

PUBLICATIONS

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

November/December 2014

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.

Related People



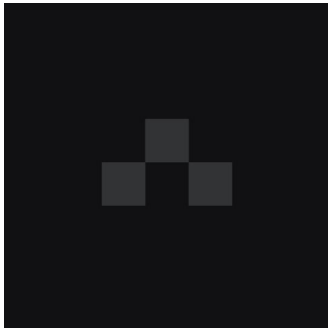
**Harry
Davis**

Partner
New York



**Marc
Elovitz**

Partner
New York



**Martin
Perschetz**

Of Counsel
New York



**Howard
Schiffman**

Partner
Washington, DC



**Jeffrey (Jeff) F.
Robertson**

Special Counsel
Washington, DC

Practices

HEDGE FUNDS

INVESTMENT MANAGEMENT

LITIGATION

REGULATORY AND COMPLIANCE

SECURITIES LITIGATION AND CLASS ACTION

SEC ENFORCEMENT AND WHITE COLLAR DEFENSE

Attachments

[!\[\]\(4fe57c3593bf1b21d272ae7ac8dfaf77_img.jpg\) Download Article](#)