

# **Bond Case Briefs**

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## **SECURITIES LAW - FLORIDA**

### **S.E.C. v. City of Miami, Fla.**

**United States District Court, S.D. Florida, Miami Division - December 27, 2013 - F.Supp.2d - 2013 WL 6842072**

Alleging multiple violations of federal securities laws in connection with fraudulent accounting and the resulting inflation of its bond ratings, the SEC filed suit against the City of Miami, seeking: 1) a declaration that Defendants have violated the federal securities laws; 2) an order directing the City to comply with the prior Commission order; 3) a permanent injunction enjoining Defendants from violating Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a) and Section 10(b) and Rule 10b-5 of the Exchange Act, 15 U.S.C. § 78j(b); and 4) an order directing Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act, 15 U.S.C. § 77t(d), and Section 21(d) of the Exchange Act, 15 U.S.C. § 78u(d).

The City filed a motion to dismiss. The court declined to dismiss on any of the City's stated grounds.

Although the court conceded that the City had made a strong argument regarding materiality, it concluded that, "Viewing the allegations concerning materiality in the light most favorable to the SEC, the Court concludes materiality is minimally satisfied."