

# **Bond Case Briefs**

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## **JURISDICTION - MASSACHUSETTS**

### **Federal Home Loan Bank of Boston v. Ally Financial, Inc.**

**United States District Court, D. Massachusetts - September 30, 2013 - Slip Copy - 2013 WL 5466523**

Bank purchased \$5.7 billion in Private Label Mortgage-Backed Securities and later brought suit against The Bank alleges that the rating agency defendants - Moody's and S&P - knowingly engaged in practices that caused the AAA ratings assigned to PLMBS purchased by the Bank to vastly understate their risk and overstate their creditworthiness. The Bank asserted claims of fraud, negligent misrepresentation, and violation of Massachusetts General Laws Chapter 93A, Section 11.

The defendants moved to dismiss for lack of personal jurisdiction, pursuant to Federal Rule of Civil Procedure 12(b)(2). The Bank contended that the exercise of general jurisdiction is proper because of these defendants' contacts with Massachusetts.

For our purposes, the interesting aspect of this case was that the court relied, in part, on the fact that both ratings agencies had rated 12,000 municipal bond issuances in the state to establish that Moody's and S&P had benefitted from significant systematic and continuous contacts with Massachusetts, thus establishing general jurisdiction.