

Bond Case Briefs

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SECURITIES - MISSISSIPPI

Watkins Development, LLC v. Hosemann

Supreme Court of Mississippi - March 2, 2017 - So.3d - 2017 WL 841128

Developer sought judicial review of decision of the Secretary of State adopting decision of hearing officer determining that developer had engaged in four violations of Mississippi Securities Act.

The Chancery Court affirmed in part and set aside in part Secretary's order. Developer appealed. The Court of Appeals affirmed in part and reversed and rendered in part. Developer filed petition for writ of certiorari.

The Supreme Court of Mississippi held that:

- Secretary was not entitled to review of portion of chancellor's ruling that was not appealed, and
- Evidence supported finding that developer committed securities-fraud violations.

Evidence supported finding that developer committed securities-fraud violations in connection with revenue bonds sold to finance city's renovation project at mall. There was evidence that developer represented that all bond proceeds would be used to finance mall project and/or failed to disclose that some bond proceeds would be used on another project, and developer's misappropriation was inextricably tied to his alleged misrepresentations in private placement memorandum (PPM), bond-purchase contract, and loan agreement.