Bond Case Briefs

Municipal Finance Law Since 1971

When All Else Fails, Sue Wall Street.

There's a lot of blame to go around, but banks have deep pockets and a history of municipal-debt settlements.

Disagreements about money often have a clear solution: Everyone sues each other. That's the American way.

And so it goes for Puerto Rico, the fiscally crippled island that incurred $74 billion of debt over a period when its population and economy were shrinking. Investors have brought many suits against the commonwealth, which now appears to be setting the stage for its own lawsuit against big Wall Street banks.

After all, going after large banks has turned into standard operating procedure for big municipal insolvencies. Just think of Orange County, California, which worked out $800 million in settlements from Merrill Lynch & Co. and others after going bankrupt in the 1990s.

Continue reading.

Bloomberg BusinessWeek

By Lisa Abramowicz

September 20, 2017

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com