

PUBLICATIONS

Second Circuit Overrules Limitation on Insider Trading Liability Established in *U.S. v. Newman*

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A divided panel of the U.S. Court of Appeals for the Second Circuit issued another in a series of important insider trading decisions regarding the personal benefit requirement in the context of gifting confidential information, sustaining the conviction of a former portfolio manager. In doing so, the panel expressly overruled a significant aspect of the Court's 2014 decision in *United States v. Newman*, holding that a "meaningfully close personal relationship" was no longer required, at least in the Second Circuit, to prove both civil and criminal insider trading when a tipper makes a gift of material, non-public information. In this article, partners Harry Davis, Marc Elovitz, David Momborquette, Gary Stein, Peter White and associate Mark Garibyan discuss the decisions and its practical implications.

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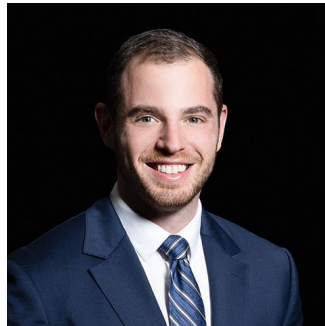
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