

PUBLICATIONS

Personal Benefit Revived: Second Circuit Clarifies Insider Trading Liability of Tippees

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In its highly anticipated decision in *U.S. v. Newman*, the U.S. Court of Appeals for the Second Circuit held on Dec. 10 that to sustain insider trading charges against a tippee who trades on material non-public information, the government must prove that the tippee knew that the tipper disclosed the information in breach of a duty of trust and confidence in order to receive a personal benefit. The court further explained that the benefit must be objective and consequential. In this article, SRZ partners Eric A. Bensky, Harry S. Davis, Marc E. Elovitz, Martin L. Perschetz, Howard Schiffman and Gary Stein and special counsel Jeffrey F. Robertson examine the impact of the Second Circuit's decision.

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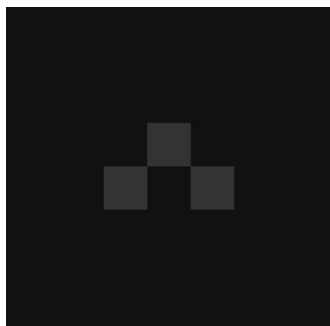
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