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Illinois Nears Settlement With Wall Street Banks Over Muni Price-Fixing Case.

Illinois reached a tentative deal to settle a nearly decade-long lawsuit that alleged about a dozen of the biggest US banks engaged in price fixing in the municipal bond market.

The banks have offered to pay the state \$68 million, according to Todd Schneider, an attorney who is representing plaintiff side. The proposal comes as Bank of America, Barclays Capital Inc., BMO Financial Corp., William Blair & Co. LLC, Citigroup Inc., Fifth Third Bancorp, JPMorgan Chase & Co. and Morgan Stanley were expected to go to trial in Illinois next month to face allegations they inflated the interest rates on certain types of municipal bonds to discourage investors from returning them for cash and colluded in setting the rates.

Barclays, Citigroup, JPMorgan and Morgan Stanley all declined to comment on the proposed settlement. Representatives from Bank of America, BMO, William Blair and Fifth Third didn't respond to email requests for comment. A spokesperson for the Illinois Attorney General's Office declined to comment.

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