrowing costs were not publicly disclosed, rendering it difficult for investors, including Plaintiffs, to discern (without sophisticated expert analysis) any discrepancies between the Panel Bank Defendants' publicly disclosed Libor submissions and other measures of those banks' actual or reasonably expected borrowing costs. Second, internal communications within and among the banks likewise were not publicly available, which further precluded

investors, including Plaintiffs, from discovering Defendants' misconduct, even with reasonable diligence.

155. Defendants actively concealed the Conspiracy and, when questions were raised regarding anomalous Libor levels during the financial crisis, Defendants represented that any discrepancies were due to extreme market forces and were not the result of fraudulent reporting.

156. For instance, on April 21, 2008, Dominic Konstam of Defendant Credit Suisse affirmatively stated the low Libor rates were attributable to the fact that U.S. banks, such as Defendant Citigroup and JPMorgan, had access to large customer deposits and borrowing from the Federal Reserve and did not need more expensive loans from other banks.

157. On May 16, 2008, in response to a media inquiry, JPMorgan commented that the Libor interbank rate-setting process is not broken, and recent rate volatility can be blamed largely on reluctance among banks to lend to each other amid the current credit crunch.

158. The same day, Colin Withers of Defendant Citigroup assured the public that Libor remained reliable, emphasizing "the measures we are using are historic –up to 30 to 40 years old."

159. Additionally, *The Wall Street Journal* asked numerous Defendants to comment on aberrations in Libor. On May 29, 2008, Defendant Citigroup affirmatively denied manipulating Libor, stating that it continued to "submit [its] Libor rates at levels that accurately reflect [its] perception of the market." In another article published that same day, the BBA insisted, "[w]e have every confidence in the integrity of the LIBOR-setting process and the accuracy of the figures it produces."

160. On August 5, 2008 the BBA issued a report, titled *BBA Libor Consultation Feedback Statement, Approved by the Foreign Exchange and Money Markets Committee*. The Feedback Statement was purportedly the result of an in-depth review of the integrity of the Libor setting process and discussions with "a wide cross-section of the market." The Feedback Statement stated that current contributing panel banks were "confident" that their submitted rates were "truly reflective of their perceived borrowing costs." The Feedback Statement concluded that "[a] general theme that emerged throughout the responses is that BBA LIBOR is an established, accepted benchmark which was been used by financial markets for many years. The emphasis was placed on the fact that although recent comments have focused on US Dollar LIBOR, this has been due to a period of unprecedented stress in the market." Based on the Feedback Statement, the BBA decided that no immediate changes to the Libor-setting process were necessary.

161. These and other statements made by Defendants and their co-conspirators achieved their intended purpose—to reassure investors like Plaintiffs that aberrations in recent Libor levels were due to extreme market forces that existed during the financial crisis and were not the result of fraudulent reporting.

162. It was not until the Barclays settlement in June, 2012, that the existence of Defendants' Conspiracy was confirmed. Even now, with global investigators conducting a massive probe into Libor manipulation, the true scope of Defendants' Conspiracy is not yet apparent.

VII. Antitrust allegations

A. Plaintiffs suffered antitrust injury.

163. Plaintiffs' injury was the direct result of at least three competition-reducing aspects of Defendants' collusion: (1) Defendants' collusion caused Plaintiffs to pay

supracompetitive prices, (2) Defendants' collusion suppressed competition for the benchmark used to price financial instruments, and (3) Defendants' collusion restrained competition regarding creditworthiness.

164. First, Defendants' collusion caused Plaintiffs to pay supracompetitive prices for their Libor-tied financial instruments. As detailed in Section V of this Complaint, Plaintiffs received lower cash flows from their Libor-tied variable rate bonds, asset-backed securities, loans, and interest-rate swaps than they would have absent Defendants' collusion. Defendants' collusion also caused Plaintiffs to accept risk on certain Libor-tied instruments purchased directly from Panel Bank Defendants for which Plaintiffs were not compensated. This risk consisted of both bank-specific credit risk and systemic risk in the financial system. These supracompetitive prices injured Plaintiffs in their business or property in that they caused Plaintiffs financial losses.

165. Second, Defendants' collusion also restrained competition as to the benchmark used to price financial products. Libor is merely one of several proprietary benchmark products. In a free and competitive market, the Panel Bank Defendants would have competed as to the benchmark used to calculate the floating interest rate for various financial products. The Panel Bank Defendants knew that their competitors were promoting and using USD Libor—a benchmark that did not fairly reflect market conditions—in the financial products they sold. Competitive forces should have driven each Defendant to report that Libor was being manipulated and tie their financial products to a more efficient and ethical benchmark. Rather than Libor, the Panel Bank Defendants could have tied their financial products to an alternative USD money market rate, such as the OIS rate or the repo rate.

166. Rather than competing, however, Defendants collectively agreed to conceal their collective Libor suppression, continue using Libor in their financial products to the exclusion of other comparable benchmarks, and promote the use of Libor through their

positions in the BBA. Evidence demonstrates that Defendants wanted to preserve the centrality of Libor rather than some alternative benchmark precisely because Defendants controlled Libor and could collude to manipulate it for their own ends. *The Wall Street Journal* reported that, in November 2008, in response to concern over Libor's accuracy, the BBA "drew up plans to license Libor to an independent third party that would pay a fee to administer the rate instead of the BBA."[18] This proposal was rejected by Defendants because "when BBA staffers pitched the idea to industry executives, they got the impression that the big banks—which paid most of the BBA's bills through their membership fees—wanted Libor kept in-house so that they could continue to influence it, according to people familiar with the talks."[19]

167. That competitive forces should have driven the Panel Bank Defendants to replace Libor with alternative benchmarks is demonstrated by recent events. After recent media coverage of Defendants' Libor manipulation, demand has grown for an alternative untainted benchmark. This forced the Panel Bank Defendants to increasingly offer products and services tied to alternative benchmarks, such as the OIS rate. But for Defendants' collusion, competitive forces would have caused this shift from Libor to OIS or other alternative rates much sooner.

168. By restraining competition as to the benchmark used to calculate the floating component of price, Defendants were able to maintain Libor's dominance as the leading USD money market rate used to price financial instruments and this directly caused Plaintiffs financial losses. Had Defendants not colluded, and had instead adopted a benchmark that accurately reflected risk in the financial system, Plaintiffs would have received higher cash flows on their Libor-tied financial instruments.

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[18] David Enrich & Max Colchester, *Before Scandal, Clash Over Control of Libor*, The Wall St. J., Sept. 11, 2012.
[19] *Id*.

169. Third, Defendants' conduct restrained competition as to creditworthiness. Libor submissions reflect perceived creditworthiness. Composite Libor was thought to reflect the creditworthiness of all large banks by acting as a measure of the stress faced by the financial system as a whole. In a competitive market, the Panel Bank Defendants would compete with their peers, including other panel banks, as to their perceived creditworthiness. Panel Bank Defendants who could truthfully post lower Libor submissions would have had a competitive advantage over Panel Bank Defendants who could not truthfully post lower Libor submissions because of Libor's importance as an indicator of a bank's creditworthiness. In a free and competitive market, then, each Defendant would have competed to appear more creditworthy than other panel banks through the posting of lower truthful Libor submissions, and the stronger banks would not have tolerated artificially low Libor submissions from the weaker banks.

170. However, instead of competing fully with each other to post the lowest accurate Libor submissions during the Conspiratorial Period, the Panel Bank Defendants conspired to post artificially low Libor submissions as a "pack," which reduced or otherwise altered the differences between their relative creditworthiness. And the more creditworthy banks did not force the less creditworthy banks to post accurate Libor submissions so that the less creditworthy banks could be revealed as weaker. Instead, the stronger banks allowed the weaker banks to make artificially low Libor submissions.

171. The restraint of competition as to creditworthiness harmed Plaintiffs in two ways. First, it allowed Defendants to artificially suppress USD Libor. Had the Panel Bank Defendants competed vigorously over their creditworthiness by striving to make the lowest accurate Libor submissions relative to the competition, the Conspiracy could not have occurred. Second, the reduction of competition as to creditworthiness injured

Plaintiffs by causing them to assume credit risk for which they were not adequately compensated. This risk consisted of both bank-specific risk and systemic risk.

172. The anticompetitive aspects of Defendants' collusion discussed above are non-exhaustive and Plaintiffs believe that with the benefit of additional discovery and expert analysis additional anticompetitive aspects will be discerned.

B. Rule of Reason – Relevant Market and Anticompetitive Effects

173. In addition to constituting horizontal price fixing—a *per se* violation of Section 1 of the Sherman Act—Defendants' collusion also constitutes an information exchange that unreasonably restrains trade under the rule of reason. *See Todd v. Exxon Corp.*, 275 F.3d 191 (2d Cir. 2001).

174. During the Conspiratorial Period, there were relevant markets for each of the following types of financial instruments: USD Libor-tied variable rate bonds, USD Libor-tied asset-backed securities, USD Libor-tied loans, USD Libor-tied interest rate swaps, USD Libor-tied short term financial instruments, variable rate bonds tied to a USD money market rate, asset-backed securities tied to a USD money market rate, loans tied to a USD money market rate, interest rate swaps tied to a USD money market rate, and short term financial instruments tied to a USD money market rate.

175. Defendants have market power in each of the relevant markets. Defendants' market power allowed them to cause (1) prices of USD Libor-tied financial instruments to be supracompetitive in the relevant markets (2) USD Libor to become the leading USD money market rate used to price financial instruments, and (3) the other injuries and anticompetitive effects identified in this Complaint.

COUNT ONE
VIOLATION OF SECTION 1 OF THE SHERMAN ACT (15 U.S.C. § 1)
(AGAINST ALL DEFENDANTS)

176. Plaintiffs incorporate by reference the preceding allegations.

177. The Panel Bank Defendants are horizontal competitors in the purchase and sale of financial products, including products indexed to USD Libor or alternative USD money market rates.

178. During the Conspiratorial Period, Defendants and their unnamed co-conspirators agreed to and engaged in a conspiracy for the primary purpose and with the effect of depressing, fixing, pegging, and/or stabilizing the price of financial instruments tied to USD Libor.

179. In furtherance of Defendants' Conspiracy, Defendants committed numerous overt acts including participating in meetings and/or conversations to discuss the Conspiracy and reporting artificially suppressed borrowing rates to Reuters for calculation of Libor.

180. Defendants' Conspiracy constitutes illegal price fixing and is a *per se* violation of Section 1 of the Sherman Act.

181. Defendants' Conspiracy also violates Section 1 of the Sherman Act in that it constitutes an information exchange that unreasonably restrains trade and is, therefore, unlawful under the rule of reason.

182. Defendants' Conspiracy, and its resulting impact on the relevant markets, occurred in or affected interstate and foreign commerce.

183. As a proximate result of Defendants' unlawful conduct, Plaintiffs have suffered injury to their business or property.

184. Under Section 4 of the Clayton Act (15 U.S.C. § 15), Plaintiffs are each entitled to damages for the violations of the Sherman Act alleged herein.

COUNT TWO
VIOLATION OF THE IOWA COMPETITION LAW (IOWA CODE § 553.4)
(AGAINST ALL DEFENDANTS)

185. Plaintiffs incorporate by reference the preceding allegations.

186. The Panel Bank Defendants are horizontal competitors in the purchase and sale of financial products tied to USD Libor.

187. During the Conspiratorial Period, Defendants and their unnamed co-conspirators agreed to and engaged in a conspiracy for the primary purpose and with the effect of depressing, fixing, pegging, and/or stabilizing the price of USD Libor and thus the rate of return and/or the sale price of USD Libor-tied financial instruments.

188. In furtherance of Defendants' Conspiracy, Defendants committed numerous overt acts including participating in meetings and/or conversations to discuss the Conspiracy and reporting artificially suppressed borrowing rates to Reuters for calculation of Libor.

189. Defendants' Conspiracy constitutes illegal price fixing and is a *per se* violation of Iowa Code Section 553.4 and is, in any event, an unreasonable and unlawful restraint of trade and commerce.

190. Defendants' Conspiracy, and its resulting impact on the market for USD Libor-based financial instruments, occurred in or affected commerce in Iowa.

191. As a proximate result of Defendants' unlawful conduct, Plaintiffs have suffered injury to their business or property.

192. Under Iowa Code Section 553.12, Plaintiffs are each entitled to damages for the violations of the Iowa Competition Law alleged herein.

COUNT THREE
FRAUD
(AGAINST THE BBA AND THE PANEL BANK DEFENDANTS)

193. Plaintiffs incorporate by reference the preceding allegations.

194. Both through the BBA and individually, each Panel Bank Defendant made representations regarding the definition, calculation, and integrity of USD Libor. Beginning in August, 2007, and continuing through at least May, 2010, each Panel Bank Defendant made USD Libor submissions that were inconsistent with the BBA's definition and rules regarding Libor and that did not accurately reflect the bank's borrowing costs in London's interbank lending market.

195. Despite making these representations regarding USD Libor, each Defendant failed to disclose to Plaintiffs additional facts needed to make their representations regarding USD Libor not materially misleading. Specifically, each Defendant failed to disclose to Plaintiffs that it and its co-Defendants were manipulating USD Libor to their benefit or that USD Libor did not accurately reflect interbank lending rates or risk in the financial system.

196. Additionally, the BBA and each Panel Bank Defendant falsely represented the following material facts:

- The BBA conducted a full investigation in 2008 into Libor submissions by the Panel Bank Defendants and confirmed that the USD Libor submissions were honest and consistent with the published definition of Libor.
- The BBA actively monitored the Panel Bank Defendants' submissions to ensure that they were consistent with the published definition of Libor.

197. The BBA and the Panel Bank Defendants made these material representations knowing that they were false or with reckless disregard for their truth,

intending for Plaintiffs to rely on them in entering financial transactions tied to USD Libor.

198. Plaintiffs reasonably relied on the BBA and Panel Bank Defendants' misrepresentations in entering financial transactions tied to USD Libor.

199. The BBA and Panel Bank Defendants' misrepresentations directly and proximately caused Plaintiffs damages in that Plaintiffs paid more for or received less from its USD Libor-based instruments than they would have absent Defendants' fraud.

COUNT FOUR
BREACH OF CONTRACT AND COVENANT OF GOOD FAITH AND FAIR DEALING (AGAINST PANEL BANK DEFENDANTS BANK OF AMERICA, BARCLAYS, CITIGROUP, CREDIT SUISSE, DEUTSCHE BANK, JPMORGAN, RBC, RBS, SOCGEN AND UBS)

200. Plaintiffs incorporate by reference the preceding allegations.

201. Plaintiffs entered into ISDA Master Agreements with each of the following Panel Bank Defendants: Bank of America, Barclays, Citigroup, Credit Suisse, Deutsche Bank, JPMorgan, RBC, RBS, SocGen and UBS (collectively the "Swap Counterparty Defendants"). Each ISDA Master Agreement was supplemented by a schedule and confirmation, which joined with the ISDA Master Agreement to form a binding and enforceable contract (the "Contract" or, collectively, the "Contracts") that contained an implied covenant of good faith and fair dealing.

202. Under the Contracts, Plaintiffs purchased numerous financial instruments that used USD Libor as one component in setting the instruments' price or interest rate.

203. Under each Contract, a party defaults if "[a] representation made or repeated or deemed to have been made or repeated by the party . . . proves to be incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated."

204. Additionally, under each Contract, the Swap Counterparty Defendant agreed to act as calculation agent and calculate the amount owing from each party under the Contract. Under some of the Contracts, the Swap Counterparty Defendants agreed, in connection with their role as calculation agent, to "make each calculation [under the Contracts] in good faith and in a commercially reasonable manner."

205. Each Swap Counterparty Defendants breached its Contract (and accompanying covenant of good faith and fair dealing) with Plaintiffs through its illegal and fraudulent conduct described in this Complaint, its failure to disclose this conduct, its intentional misrepresentation and manipulation of USD Libor, and its underpayments to Plaintiffs tied to the artificially suppressed USD Libor.

206. The breaches of contract and covenant of good faith and fair dealing by the Swap Counterparty Defendants directly and proximately caused Plaintiffs damages in that Plaintiffs received lower cash flows from its swap transactions than they would have if Defendants had not artificially suppressed USD Libor and had instead made USD Libor submissions consistent with the BBA's rules and published definition for Libor.

COUNT FIVE
UNJUST ENRICHMENT
(AGAINST ALL DEFENDANTS)

207. Plaintiffs incorporate by reference the preceding allegations.

208. It would be inequitable for Defendants to be permitted to retain the benefit which Defendants obtained from their collusive, fraudulent, and inequitable acts and at the expense of Plaintiffs.

209. Plaintiffs are entitled to the establishment of a constructive trust impressed on the benefits to Defendants from their unjust enrichment and inequitable conduct.

210. Alternatively or additionally, each Defendant should pay restitution or its own unjust enrichment to Plaintiffs.

RELIEF SOUGHT

Accordingly, Plaintiffs demand relief as follows:

A. That the unlawful conduct alleged herein be adjudged and decreed to be an unlawful restraint of trade in violation of Section 1 of the Sherman Act and Section 4 of the Clayton Act as well as Sections 553.4 and 553.12 of the Iowa Competition Law;

B. That Defendants, their subsidiaries, affiliates, successors, transferees, assignees and their respective officers, directors, partners, agents, and employees and all other persons acting or claiming to act on their behalf, be permanently enjoined and restrained from continuing and maintaining the Conspiracy alleged in the Complaint;

C. That Plaintiffs recover damages, as provided under federal and Iowa antitrust laws, and that a joint and several judgment in favor of Plaintiffs be entered against Defendants;

D. That Plaintiffs recover their costs of the suit, including attorneys' fees, as provided by law;

E. That Plaintiffs recover damages or other relief permitted by law or equity for Defendants' fraud, breaches of contract and covenant of good faith and fair dealing, and unjust enrichment; and

F. That the Court direct such further relief it may deem just and proper.

DEMAND FOR JURY TRIAL

Pursuant to Rule 38(a) of the Federal Rules of Civil Procedure, Plaintiffs demand a jury trial as to all issues triable by a jury.

Dated: August 1, 2013

ROBINS, KAPLAN, MILLER & CIRESI L.L.P.

/s/ Joel A. Mintzer

K. Craig Wildfang
Thomas B. Hatch
Thomas J. Undlin
Joel A. Mintzer (11427)
Stacey P. Slaughter
Thomas F. Berndt
2800 LaSalle Plaza
800 LaSalle Avenue South
Minneapolis, MN 55402–2015
(612) 349–8500
KCWildfang@rkmc.com
TBHatch@rkmc.com
TJUndlin@rkmc.com
JAMintzer@rkmc.com
SPSlaughter@rkmc.com
TFBerndt@rkmc.com

Counsel for Plaintiffs

84068450.1