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**BONDS - MISSOURI**

## Cromeans v. Morgan Keegan & Co., Inc.

**United States District Court, W.D. Missouri, Central Division - September 23, 2014 - F.R.D. - 2014 WL 4722217**

After City Industrial Development Authority project failed, Bondholders brought putative class action against bond underwriter – Morgan Keegan – and underwriter's counsel – Armstrong Teasdale.

The Bondholders' claims are based in substantial part on alleged material misrepresentations and omissions contained in the Official Offering Statement, and the underwriter's alleged failure to conduct a due-diligence investigation concerning the accuracy of the representations in the statement.

Bondholders brought a Motion for Class Certification as to all claims contained in the first amended complaint, including negligent underwriting, negligent misrepresentation, fraudulent misrepresentation, Missouri Blue Sky law violations, and unjust enrichment.

The District Court granted the Motion for Class Certification as to Plaintiffs' claims for violation of the Missouri Blue Sky law and negligent underwriting.

The Court concluded that individualized proof of reliance made class certification inappropriate for Plaintiffs' negligent and fraudulent misrepresentation claims, rejecting Plaintiffs' "fraud created the market" theory.

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