PUBLICATIONS

The Impact of *United States v. Newman* on the Use by Investment Advisers of Information Resources

June 2015

As part of their research process, investment managers gather information from a wide variety of sources. Those sources include: (i) executives and employees of public companies; (ii) competitors; (iii) distributors and suppliers; (iv) sell-side analysts; (v) expert networks; (vi) employees of other investment managers; and (vii) other industry contacts (Information Resources). For some advisers, access to such sources of information is a critical component of their investment program. However, in recent years, these sources of information have come under intense legal and regulatory scrutiny. Both the Department of Justice and the Securities and Exchange Commission have investigated and prosecuted a large number of insider trading cases, and with a seemingly high rate of success. Given such scrutiny, many investment advisers have expended a great deal of resources in an effort to ensure that their employees comply with their legal obligations. In this article, SRZ partners Marc E. Elovitz and David K. Momborquette and former Schulte lawyer Andrew D. Gladstein consider the impact of the holding in *United States v. Newman*, in which the United States Court of Appeals for the Second Circuit reversed two high-profile insider trading convictions, on the day-to-day business of an investment adviser.

Related People

Marc Elovitz

Partner

New York

Practices

HEDGE FUNDS

INVESTMENT MANAGEMENT

LITIGATION

REGULATORY AND COMPLIANCE

Attachments

Download Article