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# Banks must face US gold rigging lawsuit; UBS is dismissed

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Antitrust and manipulation claims can move forward against Barclays Plc, Bank of Nova Scotia (“ScotiaBank”), HSBC Holdings Plc and Societe Generale , U.S. District Judge Valerie Caproni in Manhattan said in a decision made public on Tuesday.(Source: Reuters)

A US judge said gold investors may pursue much of their lawsuit accusing four major banks of conspiring for a decade to fix prices and exploit distortions at the expense of investors in global markets for the precious metal.

Antitrust and manipulation claims can move forward against Barclays Plc, Bank of Nova Scotia (“ScotiaBank”), HSBC Holdings Plc and Societe Generale , U.S. District Judge Valerie Caproni in Manhattan said in a decision made public on Tuesday.

Investors allege that the banks conspired from 2004 to 2013 to fix prices. They did not estimate the size of the banks’ gold portfolios, but said the gold derivatives

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“From the gold plaintiffs’ standpoint, it’s a very substantial victory,” Dan Brockett, a partner at Quinn Emanuel Urquhart & Sullivan representing the investors, said in a phone interview on Wednesday.

Deutsche Bank AG settled related claims in April, and the investors plan to seek preliminary approval of a settlement, Brockett said.

Terms have not been disclosed, but Deutsche Bank has put the expected payment in escrow, he said.

In a separate case involving the silver market, Caproni said another group of investors may pursue market rigging claims against ScotiaBank and HSBC.

Both decisions dismissed UBS Group AG as a defendant, saying there was nothing showing it manipulated prices, even if it benefited from market distortions.

Barclays spokesman Andrew Smith, ScotiaBank spokesman Rick Roth, Societe Generale spokesman Jim Galvin and Deutsche Bank spokeswoman Amanda Williams declined to comment. UBS spokeswoman Erica Chase said the bank is pleased with the decisions. HSBC had no immediate comment.

Investors have several lawsuits before the Manhattan court accusing banks of conspiring to rig rates and prices in financial and commodities markets.

In the gold case, investors said Barclays, Deutsche Bank, HSBC, ScotiaBank and Societe Generale conspired to manipulate prices of gold, gold futures and options, and gold derivatives through twice-a-day meetings to set the London Gold Fixing.

The investors said this conspiracy let the banks suppress prices and reduce risk at other investors’ expense.

In her 73-page decision, Caproni said the investors plausibly alleged that the five banks recklessly created “artificial price dynamics” for gold, and that their misconduct was the “proximate cause” of the distortions.

She let the investors pursue antitrust claims for alleged unlawful restraint of trade from January 2006 to December 2012. The judge dismissed a claim for unjust