

Bond Case Briefs

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BONDS - ARIZONA

In re Allstate Life Ins. Co. Litigation

United States District Court, D. Arizona - September 13, 2013 - Not Reported in F.Supp.2d - 2013 WL 5161130

This suit involves the offering and sale of \$35 million in revenue bonds (the “Bonds”) used to finance the construction of a 5,000-seat Event Center in the Town of Prescott Valley, Arizona. The details of the case have been previously reported herein.

The claims subject to this particular Motion in the ongoing litigation were those of a number of individual Bondholders whose interests are represented by the Indenture Trustee of the Bonds, Wells Fargo. The Defendants in this case are numerous. They include the underwriters for the Bonds, attorneys for the underwriters, and the various entities that received the proceeds for the Bonds and built the Event Center.

- Defendants’ Motion for Summary Judgment was granted as to the claims of the 53 Bondholders who failed to return questionnaires.
- Wells Fargo was prohibited from bringing claims on behalf of any Bondholders not identified by the June 15, 2012 deadline.
- Defendants’ Motion for Summary Judgment on the Arizona Securities Act (ASA) claims was granted as to the secondary market purchasers who did not purchase their Bonds from Defendants, however, Defendant’s Motion for Summary Judgment was denied as to the ASA claims of all other Bondholders.
- Defendants’ Motion for Summary Judgment on the negligent misrepresentation claims was denied as to those Bondholders who claimed to have relied on the Fitch Rating or the Official Statements (OS), however, Defendants’ Motion for Summary Judgment on the negligent misrepresentation claims was granted as to those Bondholders who relied only on their brokers or only received the OS without any indication that they relied on it.