



Attorneys at Law

The recently filed lawsuit against Credit Suisse Group AG is the most recent effort to come from a working group created by President Barack Obama to recover government losses and to challenge wrongdoing that led to the 2008 financial crisis. Last week, the New York Attorney General filed suit against Credit Suisse and accused the lender of misleading investors regarding mortgage-backed securities. According to the lawsuit, Credit Suisse misrepresented the quality of loans underlying residential mortgage-backed securities it sponsored and underwrote in 2006 and 2007, leading to \$11.2 billion in losses to investors. The complaint alleges that the bank failed to adequately evaluate the loans and ignored defects its limited review did uncover. It also failed to perform due diligence, as it represented that it would do. The lawsuit brought by the New York AG is being pursued under a New York securities fraud statute.

Credit Suisse recently agreed to pay \$120 million to settle U.S. civil charges that it misled investors in the sale of risky mortgage bonds in the months leading up to the financial crisis. In a separate similar case, JPMorgan Chase agreed to pay \$296.9 million to resolve claims against it.

In early 2012, President Barack Obama created a working group in what has been viewed as a last shot for the government to hold banks and others responsible for wrongdoing which led to instability in the mortgage markets and the resultant financial crisis of 2008. Other banks have been the target of similar suits and have also been fined.