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# *Newman*'s Aftermath: District Court Vacates Four Insider Trading Guilty Pleas

**February/March 2015**

The end of January saw two significant developments for insider trading law stemming from the Second Circuit's important decision in *U.S. v. Newman*, 773 F.3d 438 (2d Cir.2014). First, the government was dealt a significant loss when, on Jan. 22, 2015, U.S. District Judge Andrew L. Carter, Jr. vacated four insider trading defendants' guilty pleas in the wake of *Newman* and rejected the government's argument that the *Newman* decision does not apply to cases prosecuted under the so-called "misappropriation" theory of insider trading liability. Second, the next day, the government filed a petition for panel rehearing and rehearing *en banc* in *Newman*, seeking reversal of the Second Circuit's earlier decision vacating the convictions of defendants Todd Newman and Anthony Chiasson and dismissing their indictments with prejudice. In this article, SRZ partners Harry S. Davis, Gary Stein, David K. Momborquette, Martin L. Perschetz, Howard Schiffman, Marc E. Elovitz, Eric A. Bensky, Peter H. White and former SRZ lawyers Barry A. Bohrer and Francis A. Marsico discuss these developments, which make clear that *Newman* is, as the government states in its petition for rehearing, "one of the most significant developments in insider trading law in a generation."

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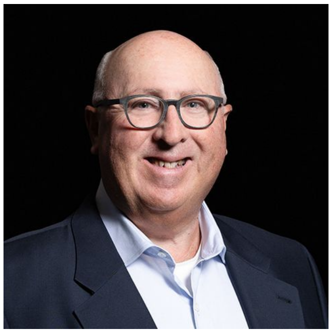

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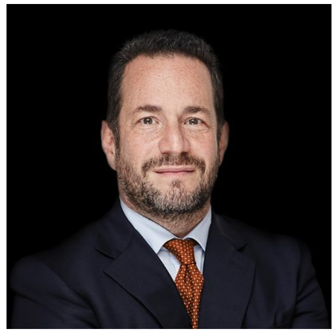

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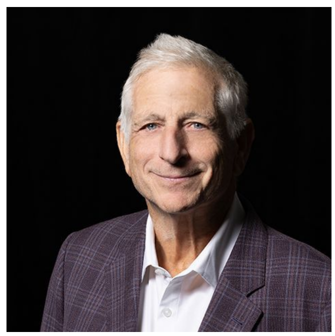

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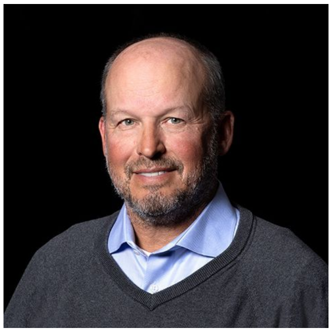

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