



MENDOCINO COUNTY COUNSEL

NEWS RELEASE

CONTACT: Thomas Parker at (707) 234-6885

TO: MENDOCINO COUNTY NEWS MEDIA

FR: MENDOCINO COUNTY COUNSEL

Ukiah, California...*November 13, 2013*

COUNTY FILES LAWSUIT AGAINST MAJOR BANKS FOR LIBOR INTEREST RATE MANIPULATION

The County of Mendocino filed suit today for alleged financial damages from the manipulation of the interest rates on their investments against the banks that set the benchmark interest rate known as the London Interbank Offered Rate, or "LIBOR." The lawsuit was filed in Federal Court in the Northern District (San Francisco) by Cotchett, Pitre & McCarthy, LLP against more than twenty current and former financial institutions that set LIBOR, including Barclays, UBS, Bank of America, JP Morgan, and Citigroup.

According to Board of Supervisors Chair Dan Hamburg, "Manipulation of the LIBOR, if proven, constitutes an outrageous violation of the public trust by large national and multinational banks. This suit promises to bring justice in the form of financial compensation to public agencies like Mendocino County which have suffered losses as the result of illegal banking practices."

LIBOR is the world's benchmark interest rate used for setting short-term interest rates on a wide range of financial instruments—from simple car loans to complex municipal derivative investments used by public entities. LIBOR-based investments are in the trillions of dollars every year. The rate is set each day by the British Bankers' Association (BBA), based on an average of the interest rates that each LIBOR member bank reports it could borrow money from other member banks. LIBOR was accepted by the global financial system as the true cost of borrowing between financial institutions because it was believed to represent the true interest rate at which borrowers are able to borrow money. Member banks have been investigated for manipulating LIBOR upward to increase their own profits and downward to report suppressed borrowing rates to create the illusion of financial strength. As a result, many California public agencies and other investors have received reduced interest payments on investments.

The County joins other public entities in the lawsuit, including the University of California Regents, the Counties of Sonoma, Sacramento, San Mateo, and San Diego, the Cities of Richmond and Riverside, the East Bay Municipal Utility District, and the San Diego Association of Governments.

For more information, please contact the County Counsel's Office at (707) 234-6885, or Cotchett, Pitre & McCarthy, LLP at (650) 697-6000.

Released by:

A handwritten signature in blue ink that reads "Thomas Parker".

Thomas Parker, Mendocino County Counsel