Index

A. EZRA MERKIN
Madoff feeder funds, **20:18**

ABBREVIATIONS
Generally, **1:2**

ABSOLUTE LIABILITY
Innocent defendants, **8:243**

ACCESS INTERNATIONAL
Madoff feeder funds, globalization, **20:21**

ACCOUNTANTS AND ACCOUNTING PRACTICES
Generally, **8:405 et seq.**
Actions in concert, **8:294**
Administrative regulation, **13:84**
Aider-Abettors (this index)
Audit Committees (this index)
Backdating of stock options, accounting violations, **18:4, 18:7**
Chinese walls
Generally, **7:343 et seq.**
Evolution of rule, **7:344**
Operation, **7:345**
Conspiracies, **8:304 et seq.**
Control person liability, **8:373 et seq.**
Foreign Corrupt Practices Act (FCPA), **19:5, 19:9**
Fraudulent accounting, **13:112**
Injunctions, fraudulent accounting, **13:112**
Madoff Ponzi scheme, **20:9**
Misrepresentation
Generally, **8:406**
Injunctions, fraudulent accounting, **13:112**
Madoff Ponzi scheme, **20:9**
Violations in generally accepted accounting principles (GAAP). See Indirect-Impersonal Dealing (this index)

ACCOUNTANTS AND ACCOUNTING PRACTICES —Cont'd
Omissions, **8:408**
Participation in misrepresentation by others, **8:407**
Parties and privity
Generally, **8:404 et seq.**
See also Private Actions (this index)
Private actions, materiality and GAAP, **8:42, 8:44**
Rule 10b-5 liability
Generally, **8:404 et seq.**
Actions in concert, **8:294**
Aider-abettor liability, **8:327 et seq.**
Concerted action, **8:294**
Conspiracies, **8:304 et seq.**
Control person liability, **8:373 et seq.**
Inducement, **8:295**
Injunction suits, **8:303**
Insiders, inducement by, **8:299**
Issuers, inducement by, **8:297**
Participants generally, **8:292**
Participants in violations generally, **8:294**
Pleading
Generally, **8:319 et seq.**
Affirmative conduct, **8:321**
Aiding-abetting, **8:324**
Choice of parties, **8:320**
Conspiracy, **8:325**
No affirmative conduct, **8:322**
Participation, **8:323**
Special elements, **8:326**
Sarbanes-Oxley Act, **3:156 et seq.**
SEC rulemaking authority as to, **3:5**
Whistleblower bounty program, original information, **22:10**

ACCREDITED INVESTORS
Crowdfunding, JOBS Act, current status, **14:219**

ACQUISITIONS
See also Mergers (this index)
Agreements
Disclosure not required, **7:261**
Disclosure required, **7:260**
Cybersecurity, **26:2**
Definitions, **7:250**
Disclosure of inside information re
Generally, **7:248 et seq.**
Agreements
Disclosure not required, **7:261**
Disclosure required, **7:260**
Company, trading by, **7:256**
Definitions, **7:250**
Disclosure document obligations, **7:259**
Leaks, **7:255**
Materiality of negotiated acquisitions, **7:262 et seq.**
Plans, **7:211, 7:214**
Preliminary negotiations
Misleading statements, **7:253**
No statement made, **7:252**
Other situations, **7:254**
Prior statement now misleading, **7:257**
Rumors, **7:255**
Stages of negotiated acquisitions, **7:249**
Target response to tender offers, **7:258**
When disclosure required
Generally, **7:251 et seq.**
Agreements, disclosure of, **7:260**
Materiality of negotiated acquisitions, **7:262 et seq.**
Negotiated, **7:248**
Nonnegotiated
Generally, **7:267**
See also Tender Offer Fraud (this index)
Preliminary negotiations
Misleading statements, **7:253**
No statement made, **7:252**

ACQUISITIONS—Cont'd
Preliminary negotiations—Cont'd
Other situations, **7:254**
Stages of negotiated acquisitions, **7:249**
Target response to tender offers, disclosure of, **7:258**

ACTIONS IN CONCERT
Generally, **8:294**
Aider-Abettors (this index)
Madoff Ponzi scheme (this index)
Parties (this index)

ACTUAL KNOWLEDGE
Generally, **8:165**
See also Knowledge (this index)
Versions of scienter, relations among, **8:166**

ADMINISTRATIVE ENFORCEMENT
Generally, **13:80 et seq.**
Accountings, SEC, **13:84**
Actual knowledge, scienter, **8:175**
Advantages and disadvantages
CFTC, **13:244**
SEC, **13:95**
SROs, **13:301**
Aider-abettors
Generally, **8:327 et seq., 8:368 et seq.**
Absence of benefit, **8:366**
Benefit, **8:364 et seq.**
Court cases, **8:328 et seq.**
Definitions, **8:349**
Elements, **8:352, 8:369**
Extent of benefit, **8:367**
Fact patterns, **8:370**
High conscious intent, **8:358**
Injunctions, **8:371**
Janus Capital, preparation for or assistance to another, **8:336 et seq.**
Knowledge of violation, **8:356 et seq.**
Nature of benefit, **8:367**
Origins of doctrine, **8:351**
Presence of benefit, **8:365**
Primary violations, **8:355**

ADMINISTRATIVE ENFORCEMENT—Cont'd
Aider-abettors—Cont'd
PSLRA, **8:347**
Requirements, **8:352**
SEA § 20(f), **8:348**
Substantial assistance
Generally, **8:359 et seq.**
Extraordinary actions, **8:362**
Inaction, **8:363**
Ordinary actions, **8:362**
Proximate cause, **8:360**
Silence, **8:363**
Timing, **8:361**
Violations, **8:370**
Amicus curiae participation in private litigation, **13:79, 13:234, 13:293**
Ancillary relief
CFTC
Generally, **13:242**
Injunctions and, **13:250**
Civil penalties, **13:108 et seq.**
Injunctions (this index)
Insider trading charges, **7:419, 7:437**
SEC
Generally, **13:93**
Civil penalties, **13:108**
Injunctions and, **13:107 et seq.**
SROs, **13:299**
WorldCom, **13:109**
Asset freezes, **13:100**
Audit committee standards, Sarbanes-Oxley Act, **8:458**
Bar orders. Collateral bars against individuals, below
Bounties to informants, **7:445**
Burden of proof, insider trading charges, **7:366**
Causation, **10:1**
Cease and desist orders
CFTC, **13:239**
Likelihood of future violation, **13:239**
Permanent, **13:85**
SEC, **13:85, 13:86**
Temporary, **13:86**

ADMINISTRATIVE ENFORCEMENT—Cont'd
CFTC
Generally, **13:235 et seq.**
Advantages and disadvantages, **13:244**
Ancillary relief
Generally, **13:242**
Injunctions and, **13:250**
Cease and desist orders, **13:239**
Collateral effects of orders, **13:241**
Cryptocurrencies, **25:8**
Duration of orders, **13:243**
Evidence, **13:236**
Proof standards, **13:236**
Scienter, **13:237**
Trading privileges, denial of, **13:240**
Character of proceedings
CFTC, **13:235**
SEC, **13:80**
SROs, **13:295**
Civil penalties
See also Civil Penalties (this index)
Ancillary relief, **13:108**
CFTC, **13:238**
Injunctions (this index)
Insider trading charges, **7:420**
SEC, **13:83**
Collateral bars against individuals
Generally, **13:87**
Corporate office orders, **13:88**
Injunctions including, **13:117**
Collateral effects of orders
CFTC, **13:241**
SEC, **13:92**
SROs, **13:298**
Compliance orders, SEC, **13:82**
Conspiracies, **8:312**
Constructive knowledge and scienter, **8:186**
Control person liability
Generally, **8:373 et seq.**
See also Control Person Liability (this index)
Insider trading charges
Generally, **7:451 et seq.**

ADMINISTRATIVE ENFORCEMENT—Cont'd
Control person liability—Cont'd
Insider trading charges—Cont'd
All control persons, **7:453**
Amount of liability, **7:459**
Broker-dealer control persons, **7:456**
B test, **7:456**
Contribution to violation, **7:458**
Failure to act, **7:455**
Investment adviser control persons, **7:456**
Knowledge
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Policy/procedure failures, **7:457**
Reckless disregard
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Requirements, **7:452**
Respondeat superior liability, **7:450**
Substantial contribution to violation, **7:458**
A test, **7:453**
Coordinated SEC-state-SRO investigations, **13:329**
Criminal enforcement
See also Criminal Enforcement (this index)
Compared, **13:95**
Disgorgement, **13:84**
Disposition of penalties, **7:445**
Double jeopardy limitations, insider trading charges, **7:443**
Duration of orders
CFTC, **13:243**
SEC, **13:94, 13:300**
Equitable relief generally, **13:118**
Evidence
CFTC, **13:236**
SEC, **13:91**
SROs, **13:297**
Implied liability
See also Implied Liability (this index)

ADMINISTRATIVE ENFORCEMENT—Cont'd
Implied liability—Cont'd
Contraction era, **3:81, 3:82**
Expansion era, **3:61, 3:62**
Indirect-impersonal dealing, GAAP violations, **7:65, 7:71**
Informal enforcement actions
CFTC, **13:233**
SEC, **13:78**
SROs, **13:292**
Informants, awards to, **7:445**
Injunctions (this index)
Investigations
Generally, **13:1 et seq.**
See also Investigations (this index)
Judge or jury
Insider trading charges, **7:421, 7:446**
Penalty actions, **7:446**
Jurisdiction
Generally, **11:2 et seq.**
See also Jurisdiction (this index)
Limitation of SEC actions, **13:89, 13:90, 13:184 to 13:189**
MD&A predictions and projections, disclosure requirements, **7:13**
Misappropriation theory of insider liabilities, **7:578**
Monetary penalties
CFTC, **13:238**
SEC, **13:83, 13:108**
Motion practice, **7:365**
National Securities Markets Improvement Act (NSMIA), **3:199**
Orders
Collateral effects of
CFTC, **13:241**
SEC, **13:92**
SROs, **13:298**
Compliance orders, **13:82**
Penalty actions
Generally, **7:438**
Aider-abettors, **7:449**
Amount of penalty
Control persons, **7:459**
Court-imposed, **7:439**
Bounties, **7:445**

ADMINISTRATIVE ENFORCEMENT—Cont'd
Penalty actions—Cont'd
Control persons, penalties imposed on, **7:440**
Court imposed penalties, **7:439**
Disposition of penalties, **7:445**
Double jeopardy limitations, **7:443**
Factors considered in imposition of penalties, **7:442**
Informants, awards to, **7:445**
Judge or jury, **7:446**
Maximum penalties imposed, **7:441**
Persons liable
Generally, **7:447**
Aider-abettors, **7:449**
Control person liability, above
Employers, **7:450**
Respondeat superior liability, **7:450**
Tippers, **7:448**
Traders, **7:448**
Respondeat superior liability, **7:450**
Settled penalties, **7:444**
Tippees, penalties imposed on, **7:439**
Traders, penalties imposed on, **7:439**
Procedural fairness, SROs, **13:296**
Proof standards
CFTC, **13:236**
SEC, **13:91**
SROs, **13:297**
Quantum of proof, insider trading charges, **7:366**
Quasi-judicial jurisdiction of SEC, **10:1**
Reliance, **10:1**
Respondeat superior liability, insider trading charges, **7:450**
Rule 10b-5, implied liability, **3:62, 3:82**
Sanctions
SEC, **13:81, 13:82**
Statutory, **7:417**
Sarbanes-Oxley Act, audit committee standards, **8:458**

ADMINISTRATIVE ENFORCEMENT—Cont'd
Scienter
Generally, **10:1**
Actual knowledge, **8:175**
CFTC, **13:237**
Constructive knowledge, **8:186**
Diligence, lack of, **8:235**
Negligence, **8:235**
Touting, **8:98**
Unreasonable conduct, **8:235**
SEA § 16(b), **7:159**
SEC
Advantages and disadvantages, **13:95**
Ancillary relief
Generally, **13:93**
Injunctions and, **13:107 et seq.**
WorldCom, **13:109**
Asset freezes, **13:100**
Backdating stock options, investigations, **18:6, 18:8**
Cease and desist orders
Permanent, **13:85**
Temporary, **13:86**
Character of proceedings, **13:80**
Collateral effects of orders, **13:92**
Coordinated SEC-state-SRO investigations, **13:329**
Discovery rule rejected for limitation of actions, **13:90**
Duration of orders, **13:94**
Enforcement Manual 2010 revisions, **20:15**
Equitable relief generally, **13:118**
Evidence, **13:91**
Limitation of actions, **13:89, 13:90**
Proof standards, **13:91**
Role in, **10:1**
Securities Litigation Uniform Standards Act (SLUSA), **3:216**
SROs
Generally, **13:294 et seq.**
Advantages and disadvantages, **13:301**
Ancillary relief, **13:299**
Character of proceedings, **13:295**
Collateral effects of orders, **13:298**

ADMINISTRATIVE ENFORCEMENT—Cont'd
SROs—Cont'd
Coordinated SEC-state-SRO investigations, **13:329**
Duration of orders, **13:300**
Evidence, **13:297**
Procedural fairness, **13:296**
Proof standards, **13:297**
Standards, **13:297**
Summary proceedings, **13:302**
State laws, **13:318, 13:328**
State regulators, **3:210**
Summary proceedings, SROs, **13:302**
Tender offer challenges, **6:138**
Tipping, **7:159**
Trading privileges, denial of, **13:240**

ADMINISTRATIVE ENFORCEMENT ACTION
Whistleblower bounty program, successful action, **22:14**

ADMISSION OF WRONGDOING
Compromise and settlement, **13:166 et seq.**

ADVERTISING
Madoff Ponzi scheme, **20:2**

ADVISERS
See also Analysts (this index)
Insider trading liability, **7:652**

AFFINITY FRAUD
Madoff Ponzi scheme, **20:3**

AFFIRMATIVE DEFENSES
Foreign Corrupt Practices Act (FCPA) (this index)

AGGREGATE ACCOUNTING
Madoff Ponzi scheme, **20:6**

AGREEMENT PLANNING
See Transaction Planning (this index)

AIDER-ABETTORS
Generally, **8:327 et seq.**
Absence of benefit, **8:366**
Actions in concert, **8:294**
Administrative enforcement
Generally, **8:368 et seq.**

AIDER-ABETTORS—Cont'd
Administrative enforcement—Cont'd
Elements, **8:369**
Fact patterns, **8:370**
Injunctions, **8:371**
Violations, **8:370**
Benefit, **8:364 et seq.**
Conspirators compared, **8:292**
Court cases, **8:328 et seq.**
Criminal enforcement, **8:372**
Definitions, **8:349**
Elements, **8:352**
Extent of benefit, **8:367**
Extraordinary actions, **8:362**
High conscious intent, **8:358**
Inaction, **8:363**
Indirect-impersonal dealing, **7:98**
Injunctions, **8:371**
Insiders, **8:339, 8:340**
Insider trading, **7:449**
Janus Capital
Federal securities laws, applicability, **8:336 to 8:345**
Impact of Janus decision, **8:337**
Insiders, liability for statements of their corporations, **8:339, 8:340**
Legal entity, liability for statements of another, **8:338**
Observations and tentative conclusions, **8:342 et seq.**
Preparation for or assistance to another, **8:336 et seq.**
Rule 10b-5(a) and (c), **8:345**
SEC enforcement actions, applicability, **8:343**
Shield function, **8:341**
State law, applicability to, **8:344**
Knowledge of violation, **8:356 et seq.**
Legal entity, liability for statements of another, Janus Capital, **8:338**
Madoff Ponzi scheme, breach of fiduciary duty, **20:5**
Nature of benefit, **8:367**
Ordinary actions, **8:362**
Origins of doctrine, **8:351**

AIDER-ABETTORS—Cont'd
Parties and privity
Generally, **8:327 et seq.**
See also Parties (this index)
Pleading
Generally, **8:324**
Affirmative conduct, **8:321**
Choice of parties, **8:320**
Conspiracy, **8:325**
No affirmative conduct, **8:322**
Participation, **8:323**
Special elements, **8:326**
Preparation for or assistance to another, Janus Capital, **8:336 et seq.**
Presence of benefit, **8:365**
Primary violations, **8:355**
Privity
Implied liability, **8:279**
SA § 12(2), **8:269**
SA § 17(a), **8:279**
Sales fraud, **8:269**
Proximate cause, **8:360**
PSLRA, **8:347**
Requirements, **8:352**
Rule 10b-5 liability
Actions in concert, **8:294**
Aider-abettor liability, **8:327 et seq.**
Concerted action, **8:294**
Conspirators compared, **8:292**
Inducement, **8:295**
Injunction suits, **8:303**
Insiders, inducement by, **8:299**
Issuers, inducement by, **8:297**
Janus Capital, Rule 10b-5(a) and (c), **8:345**
Participants generally, **8:292**
Participants in violations generally, **8:294**
Pleading, **8:319 et seq.**
SEA § 20(f), **8:348**
Silence, **8:363**
State law, applicability of Janus Capital, **8:344**
Substantial assistance
Generally, **8:359 et seq.**
Extraordinary actions, **8:362**

AIDER-ABETTORS—Cont'd
Substantial assistance—Cont'd
Inaction, **8:363**
Ordinary actions, **8:362**
Proximate cause, **8:360**
Silence, **8:363**
Timing, **8:361**

ALLEGATIONS
Foreign Corrupt Practices Act (FCPA) (this index)

ALTERNATE ACCOUNT STATEMENTS
Madoff Ponzi scheme, **20:6**

ALTERNATIVE DISPUTE RESOLUTION
See Arbitration (this index)

AMERICAN LAW INSTITUTE (ALI)
Federal Securities Code, **1:23**
Integration of fraud rules, proposals for, **3:52**
IPA, current status, **3:154**

AMERICAN STOCK EXCHANGE (ASE)
Broker-dealer supervision requirements, **14:174**
Liabilities under SRO rules
Generally, **14:62 et seq.**
See also Self Regulatory Organizations (this index)

AMICUS CURIAE
Agency participation in private litigation
CFTC, **13:234**
SEC, **13:79**
SROs, **13:293**
Wells Submissions (this index)
Whistleblowers, Lawson v. FMR LLC, **22:21**

ANALOG DEVICES INC.
Backdating of stock options, **18:1, 18:10**

ANALYSTS
Full disclosure regulations, **7:528**

ANALYSTS—Cont'd
Sarbanes-Oxley Act, **3:168**

ANCILLARY RELIEF
Generally, **13:93**
Administrative enforcement
CFTC, **13:242**
SEC, **13:93**
SROs, **13:299**
CFTC injunctions and, **13:250**
Criminal enforcement
CFTC references, **13:260**
SEC references, **13:130**
Disgorgement (this index)
Injunctions (this index)
Insider trading actions, **7:490**
Rescission (this index)
Restitution (this index)
SEC injunctions
Generally, **13:107 et seq.**
For detailed treatment
See Injunctions (this index)

ANNUAL REPORTS
Generally, **6:242**
Proxies and proxy solicitations, **6:211**

ANNUITIES
Flexible fund annuities as securities, **5:25**
Variable annuities as securities, **5:23**

APPEARANCE
Arbitration (this index)

APPLE INC.
Backdating of stock options, **18:8**

APPRAISALS AND APPRAISAL RIGHTS
Generally, **6:192, 6:193**
Exclusive appraisal rights, **6:192**

APPROVAL
SEC investigations, use of wiretap, **13:151**

ARBITRATION
Generally, **15:1 to 15:77**
AAA arbitration, **15:8**
Agreements. Pre-dispute agreements, below

ARBITRATION—Cont'd
Amendments to pleadings, **15:21**
Appearance
Hearings, **15:25**
Sanctions for noncompliance with arbitral orders, **15:63**
Aspects, **15:60**
Awards
Generally, **15:50 et seq.**
Challenging awards, below
Equities, awards based on, **15:75**
Madoff feeder funds, awards against, **20:18**
Payment, **15:64**
Power of arbitrator to grant, **15:57**
Refusal to vacate, **15:59**
Sanctions for noncompliance. Sanctions, below
Briefs, **15:47**
Broker as hostile witness
Claimants' case, **15:30**
Respondents' case, **15:40**
Broker-dealer disputes
Clearing brokers, **15:72**
Correspondent introducing brokers, **15:72**
Equities, awards based on, **15:75**
Failure to supervise, **15:73**
Introducing brokers, **15:72**
Litigation and arbitration compared, **15:6**
Predispute agreements, **15:5**
Punitive damages, **14:111, 15:74**
Securities law, arbitral extensions, **15:71 et seq.**
Splitting the baby, **15:75**
SRO arbitration, **15:8**
Transaction Planning (this index)
Unsuitability, **15:73**
Witnesses, brokers as, **15:30, 15:40**
Challenging awards
Generally, **15:51 et seq.**
Authority, award exceeding, **15:57**
Common law grounds, **15:59**
Correction, **15:58**
Corruption, **15:54**
Evident partiality, **15:55**

ARBITRATION—Cont'd
Challenging awards—Cont'd
Federal Arbitration Act § 10(a)(1), **15:54**
Federal Arbitration Act § 10(a)(2), **15:55**
Federal Arbitration Act § 10(a)(3), **15:56**
Federal Arbitration Act § 10(a)(4), **15:57**
Federal Arbitration Act § 11, **15:58**
Fraud, **15:54**
Grounds, **15:53 et seq.**
Jurisdictional, **15:57**
Misconduct, **15:56**
Modification, **15:58**
Partiality, **15:55**
Power of arbitrator, award exceeding, **15:57**
Procedure, **15:52**
Refusal to vacate, **15:59**
Undue influence, **15:54**
Claimants' case
Attorneys' fees, **15:38**
Briefs, **15:47**
Broker as hostile witness, **15:30**
Closing, **15:46**
Costs, **15:38**
Cross-examination, defending against, **15:33**
Damages, **15:35**
Direct examination of witnesses, **15:31, 15:43**
Evidence rules, **15:32**
Expert witnesses
Generally, **15:34**
Cross examination, **15:42**
Interest, **15:38**
Mitigation of damages, **15:35**
Presentation, **15:29**
Punitive damages, **15:36, 15:37, 15:74**
Summation, **15:46**
Claims
Amendments to pleadings, **15:21**
Considerations before filing, **15:12**
Filing, **15:13**
Preparing, **15:13**

ARBITRATION—Cont'd
Claims—Cont'd
Responding to, **15:14**
Class actions, **15:67**
Clearing brokers, **15:72**
Considerations before filing claims, **15:12**
Consolidation, **15:18**
Correction, challenging awards, **15:58**
Correspondent introducing brokers, **15:72**
Corruption challenges to awards, **15:54**
Court cases, **15:3, 15:71**
Cross-examination
Claimants' case, **15:33**
Respondents' case, **15:41, 15:44**
Customer, defined, **15:10**
Damages
Attorneys' fees, **15:38**
Costs, **15:38**
Interest, **15:38**
Mitigation of damages, **15:35**
Punitive damages, **15:36, 15:37, 15:74**
Definition of customer, **15:10**
Development of securities industry arbitration, **15:4**
Disciplinary authority
References to by arbitration, **15:62**
Relationship to arbitration, **15:61**
Disciplinary sanctions
Arbitral awards, failure to pay, **15:64**
Noncompliance with arbitral orders for production of documents or appearance, **15:63**
Discovery, **15:15, 15:63**
Equities, awards based on, **15:75**
Evidence, prejudicial material offered in, **15:19**
Evidence rules, **15:32**
Exchange arbitration systems, **15:8**
Expert witnesses
Claimants' experts, **15:34**
Cross examination, **15:42**
Respondents' experts, **15:45**

ARBITRATION—Cont'd
Expungement, **15:70**
Failure to supervise, **15:73**
Filing claims
Generally, **15:13**
Amendments to pleadings, **15:21**
Fraud challenges to awards, **15:54**
Hearings
Generally, **15:26 et seq.**
Adjournments, **15:23**
Appearances, **15:25**
Awards, **15:50 et seq.**
Briefs, **15:47**
Broker as hostile witness, **15:30, 15:40**
Claimants' case, **15:29**
Closing, **15:46**
Cross-examination
Claimants' case, **15:33**
Respondents' case, **15:41, 15:44**
Direct examination
Claimants' case, **15:31**
Respondent's case, **15:43**
Evidence rules, **15:32**
Expert witnesses
Claimants' experts, **15:34**
Cross examination, **15:42**
Respondents' experts, **15:45**
Failure to appear, **15:25**
Opening statements, **15:28**
Posthearing procedures, **15:48 et seq.**
Prehearing procedures, **15:11 et seq.**
Records of proceedings, **15:24**
Reopening, **15:49**
Respondents' case, **15:39 et seq.**
Sequestration of witnesses, **15:27**
Situs of, **15:20**
Summation, **15:46**
Implied liabilities under SRO rules, **14:72**
Introducing brokers, **15:72**
Joinder, **15:18**
Jurisdictional challenges, **15:57**
Limitation of actions, **15:9**
Litigation compared, **15:6**

ARBITRATION—Cont'd
Madoff feeder funds, awards against, **20:18**
Margin rules, applicability in, **14:61**
McMahon case, **15:3, 15:71**
Mediation, **15:69**
Mitigation of damages, **15:35**
Modification, challenging awards, **15:58**
Orders, noncompliance sanctions
Appearance, **15:63**
Production of documents, **15:63**
Partiality challenges to awards, **15:55**
Payment, disciplinary sanctions for failure to pay arbitral awards, **15:64**
Pleadings, **15:21**
Posthearing procedures
Generally, **15:48 et seq.**
Reopening the hearing, **15:49**
Pre-dispute agreements
Generally, **15:5**
Clearing brokers, **15:72**
Development, **15:4**
Transaction planning, **12:11**
Validity, **15:3, 15:71**
Prejudicial material offered in evidence, **15:19**
Preparing claims, **15:13**
Procedures
Generally, **15:11 et seq.**
AAA arbitration, **15:8**
Adjournments, **15:23**
Amendments to pleadings, **15:21**
Awards, **15:50 et seq.**
Briefs, **15:47**
Consolidation, **15:18**
Cross-examination
Claimants' case, **15:33**
Respondents' case, **15:41, 15:44**
Discovery, **15:15, 15:63**
Evidence rules, **15:32**
Exchange arbitration systems, **15:8**
Filing claims, **15:13**
Hearings, above
Joinder, **15:18**
Jurisdictional challenges, **15:57**
Pleadings, **15:21**

ARBITRATION—Cont'd
Procedures—Cont'd
Posthearing process, **15:48 et seq.**
Prehearing, **15:11 et seq.**
Prejudicial material offered in evidence, **15:19**
Preparing claims, **15:13**
Reopening the hearing, **15:49**
Respondents' case, **15:39 et seq.**
Responding to claims, **15:14**
Selection of arbitrators, **15:16**
Sequestration of witnesses, **15:27**
Severance, **15:18**
Situs of hearing, **15:20**
SRO arbitration, **15:8**
Production of documents, disciplinary sanctions for noncompliance with arbitral orders, **15:63**
Punitive damages
Generally, **15:36, 15:37, 15:74**
Broker-dealer liability, **14:111**
Records of proceedings, **15:24**
Respondents' case
Generally, **15:39 et seq.**
Briefs, **15:47**
Broker as hostile witness, **15:40**
Closing, **15:46**
Cross-examination, defending against, **15:41, 15:44**
Expert witnesses, **15:45**
Summation, **15:46**
Responding to claims, **15:14**
RICO claims, **15:66**
Rodriguez case, **15:3, 15:71**
Sanctions
Appearance, **15:63**
Payment, **15:64**
Production of documents, **15:63**
Securities law, arbitral extensions, **15:71 et seq.**
Selection of arbitrators, **15:16**
Sequestration of witnesses, **15:27**
Severance, **15:18**
Six-year eligibility rules, **15:9**
SRO arbitration, **15:8**
SRO rules, implied liabilities, **14:72**
Successful and unsuccessful cases, **15:7**

ARBITRATION—Cont'd
Suitability rules, **14:205**
Transaction planning, **12:11**
Undue influence challenges to awards, **15:54**
Unsuitability, **15:73**
Validity of arbitration provisions, **15:3, 15:71**
Witnesses
Broker as hostile witness, **15:30, 15:40**
Cross-examination
Claimants' case, **15:33**
Respondents' case, **15:41, 15:44**
Direct examination
Claimants' case, **15:31**
Respondent's case, **15:43**
Evidence rules, **15:32**
Expert witnesses
Claimants' experts, **15:34**
Cross examination, **15:42**
Respondents' experts, **15:45**
Sequestration, **15:27**

ARGUMENTS
Rajaratnam criminal case. Insiders and Insider Trading (this index)

ARREST
Criminal inside trading, Raj Rajaratnam, **21:4**

ASE
See American Stock Exchange (this index)

ASSET MANAGEMENT UNIT
SEC investigations, **20:12**

ASSETS
Disclosure requirements
Generally, **6:261 et seq., 6:267**
Assets
Reasons, **6:273**
Value of assets, below
Existence of assets, **6:262**
Misrepresentations of value of assets
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**

ASSETS—Cont'd
Disclosure requirements—Cont'd
Value of assets
Generally, **6:263 et seq.**
Firm offers, **6:265**
Hard data, **6:264**
Misrepresentations
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
Modified view
Disposition plans, **6:266**
Hard data, **6:264**
Other situations, **6:268**
Policies, **6:269**
Reasons, **6:269**
Replacement costs, **6:267**
Traditional view, **6:263**
Freezes, SEC, **13:100**
Insider use of information about, **7:206**
Sales. See Mergers (this index)

ATTORNEY-CLIENT PRIVILEGE
Whistleblower bounty program, original information, **22:8**

ATTORNEY GENERAL ERIC SCHNEIDERMAN OF NEW YORK
Coordinated investigations following subprime mortgage crisis, **13:336**

ATTORNEYS
Generally, **8:409 et seq.**
Actions against attorneys by SEC. SEC actions against, below
Actions in concert, **8:294**
Aider-Abettors (this index)
Backdating of stock options, **18:7, 18:11**
Chinese walls
Generally, **7:343 et seq.**
Evolution of rule, **7:344**
Operation, **7:345**
Conflicts of interest
CFTC investigations, **13:207**
SEC investigations, **13:15**
SRO investigations, **13:277**

ATTORNEYS—Cont'd
Conspiracies, **8:304 et seq.**
Control person liability, **8:373 et seq.**
Investigations
Generally, **13:1 et seq.**
See also Investigations (this index)
Backdating of stock options, **18:7, 18:11**
CFTC cases, **13:219**
SEC cases, **13:27**
SRO cases, **13:281**
Issuers, advisers to as insiders, **7:569**
Madoff Ponzi scheme, compliance counsel, **20:5**
Misrepresentations
Generally, **8:411**
Bond counsel issuing improper legal opinion, SEC actions against, **8:442**
Participation, **8:410**
Multiple clients
CFTC investigations, **13:207**
SEC investigations, **13:15**
SRO investigations, **13:277**
Parties and privity
Generally, **8:409 et seq.**
See also Parties (this index)
"PIPE" schemes, SEC actions against, **8:443**
Privileges
Generally, **13:31 et seq.**
Attorney-client
Generally, **13:36**
Waiver, **13:37 et seq.**
CFTC investigations, **13:223**
Claiming, strategic considerations, **13:61 to 13:65**
SEC investigations, **13:31 et seq.**
Self incrimination
Generally, **13:32**
Waiver, **13:33**
SRO investigations, **13:285**
Waiver, **13:33, 13:37 et seq.**
Work product, **13:55, 13:59**
Professional conduct rules, **8:425**
"Pump-and-dump" schemes, SEC actions against, **8:443**
Regulation, **8:424 et seq.**

ATTORNEYS—Cont'd
Right to counsel
CFTC investigations, **13:206**
SEC investigations, **13:14**
SRO investigations, **13:276**
Rule 10b-5 liability
Generally, **8:409 et seq.**
Actions in concert, **8:294**
Aider-abettor liability, **8:327 et seq.**
Concerted action, **8:294**
Conspiracies, **8:304 et seq.**
Control person liability, **8:373 et seq.**
Inducement, **8:295**
Injunction suits, **8:303**
Insiders, inducement by, **8:299**
Issuers, inducement by, **8:297**
Misrepresentations
Generally, **8:411**
Participation, **8:410**
Observations, **8:412**
Participants generally, **8:292**
Participants in violations generally, **8:294**
Pleading
Generally, **8:319 et seq.**
Affirmative conduct, **8:321**
Aiding-abetting, **8:324**
Choice of parties, **8:320**
Conspiracy, **8:325**
No affirmative conduct, **8:322**
Participation, **8:323**
Special elements, **8:326**
Sarbanes-Oxley Act
Generally, **3:156 et seq., 3:165, 8:424 et seq.**
Follow-up reporting obligations, **8:427**
Reporting obligations, **8:426**
SEC, reporting to, **8:432 et seq.**
SEC actions against attorneys, below
SEC
Actions against attorneys. SEC actions against, below
Reporting obligations, **8:432 et seq.**

ATTORNEYS—Cont'd
SEC—Cont'd
Rulemaking authority as to, **3:5**
SEC actions against
Generally, **8:436 et seq.**
Auditors, furnishing false information to, **8:440**
Backdating of stock options, **18:11**
Financial or accounting fraud, **8:440**
Form 8-K, **8:439**
Form 10, **8:439**
Form 10-K, **8:439**
Form 10-Q, **8:439**
Form 13D, **8:439**
Form ADV, **8:439**
Form BD, **8:439**
Forms 12b-25, **8:445**
Manipulating stock option exercise dates, **8:444**
Offering circulars, **8:439**
Participating in preparation and filing of false and misleading forms, **8:439**
"PIPE" schemes, involvement, **8:443**
Prospectuses, **8:439**
Proxy statements, **8:439**
"Pump-and-dump" schemes, involvement, **8:443**
Reflections, **8:448**
Trading on inside information, **8:447**
Unethical and obstructive professional conduct, **8:446**
Unregistered distributions of securities, activities in connection with, **8:441**
Second-guessing disclosure counsel, **8:423**
Securities and Exchange Commission (SEC). SEC, above
Securities professionals as insiders, **7:572**
SRO investigations, right to counsel in, **13:276**
Wells Submissions (this index)

ATTORNEYS' FEES
Generally, **9:18**
Arbitrations, **15:38**
Broker-dealer liability, **14:53**
Contribution, **9:75**
Enforcement investigations, **13:39, 13:45, 13:58**
Transaction planning, allocations, **9:75**

AUCTION RATE SECURITY (ARS) LITIGATION
Coordinated SEC-state-SRO investigations, generally, **13:322 et seq.**
Criminal aspects, **13:330**
Government regulatory suits, **13:329**
Investor recovery as objective, **13:324**
Private litigation, **13:327, 13:328**
Securities and market, **13:325**
Seller management liability, **13:330**
State law, private litigation, **13:328**
Violations, **13:326**

AUDIT COMMITTEES
Generally, **8:449 et seq.**
See also Directors, Corporate (this index)
Backdating of stock options, resignations and firings, **18:7**
Financial experts, Sarbanes-Oxley Act liabilities, **3:166**

AUDITORS
Indirect-impersonal dealing, GAAP violations, **7:70**
Injunctions, ancillary relief, **13:113**
Madoff Ponzi scheme, **20:9**
Sarbanes-Oxley Act oversight standards, **8:453**

AUDIT RECORDS
Sarbanes-Oxley Act actions based on, **3:171**

AVERAGE ANNUAL RETURNS
Madoff Ponzi scheme, **20:2**

AWARDS
Arbitration (this index)

BACKDATING OF STOCK OPTIONS
Generally, **18:1 et seq.**
Accounting rules, violations, **18:4**
Acquisitions, mergers, and underwritings, effect on, **18:12**
Analog Devices Inc., **18:1, 18:10**
Annual, quarterly, or periodic reports, false or misleading statements, **18:3**
Apple Inc., **18:8**
Bed Bath and Beyond, response to inquiry, **18:8**
Brooks Automation Inc., **18:1**
Bullet-dodging, **18:1**
Comverse Technology Inc., **18:1, 18:11**
Derivative actions by stockholders, **18:10**
DOJ investigations, **18:6, 18:8**
Employee recruitment incentive, **18:10**
End of options backdating, **18:15**
Exchange delisting, **11:9**
Expired option exercise, **18:1**
False and misleading financial statements, **18:3**
Falsifying corporate books and records, **18:3**
Federal securities laws, violations, **18:3**
Fictitious or untimely names, **18:1**
Forward-dating, **18:1**
Hedge funds, delayed filings of financial statements, **18:9**
In-house general counsel, criminal prosecution, **18:11**
Internal accounting controls, failure to implement system, **18:3**
"In-the-money" options
Accounting rules, violations, **18:4**
Individual circumstances caveat, **18:2**
"Reloading," **18:1**
Investigations and actions by government, **18:6, 18:8**
IRC violations, **18:5**
Legal backdating, **18:2**

BACKDATING OF STOCK OPTIONS—Cont'd
Manipulating option exercise dates, **18:14**
McAfee, Inc., **18:11**
Mercury Interactive Corp., **18:1, 18:10**
Micrel recruitment incentive, **18:10**
Monster Worldwide Inc., **18:7, 18:11**
Private litigation, **18:10**
Proxy solicitation involving false and misleading statements, **18:3**
Recklessness or intent to defraud, **18:3**
"Reloading" with "in-the-money" options, **18:1**
Resignations and firings, **18:7**
Restatements and delayed filings of financial statements, **18:9**
Reyes conviction, **18:16**
Secret slush fund of backdated options, **18:2, 18:3**
Sloppy, careless, or mistaken backdating, **18:2**
Springloading, **18:1**
Springloading and bullet dodging, **18:13**
Sycamore Networks Inc. employee hire date practices, **18:10**
Tax law implications and violations, **18:5**
UnitedHealth Group Inc., **18:1, 18:5, 18:8, 18:10**
Violations of federal securities laws, **18:3**
Vitesse Semiconductor Corp., **18:1**
Wider ramifications, **18:6**

"BACK-OFFICE" EMPLOYEES
Madoff Ponzi scheme, **20:9**

BAD FAITH
Generally, **8:210 et seq.**
See also Good Faith (this index)
Burden of proof, **8:219**
Effect of good or bad faith generally, **8:216 et seq.**
Good reputation, effect of, **8:218**
Insufficiency, **8:215**
Necessity of, **8:212, 8:213**

BAD FAITH—Cont'd
Proof, **8:220**
Scienter
Generally, **8:210 et seq.**
Burden of proof, **8:219**
Effect of good or bad faith generally, **8:216 et seq.**
Good reputation, effect of, **8:218**
Insufficiency, **8:215**
Necessity of, **8:212, 8:213**
Proof, **8:220**
Sufficiency, **8:214**
Sufficiency, **8:214**
Versions of scienter, relations among, **8:211**

BAIL IN SECURITIES PROSECUTIONS
Insiders and Insider Trading (this index)

BALANCE SHEETS
Off-balance sheet transactions, Sarbanes-Oxley Act, **8:413**

BANCO SANTANDER
Madoff feeder funds, globalization, **20:21**

BANKERS
Investment Bankers (this index)

BANKS
Tender offer regulation, **6:29**

BASIC CASE
Private actions, loss causation in Supreme Court decision, **8:565**

BED BATH AND BEYOND
Backdating of stock options, response to inquiry, **18:8**

BELIEF
Defendant's belief
Rule 10b-5 fraud, **8:240**
Scienter
Burden of proof, **8:74, 8:77**
Expert parts of registration statements, **8:76 et seq.**
Proof, **8:75, 8:78**

BELIEF—Cont'd
Defendant's knowledge and belief
Broker-dealer fraud, **8:141**
Burden of proof, **8:141**
Proxy fraud
Generally, **8:126 et seq.**
Burden of proof, **8:127**
Proof, **8:128**
Scienter, **8:141**
Tender offer fraud
Generally, **8:133 et seq.**
Burden of proof, **8:134**
Proof, **8:135**
Intent (this index)
Knowledge (this index)
Proxy fraud, defendant's knowledge and belief
Generally, **8:126 et seq.**
Burden of proof, **8:127**
Proof, **8:128**
Scienter
See also Scienter (this index)
Defendant's belief
Burden of proof, **8:74, 8:77**
Expert parts of registration statements, **8:76 et seq.**
Proof, **8:75, 8:78**
Tender offer fraud, defendant's knowledge and belief
Generally, **8:133 et seq.**
Burden of proof, **8:134**
Proof, **8:135**

BESPEAKS CAUTION DOCTRINE
Generally, **8:2**
Nondisclosure liability, **8:2**
Safe harbor for predictions and projections, **7:22**

BIRNBAUM RULE
Generally, **5:70**
Interrelations of fraud rules generally, **3:50**
Supreme Court's dispositions, **5:71**

BITCOIN
Background, **25:3**

BLACKOUTS
Insider trading, director and officer trading during, **7:161**

BLANK CHECK COMPANIES
Penny stock sales, **14:145**

BLOCKCHAIN
Cryptocurrencies (this index)

BLUE CHIP CASE
Private actions, loss causation in Supreme Court decision, **8:560**

BLUE SKY LAWS
See State Law (this index)

BONDS
Actions on, SLUSA limitations, **3:211**
Municipal securities, suitability rules, **14:193**

BOOK VALUE
Value indicators generally, **5:162**

BORAK DECISION
Private actions, loss causation in Supreme Court decision, **8:557**

BOUNTY PROGRAMS
Whistleblowers (this index)

BREACH OF FIDUCIARY DUTY
Madoff Ponzi scheme, **20:5**

BREAKPOINT DISCOUNTS
Mutual fund violations, sales charges, **17:15**

BRIBERY
Foreign Corrupt Practices Act (FCPA), undisclosed payments to foreign government officials, **19:1 et seq.**

BRIEFS
SEC proceedings, **1:13**
Wells Submissions (this index)

BROKER-DEALER LIABILITY
Generally, **14:1 et seq.**
See also Direct-Personal Dealing (this index)

BROKER-DEALER LIABILITY —Cont'd
Accumulation of stock, manipulation by, **7:134**
Aider-abettor liabilities, **7:449**
Arbitration
See also Arbitration (this index)
Clearing brokers, **15:72**
Correspondent introducing brokers, **15:72**
Equities, awards based on, **15:75**
Failure to supervise, **15:73**
Introducing brokers, **15:72**
Litigation compared, **15:6**
Punitive damages, **14:111, 15:74**
Securities law, arbitral extensions, **15:71 et seq.**
Splitting the baby, **15:75**
SRO arbitration procedures, **15:8**
Suitability rules, **14:205**
Unsuitability, **15:73**
Witnesses, brokers as, **15:30, 15:40**
Attorneys' fees, **14:53**
Awareness of MNPI
Generally, **7:316, 7:349 et seq.**
Possession distinguished, **7:349**
Bar orders against individuals, **13:87**
Blank check companies, **14:145**
Broker's knowledge, **14:41**
Burden of proof
Express actions, **14:42**
Insider trading charges, **7:366**
Business judgment standard, **7:50**
Capping, **7:136**
Causation, **14:91 et seq.**
Chinese walls
Generally, **7:343 et seq.**
Evolution of rule, **7:344**
Operation, **7:345**
Churning (this index)
Circular trading, **7:135**
Class actions
SA § 11, **14:18**
SA § 12, **14:57**
Clearing brokers, **15:72**
Collateral bar orders against individuals, **13:87, 13:88**

BROKER-DEALER LIABILITY —Cont'd
Commissions, **5:133**
Connection requirement
Commissions, **5:133**
Kickbacks, **5:133**
Contraction era, compensatory damages in, **14:105**
Control, churning, **14:113**
Control person liability
Generally, **7:451 et seq., 8:373 et seq., 8:394 et seq.**
All control persons, **7:453**
Amount of liability, **7:459**
Broker-dealer control persons, **7:456**
B test, **7:456**
Contribution to violation, **7:458**
Failure to act, **7:455**
Investment adviser control persons, **7:456**
Knowledge
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Penalties, **7:440**
Policy/procedure failures, **7:457**
Private actions against, **7:486, 7:512**
Reckless disregard
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Requirements, **7:452**
Respondeat superior liability, **7:450**
Substantial contribution to violation, **7:458**
A test, **7:453**
Cornering the market, **7:134**
Correspondent introducing brokers, **15:72**
Costs in express actions, **14:53**
Criminal prosecutions
Generally, **7:460 et seq.**
Amount of penalties, **7:466**
Disgorgement, **7:465**
Judge or jury, **7:467**

BROKER-DEALER LIABILITY —Cont'd
Criminal prosecutions—Cont'd
Mail and wire fraud, **7:463**
Penalties, **7:466**
Restitution, **7:465**
RICO, **7:464**
Securities violations, **7:462**
Cross trading
Generally, **14:128**
Manipulation, **7:135**
Crowdfunding, **14:215**
Cybersecurity, **26:4, 26:5**
Damages
Express actions, **14:46, 14:51**
Implied actions, **14:95 et seq.**
SA § 11, **14:15**
Debt securities markups, **14:163**
Defenses to insider trading charges
Amount defined, **7:355**
Binding contract defense, **7:351**
Burden of proof, **7:369**
Common terms and issues, **7:355 et seq.**
Date defined, **7:357**
Delegation alternative to amount, price and date, **7:358**
Exclusiveness of defenses, **7:360**
Institutional defenses, **7:361**
Instructions defense, **7:352**
Overriding limitations, **7:359**
Price defined, **7:356**
Relation to other laws, **7:362**
Systematic plans defense, **7:353**
Tracking plans defense, **7:354**
Direct and indirect dealings, **4:1**
Disclosures
Corrections, **6:312**
Markup and markdown practices, **14:149**
Due diligence defense
Generally, **14:5**
Misrepresentation claims, consideration of, **7:52**
SEC view, **14:9**
Equities, arbitration awards based on, **15:75**

BROKER-DEALER LIABILITY —Cont'd
Excessive trading
Generally, **14:114 et seq.**
See also Churning (this index)
Benchmark for, **14:116 et seq.**
Commission ratios, **14:119 et seq.**
Cross trading, **14:128**
Frequency of trades, **14:122**
In-and-out trading, **14:122**
Loss ratio, **14:126**
Number of trades, **14:122**
Quality of securities purchased, **14:127**
Six, rule of, **14:116 et seq.**
Turnover rate, **14:115**
Expert testimony, churning, **14:132**
Express actions
Generally, **14:2 et seq.**
Attorneys' fees, **14:53**
Broker as defendant
SA § 12(a)(1), **14:20**
SA § 12(a)(2), **14:28**
Broker's knowledge, **14:41**
Burden of proof, **14:42**
Class actions
SA § 11, **14:18**
SA § 12, **14:57**
Costs, **14:53**
Damages
Generally, **14:46, 14:51**
SA § 11, **14:15**
Integrated disclosure systems, **14:7**
Interest, **14:48**
Limitation of actions
Generally, **14:17**
SA § 12(a)(1), **14:25**
SA § 12(a)(2), **14:56**
Misrepresentations, **14:39**
Offerors, brokers as
SA § 12(a)(1), **14:22**
SA § 12(a)(2), **14:29 et seq.**
Omissions, **14:39**
In pari delicto defense, **14:21**
Privity, **14:34**
Proximate cause, **14:35**
Punitive damages, **14:54**

BROKER-DEALER LIABILITY —Cont'd
Express actions—Cont'd
Purchaser, plaintiff as
SA § 12(a)(1), **14:23**
SA § 12(a)(2), **14:44**
Purchaser's knowledge, **14:40**
Recovery, **14:45 et seq.**
Rescission, **14:46, 14:50**
SA § 11
Generally, **14:2 et seq., 14:3 et seq.**
Court cases, **14:6**
Damages, **14:15**
Due diligence defense
Generally, **14:5**
SEC view, **14:9**
Integrated disclosure systems, **14:7**
Later filings, effect of, **14:10**
Non-managing underwriters, **14:13**
Participating underwriters, **14:13**
Policy considerations, **14:12**
Reasonable investigation defense
Generally, **14:5**
Integrated disclosure systems, **14:7**
SEC Rule 176, **14:8**
Reasonable investigation requirement, **14:11**
SEC Rule 176, **14:7**
SEC Rule 412, **14:7**
SEC view of due diligence techniques, **14:9**
Underwriters
Generally, **14:4**
Due diligence, **14:14**
SA § 12(a)(1)
Generally, **14:19 et seq.**
Broker as defendant, **14:20**
Class actions, **14:57**
Exemptions from SA § 5, **14:24**
Limitation of actions, **14:25**
Offerors, brokers as, **14:22**
In pari delicto defense, **14:21**

BROKER-DEALER LIABILITY —Cont'd
Express actions—Cont'd
SA § 12(a)(1)—Cont'd
Purchaser, plaintiff as, **14:23**
Sellers, brokers as, **14:22**
Violations of SA § 5, **14:26**
SA § 12(a)(2)
Generally, **14:27 et seq.**
Attorneys' fees, **14:53**
Broker as defendant, **14:28**
Broker's knowledge, **14:41**
Burden of proof, **14:42**
Class actions, **14:57**
Costs, **14:53**
Damages, **14:46, 14:51**
Interest, **14:48**
Limitation of actions, **14:56**
Misrepresentations, **14:39**
Offerors, brokers as, **14:29 et seq.**
Omissions, **14:39**
Pinter case, **14:30, 14:38**
Privity, **14:34**
Proximate cause, **14:35**
Punitive damages, **14:54**
Purchaser, plaintiff as, **14:44**
Purchaser's knowledge, **14:40**
Reasonable care, **14:43**
Reasonable investigation requirement, **14:43**
Recovery, **14:45 et seq.**
Rescission, **14:46, 14:50**
SEA § 10(b) and, overlap between, **14:55**
Sellers, brokers as, **14:29 et seq.**
Substantial factor in sale, broker as, **14:35**
Tax considerations, **14:48**
Tender, **14:49**
Transactional coverage, **14:58**
Sellers, brokers as
SA § 12(a)(1), **14:22**
SA § 12(a)(2), **14:29 et seq.**
Substantial factor in sale, broker as, **14:35**
Tax considerations, **14:48**
Violations of SA § 5, **14:26**

BROKER-DEALER LIABILITY —Cont'd
Failure to supervise, **15:73**
Fiduciary criteria and insider liability
Generally, **7:561 et seq.**
Contraction era, **7:576**
Creation
Generally, **7:567**
Advisers to issuers, **7:569**
Business associates of issuers, **7:570**
Law characterizing relation, **7:573**
Position with issuer, **7:568**
Prior dealings, creation by, **7:571**
Securities professionals, **7:572**
Criteria, **7:561 et seq.**
Expansion era, **7:574**
Issuers, **7:565**
Market insiders, **7:575**
Suitability, **14:202, 14:206**
With whom must relationship exist, **7:562 et seq.**
Flexible fund annuities, **5:24**
Front running manipulation
Generally, **7:139 et seq.**
Court cases, **7:142**
SEC interpretations
Generally, **7:140**
Decisions, **7:142**
SRO interpretations
Generally, **7:140**
Criticisms, **7:141**
Decisions, **7:142**
Insider trading, **7:168**
Full disclosure regulations, analysts' roles, **7:528**
Good faith, **7:53**
Guidelines for information releases, **7:54**
Implied actions
See also Implied Liability (this index)
Margin rules
Generally, **14:59**
Arbitration, use in, **14:61**
Court cases, **14:60**

BROKER-DEALER LIABILITY —Cont'd
Implied actions—Cont'd
Margin rules—Cont'd
SEA § 7, **14:59**
Rule 10b-5
Generally, **14:73 et seq.**
Causation, **14:91 et seq.**
Connection requirement, **14:94**
Contraction era, compensatory damages in, **14:105**
Damages, **14:95 et seq.**
Elements of action, **14:74**
Issuer misrepresentations, **14:76**
Issuer nondisclosures, **14:77**
Justifiable reliance, **14:89**
Market misrepresentations, **14:78**
Market nondisclosures, **14:79**
Materiality, **14:82**
Misrepresentation, **14:75 et seq.**
Mitigation of damages, **14:102**
Nondisclosure, **14:75 et seq.**
Opinions, **14:81**
Out-of-pocket damages, **14:103**
Predictions, **14:81**
Proximate cause, **14:92**
Punitive damages, **14:106 et seq.**
Recklessness, **14:83 et seq.**
Recommendations, **14:81**
Reliance, **14:86 et seq.**
Rescission
Chasins measure, **14:97**
Lost profits, **14:101**
Nye measure, **14:101**
Rolf measure, **14:100**
Restitution, **14:104**
Scienter, **14:83 et seq.**
SRO rules
Generally, **14:62 et seq.**
Arbitration, **14:72**
Buttrey doctrine, **14:65**
Colonial Realty doctrine, **14:64**
Contraction era, **14:71**
Court cases, **14:64 et seq.**
Expansion era, **14:63 et seq.**
In-and-out trading, **14:122**

BROKER-DEALER LIABILITY —Cont'd
Indemnification, **9:76**
Information release guidelines, **7:54**
Inquiry duties of brokers, **14:189**
Insider trading
Generally, **7:213 et seq., 7:557 et seq.**
See also Insiders and Insider Trading (this index)
Access criteria, **7:560**
Acquisitions, **7:214**
Administrative enforcement
Generally, **7:415 et seq., 7:416 et seq.**
Ancillary relief, **7:419, 7:437**
Civil penalties, **7:420**
Disgorgement, **7:418, 7:425 et seq.**
Hearing, right to, **7:424**
Injunctive actions
Generally, **7:422 et seq.**
Disgorgement orders, **7:425 et seq.**
Hearing, right to, **7:424**
Judge or jury, **7:421**
Sanctions, **7:417**
Aider-abettors, **7:449**
Burden of proof
Generally, **7:366**
Defenses, **7:369**
Institutions, **7:367**
Buyers, **7:563**
Congressional intent, **7:559**
Connection with requirement
Market transactions, **7:370**
Rule 10b-5, **7:370**
Rule 14e-3, **7:371**
Tender offers, **7:371**
Contraction era, **7:561 et seq.**
Control person liability
Generally, **7:451 et seq.**
All control persons, **7:453**
Amount of liability, **7:459**
Broker-dealer control persons, **7:456**
B test, **7:456**
Contribution to violation, **7:458**

BROKER-DEALER LIABILITY —Cont'd
Insider trading—Cont'd
Control person liability—Cont'd
Failure to act, **7:455**
Investment adviser control persons, **7:456**
Knowledge
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Penalties, **7:440**
Policy/procedure failures, **7:457**
Reckless disregard
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Requirements, **7:452**
Respondeat superior liability, **7:450**
Substantial contribution to violation, **7:458**
A test, **7:453**
Criminal enforcement, **7:465**
Damages, **7:488**
Defenses, burden of proving, **7:369**
Disgorgement, **7:465**
Expansion era, **7:560**
Institutions, burden of proof, **7:367**
Issuers, applicability to, **7:565**
Judge or jury
Criminal proceedings, **7:467**
SEC penalty actions, **7:446**
Martha Stewart case
Generally, **7:403 et seq.**
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Scienter, generally, **7:403 et seq.**
Sufficiency of evidence test, **7:408**

BROKER-DEALER LIABILITY —Cont'd
Insider trading—Cont'd
Motion practice, **7:365**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**
Suits by, **7:504**
Parties, **7:363**
Pleading
Generally, **7:364**
Scienter, **7:398**
Policies, preventive
Generally, **7:468 et seq., 7:470**
Control person liabilities for failure to have, **7:457**
Education, **7:473**
Information policies and procedures, **7:474**
Investment advisers, **7:470**
Nature of policies and procedures, **7:472**
Organizations, requirements for, **7:471**
Procedures, **7:476**
Sanctions for violations, **7:477**
Tipping policies, **7:475**
Trading policies, **7:475**
Private actions
Generally, **7:478 et seq., 7:491 et seq.**
Amount of liability, **7:488, 7:521 et seq.**
Ancillary relief, **7:490, 7:525**
Background, **7:501**
Causation, **7:517**
Contemporaneous traders, actions by, **7:503 et seq.**
Control persons, actions against, **7:486, 7:512**
Convertibles traders, suits by, **7:508**
Damages, **7:488, 7:521 et seq.**
Elements of action, **7:514 et seq.**
Express causes of action, **7:478 et seq.**

BROKER-DEALER LIABILITY —Cont'd
Insider trading—Cont'd
Private actions—Cont'd
Fiduciary theory, **7:498**
Implied causes of action, **7:491 et seq., 7:493 et seq.**
Market, relation of parties to, **7:493 et seq.**
Misappropriation theory, **7:499**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**
Suits by, **7:504**
Option traders, suits by, **7:507**
Other liabilities, relation to, **7:489**
Parties defendant, **7:483, 7:509**
Parties plaintiff
Express causes of action, **7:480 et seq.**
Implied actions, **7:502 et seq.**
Relation to other liabilities, **7:489, 7:524**
Reliance, **7:516**
Rule 10b-5, **7:497 et seq.**
Rule 14e-3, **7:500**
Same class of securities, actions by traders in, **7:482, 7:506**
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**
Suits by, **7:505**
Standing, **7:520**
Tippers, actions against, **7:485, 7:511**
Traders
Actions against, **7:484, 7:510**
Contemporaneous, suits by, **7:481**
Who can be sued, **7:483, 7:509**
Who can sue, generally, **7:502**
Who may sue
Express causes of action, **7:480 et seq.**

BROKER-DEALER LIABILITY —Cont'd
Insider trading—Cont'd
Private actions—Cont'd
Who may sue—Cont'd
Implied actions, **7:502 et seq.**
Procedural aspects, **7:363 et seq.**
Proof, **7:368**
Publicity, **7:216**
Quantum of proof, **7:366, 7:367**
Recommendations, **7:215**
Relationships subject to regulation, **7:562 et seq.**
Respondeat superior liability, **7:450**
RICO, **7:414, 7:464**
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**
Suits by, **7:505**
Scienter
Generally, **7:372 et seq.**
Fiduciary theory
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**
Mail and wire fraud, **7:413**
Martha Stewart case
Generally, **7:403 et seq.**
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Sufficiency of evidence test, **7:408**
Misappropriation theory
Tippers, **7:382**
Trading insiders, **7:378**
Trading tippees, **7:386**
Pleading, **7:398**

BROKER-DEALER LIABILITY —Cont'd
Insider trading—Cont'd
Scienter—Cont'd
Proof, **7:399 et seq.**
Rule 10b-5, **7:374 et seq.**
Rule 14e-3, **7:412**
Tippers
Generally, **7:379 et seq.**
Proof, **7:401**
Trading insiders
Generally, **7:375 et seq.**
Proof, **7:400**
Trading tippees
Generally, **7:383 et seq.**
Proof, **7:402**
SEC efforts to define, **7:559**
SEC penalty actions
Generally, **7:438**
Aider-abettors, **7:449**
Amount of penalty
Control persons, **7:459**
Court-imposed, **7:439**
Bounties, **7:445**
Control persons, penalties imposed on, **7:440**
Court imposed penalties, **7:439**
Disposition of penalties, **7:445**
Double jeopardy limitations, **7:443**
Factors considered in imposition of penalties, **7:442**
Informants, awards to, **7:445**
Judge or jury, **7:446**
Maximum penalties imposed, **7:441**
Persons liable
Generally, **7:447**
Aider-abettors, **7:449**
Employers, **7:450**
Respondeat superior liability, **7:450**
Tippers, **7:448**
Traders, **7:448**
Respondeat superior liability, **7:450**
Settled penalties, **7:444**

BROKER-DEALER LIABILITY —Cont'd
Insider trading—Cont'd
SEC penalty actions—Cont'd
Tippees, penalties imposed on, **7:439**
Traders, penalties imposed on, **7:439**
Sellers, **7:563**
Tender offers, **7:214**
Third parties, applicability to, **7:566**
Tippers, scienter, **7:379 et seq.**
Unfairness criteria, **7:560**
Insider Trading and Securities Fraud Enforcement Act, **14:168**
Institutional investors, suitability rules, **14:190**
Insurance, **9:76**
Integrated disclosure systems, **14:7**
Intent, consideration of in misrepresentation claims, **7:53**
Interrelations of fraud rules
Generally, **3:37 et seq.**
Birnbaum rule, **3:50**
Breadth of proscriptions, **3:52**
Causation, **3:48**
Defenses to private actions, **3:51**
Displacing provisions, **3:53**
Elements of private cause of action, **3:50**
Exempt offerings, **3:46**
Implied and express private actions, **3:50**
Implied Liability (this index)
Integration proposals, **3:52**
Joint use of multiple provisions, **3:53**
Overlapping provisions, **3:53 et seq.**
Parties subject to rule, **3:49**
Place of transaction as factor, **3:38**
Prospectus fraud, **3:41 et seq.**
Public offerings, **3:40**
Registered offerings, **3:39, 3:45**
Relationship of conduct to transaction, **3:48**
Transactions covered, **3:38**

BROKER-DEALER LIABILITY —Cont'd
Interrelations of fraud rules—Cont'd
Types of violations proscribed, **3:47**
Unregistered offerings, **3:46**
Introducing brokers, **15:72**
Joint and several liability, **9:31**
Jurisdiction, generally, **11:15**
Justifiable reliance, **14:89**
Kickbacks, **5:133**
Limitation of actions
Generally, **11:45 et seq.**
See also Limitation of Actions (this index)
Express actions
SA § 12(a)(1), **14:25**
SA § 12(a)(2), **14:56**
Lost profits, rescission and, **14:101**
Manipulation
Generally, **7:118 et seq.**
Accumulation of stock, **7:134**
Actual or apparent trading, **7:124**
Capping, **7:136**
Circular trading, **7:135**
Cornering the market, **7:134**
Cross trading, **7:135**
Definition, **7:119**
Depressing prices, **7:124**
Federal securities laws, **7:120**
Front running
Generally, **7:139 et seq.**
Court cases, **7:142**
SEC interpretations
Generally, **7:140**
Decisions, **7:142**
SRO interpretations
Generally, **7:140**
Criticisms, **7:141**
Decisions, **7:142**
Insider trading, **7:168**
Marking the close, **7:131**
Matched orders, **7:121**
Painting the tape, **7:132**
Parking
Generally, **7:143 et seq.**
Capital requirements, use to avoid, **7:147**

BROKER-DEALER LIABILITY —Cont'd
Manipulation—Cont'd
Parking—Cont'd
Control fights, use in, **7:146**
Definitions, **7:144**
Margin requirements, parking to avoid, **7:148**
Record keeping violations, **7:149**
Tax evasion uses, **7:150**
Pegging, **7:136**
Raising prices, **7:124**
Rule 10b-5
Generally, **7:130 et seq.**
Accumulation of stock, **7:134**
Capping, **7:136**
Circular trading, **7:135**
Control, **7:138**
Cornering the market, **7:134**
Cross trading, **7:135**
Domination, **7:138**
Front running manipulation, above
Marking the close, **7:131**
Painting the tape, **7:132**
Parking, above
Pegging, **7:136**
Short selling, **7:137**
Successive activity price manipulations, **7:133**
SEA § 9(a)(1), **7:121**
SEA § 9(a)(2)
Generally, **7:122 et seq.**
Actual or apparent trading, **7:124**
Depressing prices, **7:124**
Purpose, **7:125**
Raising prices, **7:124**
Series of transactions, **7:123**
SEA § 9(a)(3), **7:126**
SEA § 9(a)(4), **7:126**
SEA § 9(a)(5), **7:126**
SEA § 9(a)(6), **7:127**
SEA § 9(b), **7:128**
SEA § 9(e), **7:129**
Short selling, **7:137**

BROKER-DEALER LIABILITY —Cont'd
Manipulation—Cont'd
Successive activity price manipulations, **7:133**
Wash sales, **7:121**
Margin rules
Generally, **14:59**
Arbitration, use in, **14:61**
Court cases, **14:60**
Parking to avoid, **7:148**
SEA § 7, **14:59**
Market insiders, **7:575**
Market maker status, **14:152 et seq.**
Market reaction as public/nonpublic test of information, **7:281**
Marking the close, **7:131**
Markup and markdown practices
Generally, **14:148 et seq.**
Basis
Generally, **14:150 et seq.**
Contemporaneous defined
NASD criteria, **14:161**
SEC criteria, **14:156**
Customers, comparative frequency of purchases from, **14:158**
Dominating market makers, **14:154**
Inter-dealer prices, availability of, **14:155**
Inter-dealer trades, frequency of, **14:158**
Market-makers, retail, **14:153**
Market maker status, **14:152 et seq.**
NASD criteria, **14:157 et seq.**
Non dominating market makers, **14:160**
Non market makers
NASD criteria, **14:159**
SEC criteria, **14:152**
Retailer market makers, **14:153**
SEC criteria, **14:150 et seq.**
Debt securities markups, **14:163**
Disclosure, **14:149**
Five percent policy, **14:162**

BROKER-DEALER LIABILITY —Cont'd
Markup and markdown practices —Cont'd
Inter-dealer prices, availability of, **14:155**
Inter-dealer trades, frequency of, **14:158**
Market maker status, **14:152 et seq.**
Matched order manipulations, **7:121**
Materiality
Generally, **14:82**
Public disclosure and, **7:280**
Misappropriation theory of insider liabilities
Generally, **7:577**
Agreed confidentiality, **7:589**
Close family relationships, **7:587**
Connection element, **7:597**
Connection with transaction, **7:680**
Court cases, **7:582 et seq.**
Enforcement actions, **7:578**
Family relationships, **7:587**
Mail and wire fraud, **7:594**
Private actions, **7:579, 7:603**
Rule 10b5-2, **7:585 et seq.**
Shared confidences, **7:590**
Misrepresentations
Generally, **7:5, 7:46 et seq.**
See also Forward Looking Information (this index)
Analyst projections, **7:9**
Business judgment standard, **7:50**
Company projections, **7:8**
Due diligence, **7:52**
Earnings, **7:47**
Express actions, **14:39**
Good faith, **7:53**
Guidelines for information releases, **7:54**
Information release guidelines, **7:54**
Intent, **7:53**
Negligence, **7:52**
Predictions, **7:46**

BROKER-DEALER LIABILITY —Cont'd
Misrepresentations—Cont'd
Predictions and projection disclosure obligations
Generally, **7:10 et seq.**
Capital resources, **7:15**
Liquidity, **7:14**
With MD&A requirement
Administrative enforcement, **7:13**
Private actions, **7:17**
Operation results, **7:16**
Private actions on MD&A requirements, **7:17**
Restrictions on disclosures, **7:18**
Safe harbor
Generally, **7:19 et seq.**
Background, **7:20**
Bespeaks caution doctrine, **7:22**
PSLRA
Generally, **7:23 et seq.**
Actual knowledge prong, **7:36**
Attacking cautionary statements, **7:29**
Caution prong, **7:26**
Corrections, **7:45**
Definition of forward looking statement, **7:25**
Discovery stays, **7:44**
Drafting cautionary statements, **7:28**
Eligible makers, **7:37**
Exclusions, **7:40**
Expandability, **7:41**
Falsity, actual knowledge of, **7:36**
Immateriality, **7:35, 7:38**
Later disclosures, **7:30**
Motion practice, **7:43**
Nonexclusiveness, **7:41**
Oral statements referencing caution, **7:31, 7:39**
Procedural aspects, **7:42**
Prohibited uses, **7:40**
Scope of Act, **7:24**

BROKER-DEALER LIABILITY —Cont'd
Misrepresentations—Cont'd
Predictions and projection disclosure obligations —Cont'd
Safe harbor—Cont'd
PSLRA—Cont'd
Statements with cautions, **7:27**
Update duty, **7:45**
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
SA Rule 175, **7:21**
SEA Rule 3b-6, **7:21**
SEC, traditional position, **7:18**
With SEC encouragement, **7:12**
Without SEC rule, **7:11**
Public disclosure as curing, **7:276 et seq.**
Reasonable investor standard, **7:51**
Scienter, **7:53**
Standards for preparation of information, **7:49**
Suitability rules, **14:198**
Violations, criteria for determining, **7:49**
MNPI
Nonpublic information, below
Motion practice, **7:365**
Negligence
Misrepresentation claims, consideration of, **7:52**
Suitability claims, **14:203**
Non-managing underwriters, **14:13**
Nonpublic information
Generally, **7:271 et seq.**
Absorption requirement, **7:306 et seq.**
Burden of proof, **7:312**
Duty to disclose generally, **7:275**
Eliminating nonpublic information, Regulation FD, **7:552**
Full disclosure duty triggered by partial disclosure of, **7:536**

BROKER-DEALER LIABILITY —Cont'd
Nonpublic information—Cont'd
Investment community disclosure, **7:300**
Issuer disclosures
Generally, **7:282 et seq.**
Proxy statements, **7:287**
Reports, **7:289**
Tender offer statements, **7:288**
Law and fact questions, **7:314**
Market reaction as public/nonpublic test, **7:281**
Materiality and public disclosure, **7:280**
Media disclosures
Generally, **7:292 et seq.**
Particular media, **7:299**
Timing, **7:297**
Misrepresentations, public disclosure as curing, **7:276 et seq.**
Motion practice, **7:311**
Omissions, public disclosure as curing, **7:276 et seq.**
Pleading, **7:310**
Procedural aspects, **7:309 et seq.**
Proof, **7:313**
Proxy statements, **7:287**
Public as affecting insider trading, **7:272 et seq.**
Quantum of proof, **7:312**
Rumors, **7:301**
Time in becoming public, **7:304 et seq.**
Tipping of, **7:272 et seq.**
Omissions
Express actions, **14:39**
Public disclosure as curing, **7:276 et seq.**
On basis of inside information, trades made, **7:348**
Opinions, **14:81**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**

BROKER-DEALER LIABILITY —Cont'd
Opposite side traders—Cont'd
Suits by, **7:504**
Options, suitability rules, **14:192**
Organization of treatise, **4:1**
Out-of-pocket damages, **14:103**
Painting the tape, **7:132**
In pari delicto defense, **14:21**
Parking
Generally, **7:143 et seq.**
Capital requirements, use to avoid, **7:147**
Control fights, use in, **7:146**
Definitions, **7:144**
Margin requirements, parking to avoid, **7:148**
Record keeping violations, **7:149**
Tax evasion uses, **7:150**
Participating underwriters, **14:13**
Pegging, **7:136**
Penny Stock Sales (this index)
Personal and impersonal dealings, **4:1**
Pleading
Generally, **11:104 et seq.**
See also Pleading (this index)
Churning, **14:131**
Insider trading charges, **7:364**
Nonpublic nature of information, **7:310**
Possession of MNPI
Generally, **7:316**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321, 7:341**
Chinese walls, **7:343 et seq.**
Connection with transaction, **7:681**
Individuals, proof for, **7:342**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Proof, **7:322 et seq.**
Rule 10b-5
Generally, **7:318 et seq.**
Access, proof of, **7:323**

BROKER-DEALER LIABILITY —Cont'd
Possession of MNPI—Cont'd
Rule 10b-5—Cont'd
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321**
Contact, proof of, **7:324**
Individuals, proof as to, **7:322**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:326**
Proof, **7:322 et seq.**
Trading, proof of, **7:325**
Use inferred from possession, **7:328**
Rule 14e-3
Generally, **7:340 et seq.**
Burden of proof, **7:341**
Chinese walls, **7:343 et seq.**
Individuals, proof for, **7:342**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Standard of proof, **7:341**
Standard of proof, **7:341**
Use compared, **7:317**
Predictions, **7:7, 14:81**
Privity
Express actions, **14:34**
Implied liability, **8:276**
SA § 12(2), **8:266**
SA § 17(a), **8:276**
Sales fraud, **8:266**
SEA § 15(c)(1), **8:286**
Procedure, **14:130 et seq.**
Proof of churning, **14:132**
Proximate cause
Generally, **14:92**
Express actions, **14:35**
Public or nonpublic character of information. Nonpublic information, above
Punitive damages
Generally, **14:106 et seq., 15:74**
Arbitration, **14:111**
Express actions, **14:54**

BROKER-DEALER LIABILITY —Cont'd
Purchaser, plaintiff as
SA § 12(a)(1), **14:23**
SA § 12(a)(2), **14:44**
Purchaser's knowledge, **14:40**
Quantum of proof, insider trading charges, **7:366**
Reasonable investigation defense
Generally, **14:5**
Integrated disclosure systems, **14:7**
SA § 11, **14:11**
SA § 12(a)(2), **14:43**
SEC Rule 176, **14:8**
Reasonable investor standard, **7:51**
Recklessness, **14:83 et seq.**
Recommendations
Generally, **14:81**
Suitability rules, **14:186**
Reliance, **14:86 et seq.**
Remedies (this index)
Rescission
Chasins measure, **14:97**
Express actions, **14:46, 14:50**
Implied actions, **14:95 et seq.**
Lost profits, **14:101**
Nye measure, **14:101**
Rolf measure, **14:100**
Respondeat superior liability, insider trading, **7:450**
Restitution, **14:104**
Retirement accounts, suitability and fiduciary duty, **14:206**
Rule 10b-5
Generally, **14:73 et seq.**
Application to, **3:27**
Causation, **14:91 et seq.**
Connection requirement, **14:94**
Contraction era, compensatory damages in, **14:105**
Damages, **14:95 et seq.**
Elements of action, **14:74**
Issuer misrepresentations, **14:76**
Issuer nondisclosures, **14:77**
Justifiable reliance, **14:89**
Market misrepresentations, **14:78**
Market nondisclosures, **14:79**
Materiality, **14:82**

BROKER-DEALER LIABILITY —Cont'd
Rule 10b-5—Cont'd
Misrepresentation, **14:75 et seq.**
Mitigation of damages, **14:102**
Nondisclosure, **14:75 et seq.**
Opinions, **14:81**
Out-of-pocket damages, **14:103**
Predictions, **14:81**
Proximate cause, **14:92**
Punitive damages, **14:106 et seq.**
Recklessness, **14:83 et seq.**
Recommendations, **14:81**
Reliance, **14:86 et seq.**
Rescission
Chasins measure, **14:97**
Lost profits, **14:101**
Nye measure, **14:101**
Rolf measure, **14:100**
Restitution, **14:104**
Scienter, **14:83 et seq.**
Rumors, **7:301**
SA § 11
Generally, **14:2 et seq., 14:3 et seq.**
Court cases, **14:6**
Damages, **14:15**
Due diligence defense
Generally, **14:5**
SEC view, **14:9**
Integrated disclosure systems, **14:7**
Later filings, effect of, **14:10**
Non-managing underwriters, **14:13**
Participating underwriters, **14:13**
Policy considerations, **14:12**
Reasonable investigation defense
Generally, **14:5**
Integrated disclosure systems, **14:7**
SEC Rule 176, **14:8**
Reasonable investigation requirement, **14:11**
SEC Rule 176, **14:7**
SEC Rule 412, **14:7**
SEC view of due diligence techniques, **14:9**
Underwriters' due diligence, **14:14**
SA § 12(a)(2), **14:43**

BROKER-DEALER LIABILITY —Cont'd
Sales fraud, privity, **8:266**
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**
Suits by, **7:505**
Scalping, **12:3**
Scienter
Generally, **8:139 et seq., 14:83 et seq.**
Burden of proof, **8:141**
Churning, **14:129**
Defendant's intent, **8:143**
Defendant's knowledge and belief
Generally, **8:140 et seq.**
Burden of proof, **8:141**
Proof, **8:142**
Misrepresentation claims, consideration of, **7:53**
Plaintiff's knowledge, **8:144**
Pleading, **8:145**
Proof, **8:142**
SEA § 15(c)(1), **8:139 et seq.**
SEC investigations, integration of broker-dealer and investment management examinations, **20:13**
SEC supervisory authority over broker-dealers, **10:1**
Securities types
Generally, **5:9 et seq.**
Alternative government regulation, **5:35**
Certificates of deposit, **5:28**
Characteristics of instrument in commerce, **5:39**
Common elements in defining a security, **5:32 et seq.**
Context clause, **5:18**
Cooperative apartment corporation shares, **5:26**
Court cases, **5:20 et seq.**
Employee benefit plans
Generally, **5:42 et seq.**

BROKER-DEALER LIABILITY —Cont'd
Securities types—Cont'd
Employee benefit plans—Cont'd
Contributory plans
Involuntary, **5:46**
Voluntary, **5:48**
Defined plans, **5:49**
Distinguishing contributory from noncontributory, **5:52**
Distinguishing voluntary from involuntary plans, **5:51**
ERISA, preemptive effect of, **5:43**
ESOPs, **5:48**
Involuntary contributory plans, **5:46**
Involuntary noncontributory plans, **5:45**
Noncontributory plans
Involuntary, **5:45**
Voluntary, **5:47**
Pension plans, **5:49**
Sales, **5:44**
Voluntary contributory plans, **5:48**
Voluntary noncontributory plans, **5:47**
Evidence of indebtedness, **5:13**
Expectations of public, **5:40**
Flexible fund annuities, **5:25**
Fractional interests in mineral rights, **5:21**
Guarantees, **5:15**
Howey test, **5:22**
Interest, **5:14**
International Brotherhood of Teamsters case, **5:27**
Investment risk as factor, **5:34**
Joiner Leasing Corp case, **5:21**
Judicial decisions, **5:20 et seq.**
Landreth Timber Co case, **5:29**
Marine Bank case, **5:28**
Marketing as factor, **5:33**
Motivations of purchasers, **5:37**
Motivations of sellers, **5:38**
9 month notes, **5:17**
Notes, **5:30**

BROKER-DEALER LIABILITY —Cont'd
Securities types—Cont'd
Oil and gas interests
Generally, **5:16**
Fractional interests, **5:21**
Passive or active purchasers, **5:36**
Pension plans, employee interests in, **5:27**
Perceptions of public, **5:40**
Reeves v. Ernst & Young case, **5:30**
Relative importance of elements, **5:41**
SA § 2(1)(a) definition
Generally, **5:10**
Evidence of indebtedness, **5:13**
Guarantees, **5:15**
Interest, **5:14**
9 month notes, **5:17**
Oil and gas interests, **5:16**
SEA § 3(a)(10) differences, **5:12 et seq.**
SEA § 3(a)(10) similarities, **5:11**
SEA § 3(A)(10)
Generally, **5:10**
Evidence of indebtedness, **5:13**
Guarantees, **5:15**
Interest, **5:14**
9 month notes, **5:17**
Oil and gas interests, **5:16**
SA § 2(1)(a) differences, **5:12 et seq.**
SA § 2(1)(a) similarities, **5:11**
State law definitions, **5:19**
Statutory definitions, **5:10 et seq.**
United Benefit Life Ins Co case, **5:24**
United Housing Foundation, Inc case, **5:26**
Variable annuities, **5:23**
Sellers, brokers as, express actions, **14:22, 14:29 et seq.**
Short selling manipulation, **7:137**
SRO rules
Generally, **14:62 et seq.**
Arbitration, **14:72**
Buttrey doctrine, **14:65**

BROKER-DEALER LIABILITY —Cont'd
SRO rules—Cont'd
Colonial Realty doctrine, **14:64**
Contraction era, **14:71**
Court cases, **14:64 et seq.**
Expansion era, **14:63 et seq.**
Substantial factor in sale, broker as, **14:35**
Successive activity price manipulations, **7:133**
Suitability rules
Generally, **14:183 et seq.**
See also Suitability (this index)
Arbitration, **14:205**
Consumer fraud claims, **14:204**
Damage claims, **14:196 et seq.**
Disciplinary actions, **14:194**
Fiduciary breaches, **14:202**
Fiduciary duty, **14:206**
FINRA Rule 2090, know your customer, **14:191**
FINRA Rule 2111, **14:186**
FINRA Rule 2111(a), **14:187, 14:188**
Fraud claims, **14:199**
Inquiry duties of brokers, **14:189**
Institutional investors, **14:190**
Investment strategy, **14:188**
Know your customer, **14:191**
Misrepresentation, claims based on, **14:198**
Municipal securities, **14:193**
NASD IM-2320-3, **14:190**
NASD Rule 2310(c), **14:187**
NASD rules generally, **14:185**
Negligence, **14:203**
Options, **14:192**
Private damage claims, **14:196 et seq.**
Recommendations to customers, **14:187**
Retirement accounts, **14:206**
Rule 10b-5 claims, **14:197 et seq.**
SEA § 10(b) claims, **14:197 et seq.**
SEC rules, **14:195**
SRO rules, **14:184**

BROKER-DEALER LIABILITY —Cont'd
Suitability rules—Cont'd
State law claims
Generally, **14:200 et seq.**
Consumer fraud, **14:204**
Fiduciary breaches, **14:202**
Negligence, **14:203**
Statutory violations, **14:201**
Supervisorial duties
Generally, **14:164 et seq.**
Amex requirements, **14:174**
Branch office managers, **14:178**
Chief executive officers, **14:180**
Compliance officers, **14:181**
Court cases, **14:176**
Deficiencies, **14:175**
General counsel, **14:182**
Heads of functional areas, **14:179**
Individual responsibilities, **14:177 et seq.**
Insider Trading and Securities Fraud Enforcement Act, **14:168**
NASD requirements, **14:172**
NYSE requirements, **14:173**
Rule 14e-3(b), **14:169**
Safe harbor programs, **14:175**
Sanctions, **14:175**
SEA § 15(b)(4)(D), **14:166**
SEA § 15(b)(4)(E), **14:165**
SEA § 15(b)(6), **14:165**
SEA § 19, **14:170**
SEA § 20(a), **14:167**
SRO requirements, **14:171 et seq.**
Tippee liability
Generally, **7:623, 7:631**
Benefit to insider-tipper, **7:627**
Dirks background, **7:625**
Family benefit to, **7:630**
Fiduciary breach requirement, **7:626**
Friends, benefit to, **7:630**
Need for fiduciary benefit, **7:626**
Nonpublic information, **7:272 et seq.**
Pecuniary benefit, **7:628**
Receipt in fiduciary breach, **7:623**

BROKER-DEALER LIABILITY —Cont'd
Tippee liability—Cont'd
Relations, benefit to, **7:630**
Reputational benefit, **7:629**
Tip defined, **7:624**
Transaction Planning (this index)
Unsuitability, **15:73**
Use of MNPI
Generally, **7:316**
Burden of proof, **7:331**
Connection with transaction, **7:681**
Individuals, proof for, **7:332**
Organizations, proof for, **7:339**
Possession compared, **7:317**
Rule 10b-5
Generally, **7:327 et seq.**
Burden of proof, **7:331**
Individuals, proof for, **7:332**
Inferences, **7:328**
Organizations, proof for, **7:339**
Possession, use inferred from, **7:328**
Rebuttal evidence, **7:337, 7:338**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Rule 14e-3, generally, **7:347**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Wash sales manipulation, **7:121**
What is a Security (this index)

BROOKS AUTOMATION INC.
Backdating of stock options, **18:1**

BURDEN OF PROOF
Actual knowledge, **8:178**
Bad faith, **8:219**
Broker-dealer liability, **14:42**
Causation, **5:98**
Constructive knowledge, **8:189**

BURDEN OF PROOF—Cont'd
Diligence, lack of, **8:238**
Fraud on the market theory (FOMT), **8:548**
Implied liability, **8:255**
Insider trading charges, **7:366**
Intent, **8:201**
Manipulation, **8:104**
Motive, **8:208**
Negligence, **8:238**
Proportionate liability, **9:63**
Proxies and proxy solicitations, **8:127**
Recklessness, **8:227**
Scienter
Generally, **8:66, 8:77, 8:84**
Actual knowledge, **8:178**
Bad faith, **8:219**
Constructive knowledge, **8:189**
Diligence, lack of, **8:238**
Intent, **8:201**
Motive, **8:208**
Negligence, **8:238**
Proxies and proxy solicitations, **8:127**
Recklessness, **8:227**
SEC, false reports to, **8:148**
Tender offer fraud, **8:134**
Unreasonable conduct, **8:238**
SEC, false reports to, **8:148**
Securities Act Section 17(a), **8:84**
Tender offer fraud, **8:134**
Unfair terms, **5:153**
Unreasonable conduct, **8:238**

BUSINESS ASSOCIATES
Madoff Ponzi scheme, **20:6**

BUSINESS JUDGMENT STANDARD
Misrepresentation claims, consideration of, **7:50**
Timely disclosure of inside information, **7:241**

BUSINESS PRIORITY
ESG, **29:1**

BUYER-SELLER REQUIREMENTS
Generally, **5:110 et seq., 8:582**

BUYER-SELLER REQUIREMENTS—Cont'd
Broad interpretation, **5:117**
Broker-dealer liability
SA § 12(a)(1), **14:23**
SA § 12(a)(2), **14:44**
Company as buyer-seller, **5:124**
Control, sales of, **5:113**
Definition, **5:111**
Direct-impersonal dealing, **6:182**
Direct-personal dealing
Generally, **5:110 et seq.**
Broad interpretation, **5:117**
Company as buyer-seller, **5:124**
Control, sales of, **5:113**
Definition, **5:111**
Forced sales, **5:120**
Injunction suits, **5:122**
Interpretation of requirement, **5:117**
Issuances, **5:121**
Liquidations, **5:119**
Loss causation as substitute, **5:123**
Mergers, **5:118**
Modified view, **5:117**
Pleading, **5:126**
Strict view, **5:112 et seq.**
Forced sales, **5:120**
Injunction suits, **5:122**
Interpretation of requirement, **5:117**
Issuances, **5:121**
Liquidations, **5:119**
Loss causation as substitute, **5:123**
Mergers, **5:118**
Modified view, **5:117**
Pleading, **5:126**
Reliance, **8:582**
Strict view, **5:112 et seq.**

BUYOUTS
Investment Bankers (this index)

CAPPING
Manipulation, **7:136**

CASE OPINIONS
See Court Decisions (this index)

CASH FLOW
Disclosures, **6:260**

CAUSATION
Generally, **5:89 et seq.**
Administrative enforcement actions, **10:1**
Broker-dealer liability, **14:91 et seq.**
Burden of proof, **5:98**
Damage causation. See Damages (this index)
Definition, **5:90**
Direct-personal dealing
Generally, **5:89 et seq.**
Loss causation, **5:91**
Meaning, **5:90**
Transaction causation, **5:92**
Fraud on the market
Generally, **8:520 et seq.**
See also Reliance (this index)
Indirect-impersonal dealing, curtailing scheme to defraud, **7:76**
Insider trading actions, **7:517**
Loss causation
Generally, **5:91**
See also other entries throughout this topic
Scienter, SA § 17(b), touting, **8:93**
Substitute for buyer-seller requirement, **5:123**
Madoff Ponzi scheme, cause investigation, **20:5**
Materiality, pleading and proof, **5:107**
Minority vote requirements, **5:93 et seq.**
Misconduct, relation to securities transaction generally, **3:48**
Modified view, **5:95**
Pleading
Generally, **8:571 et seq.**
Materiality, **5:107**
Modified causation, **5:105 et seq.**
Strict causation, **5:99 et seq.**
Policies, **5:97**
Private Actions (this index)
Proof
Materiality, **5:107**
Modified causation, **5:105 et seq.**
Proxy solicitation as element, **5:108**

CAUSATION—Cont'd
Proof—Cont'd
Strict causation, **5:99 et seq.**
Reasons, **5:97**
Reliance
Generally, **8:484 et seq.**
See also Reliance (this index)
Strict view, **5:93, 5:94**
Transaction causation, **5:92, 8:484**
Ute presumption, **8:484**
Voting
Modified causation, **5:105 et seq.**
Strict causation, **5:100 et seq.**

CEA
See Commodities Exchange Act (this index)

CEASE AND DESIST ORDERS
CFTC, **13:239**
Likelihood of future violation, **13:239**
Permanent, **13:85, 13:239**
SEC
Permanent, **13:85**
Temporary, **13:86**
Temporary, **13:86**

CERTIFICATES OF DEPOSIT
Security, treatment as, **5:28**

CFTC
See Commodity Futures Trading Commission (this index)

CHADBOURNE & PARKE LLP v. TROICE
Post-Chadbourne cases, **3:220 to 3:222**
Securities Litigation Uniform Standards Act (SLUSA), **3:217 et seq.**

CHARGES
Mutual fund violations, sales practices, **17:15**
SEC investigations, investor recovery, **13:55**

CHARITABLE FOUNDATIONS
Madoff Ponzi scheme, **20:3**

CHIASSON/NEWMAN CASES
Court decisions, **7:387 et seq.**

CHICAGO BOARD OPTIONS EXCHANGE (CBOE)
Suitability rules, **14:192**

CHIEF FINANCIAL OFFICER
Madoff Ponzi scheme, **20:6, 20:8**

CHINESE WALLS
Generally, **7:343 et seq.**
Evolution of rule, **7:344**
Operation, **7:345**

CHINESE WAY OF DOING BUSINESS
Foreign Corrupt Practices Act (FCPA), **19:11**

CHURNING
Generally, **14:112 et seq.**
Control, **14:113**
Damages, **14:136**
Defenses, **14:133 et seq.**
Definition, **14:138**
Elements of action, **14:113 et seq.**
Excessive trading
Generally, **14:114 et seq.**
Benchmark for, **14:116 et seq.**
Commission ratios, **14:119 et seq.**
Cross trading, **14:128**
Frequency of trades, **14:122**
In-and-out trading, **14:122**
Loss ratio, **14:126**
Number of trades, **14:122**
Quality of securities purchased, **14:127**
Six, rule of, **14:116 et seq.**
Turnover rate, **14:115**
Expert testimony, **14:132**
In-and-out trading, **14:122**
Pleading, **14:131**
Procedure, **14:130 et seq.**
Proof, **14:132**
Scienter, **14:129**
State law actions, **14:137 et seq.**

CIRCUITS
See Court Decisions (this index)

CIRCULAR TRADING
Manipulation through, **7:135**

CIVIL PENALTIES
Generally, **7:438 et seq.**
See also Securities and Exchange Commission (this index)
Administrative enforcement generally
CFTC, **13:238**
SEC, **13:83**
Ancillary relief, **13:108 et seq.**
CFTC, **13:238**
Financial test, **13:238**
Injunctions (this index)
SEC
Administrative enforcement, **13:83**
Ancillary relief, **13:108**

CLASS ACTIONS
Generally, **8:515 et seq.**
Backdating of stock options, private litigation, **18:10**
Blockchain, **24:9**
Certification
Generally, **8:516**
Materiality of alleged misrepresentation, proof, **8:550**
Misrepresentation cases, **8:517**
Omission cases, **8:518**
Covid-19 Pandemic (this index)
Cryptocurrencies, **24:9**
Cybersecurity, **26:6, 26:7**
Damages, **9:13**
Derivative suits compare, **3:212**
Desirability of class actions, **8:526**
Discovery limitations, **3:203**
Initial coin offerings, **24:9**
Jurisdictional means, **11:42**
Limitation of actions
Generally, **11:96 et seq.**
Tolling, **11:97**
Mass-type actions, SLUSA limitations, **3:206**
Private, ESG, **29:3**
Related class-type actions, SLUSA limitations, **3:205**
Reliance, **8:515 et seq.**
SA § 11, **14:18**

CLASS ACTIONS—Cont'd
SA § 12, **14:57**
SA § 17(b), touting, **8:90**
SLUSA limitations on state actions
Generally, **3:201 et seq.**
Abolition of state claims, **3:202**
Administrative actions by states, **3:210**
Administrative enforcement, **3:216**
Bonds, actions on, **3:211**
Congressional intent, **3:201**
Covered class actions, **3:204**
Criminal enforcement, **3:216**
Derivative suits, **3:212**
Discovery limitations, **3:203**
Government enforcement, **3:216**
Incorporation state, actions under laws of, **3:209**
Indenture contract actions, **3:211**
Individual fraud claims, **3:215**
Mass-type actions, **3:206**
Permitted class actions, **3:208 et seq.**
Private rights, effect on, **3:215**
Recklessness, **3:214**
Related class-type actions, **3:205**
Scienter, **3:214**
Scope, **3:204 et seq.**
Securities covered by SLUSA, **3:207**
State governments, actions by, **3:210**
Utility of class actions, **8:526**

CLOSING ARGUMENTS
Insiders and inside trading, Raj Rajaratnam case, **21:25**

COHMAD SECURITIES CORPORATION
Madoff feeder funds, **20:22**

COLLATERALIZED DEBT OBLIGATIONS (CDOS)
Coordinated investigations following subprime mortgage crisis, **13:331.10**

COMMODITIES EXCHANGE ACT (CEA)
Section 6(b), **13:194**
Section 8, **13:193**
Section 14(b), **13:196**
Section 16(a), **13:193**
USCA cross reference table, **App I**

COMMODITIES FRAUD
Joint and several liability, **9:46**
Suitability rules, **14:192**

COMMODITY FUTURES TRADING COMMISSION (CFTC)
Generally, **1:15**
Administrative Enforcement (this index)
Amicus curiae participation in private litigation, **13:234**
Ancillary relief, **13:250**
Authority to investigate
Generally, **13:192**
Publishing data, restrictions on, **13:193**
Cease and desist orders, **13:239**
Collateral effects of orders, **13:241**
Conferences with staff, **13:218**
Conflicts of interest in investigations, **13:207**
Counsel investigations, **13:219**
Criminal enforcement references
Generally, **13:254 et seq.**
See also Criminal Enforcement (this index)
Cryptocurrencies (this index)
Decisions, **1:15**
Deregulation. Progressive deregulation, below
Discovery
Generally, **13:224 et seq.**
Document subpoenas, **13:225**
FOIA requests, **13:226**
Production requests, **13:227**
Document production, **13:217**
Documents, third party access to, **13:224 et seq.**

COMMODITY FUTURES TRADING COMMISSION (CFTC)—Cont'd
Enforcement actions. See Administrative Enforcement (this index)
Exempt transactions, see also Progressive deregulation, below
Factors influencing outcome of investigations, **13:264**
FOIA requests, **13:226**
Informal enforcement actions, **13:233**
Informal warnings, **13:230**
Information given by agency, **13:204**
Injunctions (this index)
Interrogations, generally, **13:221**
Investigations
Generally, **13:1 et seq.**
See also Investigations (this index)
Justice Department references
Generally, **13:254 et seq.**
See also Criminal Enforcement (this index)
Orders
Cease and desist orders, **13:239**
Collateral effects of orders, **13:241**
Duration of orders, **13:243**
Formal orders of investigation, **13:208 et seq.**
Validity challenges, **13:212**
Outcomes of investigations, **13:228 et seq.**
Progressive deregulation
See also Exempt transactions, above
Pronouncements, **1:15**
Public reports of investigations, **13:232**
Reports of investigations, **13:232**
Requests for information, **13:203**
Right to counsel in investigations, **13:206**
Risk disclosure requirements, **6:289**
Securities law and preemption. Jurisdiction, above
Staff conferences, **13:218**
State authorities, references to, **13:231**
State investigations, **13:197**

COMMODITY FUTURES TRADING COMMISSION (CFTC)—Cont'd
Subpoena power, **13:200**
Subpoenas
Generally, **13:213 et seq.**
Content, **13:214**
Document production, **13:217**
Document subpoenas, **13:225**
Evaluation, **13:215**
Responses, **13:217**
Validity challenges, **13:216**
Testimony
Generally, **13:220 et seq.**
Interrogations, **13:221**
Preparing witnesses, **13:220**
Transcripts, **13:222**
Trading privileges, denial of, **13:240**
Transcripts
Generally, **13:222**
Third party access to, **13:224 et seq.**
Warnings, **13:230**
Wells submissions, **13:265**

COMMON LAW FRAUD
Commodities fraud generally, **1:24**
Conspirators, **8:261**
Corrections, disclosure, **6:291**
Defendant's knowledge and intent, **8:59**
Direct-personal dealing
Generally, **5:2**
Theories and sources of liability, **5:54**
Disclosures, **6:291**
Fraud on the market theory, **8:531**
Insider trading liability, **7:153**
Joint and several liability, **9:20**
Joint tortfeasors, **8:261**
Materiality, **8:6**
Parties, **8:259**
Plaintiff's knowledge, **8:60**
Privity, **8:259**
Reliance, **8:487**
Securities fraud generally, **1:22**
Special facts and common law fraud, **3:19**

COMMON LAW FRAUD—Cont'd
State law, **3:185**

COMMUNICATIONS
Disclosure (this index)
Letters (this index)
Supplementary Communications (this index)

COMPARATIVE FAULT
Contribution (this index)
Indemnification, **9:76**
Insurance, **9:76**
Proportionate Liability (this index)

COMPENSATION
Madoff Ponzi scheme, affiliated individuals, **20:5, 20:6, 20:9**
Private actions, materiality, **8:43**

COMPLIANCE COUNSEL
Madoff Ponzi scheme, **20:5**

COMPLIANCE PERSONNEL
Whistleblower bounty program, original information, **22:9**

COMPLIANCE PROGRAMS
Foreign Corrupt Practices Act (FCPA), **19:14**

COMPROMISE AND SETTLEMENT
Admission of wrongdoing, **13:166 et seq.**
Contribution, **9:72**
Foreign Corrupt Practices Act (FCPA) (this index)
Indemnification, **9:76**
Insider trading penalty actions, **7:444**
Insurance, **9:76, 13:183**
Investigations
Investment bankers global settlement, ancillary relief, **13:110**
SEC, **13:154 to 13:157, 20:15**
SROs, **13:305**
State agency, **13:321**
Investment bankers global settlement, ancillary relief, **13:110**
Madoff fraud, Picower settlement, **20:24**
Mediation, **15:69**

COMPROMISE AND SETTLEMENT—Cont'd
Negotiations (this index)
No-action letters, SEC, **1:12**
Penalty actions, **7:444**
Releases of Rule 10b-5 liability, **12:11**
Restitution to defrauded investors, SEC role in
In court, **10:3**
Out of court, **10:2**
SEC cases, **1:9**
SEC role in, **10:2, 10:3**
State agency investigations, **13:321**
Uncontested court decisions, **1:17**

COMPULSORY DISCLOSURE
See Disclosure (this index)

COMPUTER PROGRAMMERS
Madoff Ponzi scheme, **20:7**

COMVERSE TECHNOLOGY INC.
Backdating of stock options, **18:1, 18:11**

CONCEALMENT
Madoff Ponzi scheme, **20:2**

CONCERTED ACTION
Generally, **8:294**
Aider-Abettors (this index)
Conspiracies and Conspirators (this index)
Parties (this index)

CONFLICTS OF INTEREST
Generally, **5:145**
Arms length transactions
Generally, **5:144**
Reasons and policies, **5:149**
Corporate officers, **8:417**
Directors, **8:417**
Direct-personal dealing
Generally, **5:53 et seq., 5:141 et seq.**
Alternative forums, efficiency of, **5:65**
Arms length transactions
Generally, **5:144**
Reasons and policies, **5:149**

CONFLICTS OF INTEREST —Cont'd
Direct-personal dealing—Cont'd
Birmbaun Canon, **5:70 et seq.**
Burden of proof
Causation requirements, **5:98**
Unfair terms, **5:153**
Buyer-seller requirements
Generally, **5:110 et seq.**
Broad interpretation, **5:117**
Company as buyer-seller, **5:124**
Control, sales of, **5:113**
Definition, **5:111**
Forced sales, **5:120**
Injunction suits, **5:122**
Interpretation of requirement, **5:117**
Issuances, **5:121**
Liquidations, **5:119**
Loss causation as substitute, **5:123**
Mergers, **5:118**
Modified view, **5:117**
Strict view, **5:112 et seq.**
Causation requirements
Generally, **5:89 et seq.**
Burden of proof, **5:98**
Loss causation, **5:91**
Loss causation as substitute for buyer-seller requirement, **5:123**
Meaning, **5:90**
Minority vote requirements, **5:93 et seq.**
Modified view, **5:95**
Pleading
Materiality, **5:107**
Modified causation, **5:105 et seq.**
Proxy solicitation as element, **5:108**
Strict causation, **5:99 et seq.**
Policies, **5:97**
Proof
Materiality, **5:107**
Modified causation, **5:105 et seq.**

CONFLICTS OF INTEREST —Cont'd
Direct-personal dealing—Cont'd
Causation requirements—Cont'd
Proof—Cont'd
Proxy solicitation as element, **5:108**
Strict causation, **5:99 et seq.**
Proxy solicitation as element, **5:108**
Reasons, **5:97**
Strict view, **5:93, 5:94**
Transaction causation, **5:92**
Voting
Modified causation, **5:105 et seq.**
Strict causation, **5:100 et seq.**
Common law theories and sources, **5:54**
Connection requirement
Generally, **5:127 et seq.**
Another's sale, misconduct in connection with, **5:132**
Commissions, **5:133**
Court cases, **5:135**
Definition, **5:128**
Injunction suits, **5:138**
Kickbacks, **5:133**
Market transactions, misconduct affecting, **5:134**
Mechanical interpretation of, **5:130**
Modified view, **5:130 et seq.**
Pleading, **5:140**
Policies, **5:139**
Post-sale misconduct, **5:131**
Reasons, **5:139**
Strict view, **5:129**
Third party misconduct, **5:132**
Continuity of investor protection, **5:67**
Control, sales of, **5:113**
Court cases
Birmbaun Canon, **5:70 et seq.**
Connection requirement, **5:135 et seq.**
Unfairness
Generally, **5:183 et seq.**

CONFLICTS OF INTEREST —Cont'd
Direct-personal dealing—Cont'd
Court cases—Cont'd
Unfairness—Cont'd
Fair terms, **5:185**
SEC decisions, **5:186**
Unfair terms, **5:184**
Deception requirement
Generally, **5:79 et seq.**
Company, deception of, **5:84 et seq.**
Creditors, deception of, **5:86**
Decisional impairment, **5:84**
Directors, deception of, **5:82**
Economic effect of deception, **5:84**
Knowledge, imputation of, **5:85**
Meaning, **5:80**
Modified views, **5:82 et seq.**
Pleading, **5:88**
Policies, **5:87**
Reasons, **5:87**
Shareholders, deception of, **5:83**
Strict view, **5:81**
Disclosure
Generally, **5:187 et seq.**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Fairness. Unfair terms, below
Fraud vs fiduciary breach, **5:60**
Injunction suits
Buyer-seller requirements, **5:122**
Connection requirements, **5:138**
Intrusion argument, **5:61 et seq.**
Investor protection, continuity of, **5:67**
Mismanagement exception
Generally, **5:72 et seq.**
Abuse of trading process, **5:76**
Fraud as part of, **5:75**
Meaning, **5:73**
Pleading, **5:78**
Policies, **5:77**
Reasons, **5:77**
Strict view, **5:74**

CONFLICTS OF INTEREST —Cont'd
Direct-personal dealing—Cont'd
Obstacles
Generally, **5:56 et seq.**
Alternative forums, efficiency of, **5:65**
Application to other provisions, **5:69**
Birmbaun Canon, **5:70 et seq., 5:71**
Causation requirements
Loss causation, **5:91**
Meaning, **5:90**
Transaction causation, **5:92**
Continuity of investor protection, **5:67**
Deception requirement
Generally, **5:79 et seq.**
Company, deception of, **5:84 et seq.**
Creditors, deception of, **5:86**
Decisional impairment, **5:84**
Directors, deception of, **5:82**
Economic effect of deception, **5:84**
Knowledge, imputation of, **5:85**
Meaning, **5:80**
Modified views, **5:82 et seq.**
Policies, **5:87**
Reasons, **5:87**
Shareholders, deception of, **5:83**
Strict view, **5:81**
Decline of, **5:58**
Federal comparison, **5:55**
Fraud vs fiduciary breach, **5:60**
Interrelation of, **5:59**
Intrusion argument, **5:61 et seq.**
Investor protection, continuity of, **5:67**
Mismanagement exception
Generally, **5:72 et seq.**
Abuse of trading process, **5:76**
Fraud as part of, **5:75**
Meaning, **5:73**

CONFLICTS OF INTEREST —Cont'd
Direct-personal dealing—Cont'd
Obstacles—Cont'd
Mismanagement exception —Cont'd
Policies, **5:77**
Public, effect of trading abuse on, **5:76**
Reasons, **5:77**
Strict view, **5:74**
Operation of, **5:57 et seq.**
Policies, **5:60**
Reasons for, **5:60**
Rise of, **5:58**
Standards, uniformity of, **5:66**
Uniformity of standards, **5:66**
Pleading
Buyer-seller requirements, **5:126**
Causation requirements, **5:99 et seq.**
Company as buyer seller, **5:126**
Connection requirement, **5:140**
Deception requirement, **5:88**
Materiality, **5:107**
Mismanagement exception, **5:78**
Modified causation, **5:105 et seq.**
Strict causation, **5:99 et seq.**
Unfair terms, **5:152**
Sources, common law, **5:54**
Standards, uniformity of, **5:66**
Theories, common law, **5:54**
Unfair terms
Generally, **5:142 et seq.**
Actual control, **5:156**
Arms length transactions
Generally, **5:144**
Reasons and policies, **5:149**
Book value, **5:162**
Burden of proof, **5:153**
Business decisions as value determiners, **5:171**
Capitalization of earnings as test of value, **5:161**
Conflict transactions
Generally, **5:145**

CONFLICTS OF INTEREST —Cont'd
Direct-personal dealing—Cont'd
Unfair terms—Cont'd
Conflict transactions—Cont'd
Reasons and policies, **5:150**
Control, proof of, **5:155**
Control premiums and discounts, **5:166**
Control sales, **5:191**
Court cases, **5:183 et seq.**
Definition, **5:143**
Disclosure
Generally, **5:187 et seq.**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Persons to whom disclosure made, **5:190**
Discounts, control, **5:166**
Earnings tests of value, **5:161**
Fair terms, effect of, **5:147**
Full disclosure, effect of
Generally, **5:146**
Reasons and policies, **5:151**
Influence, proof of, **5:155**
Investment bankers
Generally, **5:172 et seq.**
Controlled company bankers, **5:175**
Controlling company bankers, **5:177**
Dual representation bankers, **5:176**
No banker transactions, **5:178**
Opinions of, challenging, **5:181**
Prior relations of, **5:182**
Qualities of bankers, **5:173**
Roles of bankers, **5:174**
Successive bankers, **5:179**
Trials, bankers for, **5:180**
Legal decisions as value determiners, **5:170**
Liquidation value, **5:163**
Market prices as value indicators, **5:160**
Pleading, **5:152**
Policies, **5:148 et seq.**

CONFLICTS OF INTEREST —Cont'd
Direct-personal dealing—Cont'd
Unfair terms—Cont'd
Potential control, **5:156**
Premiums, control, **5:166**
Proof of elements, **5:154**
Range of fairness, **5:143**
Reasons, **5:148 et seq.**
Shareholder votes, effect of
Generally, **5:146**
Reasons and policies, **5:151**
Tax factors in value determination, **5:164**
Time factors in value determination, **5:165**
Value determiners, **5:169 et seq.**
Value indicators, **5:158 et seq.**
Uniformity of standards, **5:66**
Disclosure
Generally, **5:187 et seq.**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Persons to whom disclosure made, **5:190**
Madoff Ponzi scheme, **20:5**
Reasons and policies, **5:150**

CONFLICTS OF LAW
Jurisdiction, foreign cubed cases, **11:31**

CONGRESS
Foreign Corrupt Practices Act (FCPA), actions against members of Congress, **19:12**

CONGRESSIONAL INTENT
Concurrent history, **3:92**
Implied liability
Contraction era, **3:76**
Expansion era, **3:56**
Insiders, scope of regulations, **7:559**
Interpretation, use of legislative history in
Concurrent history, **3:92**
Contraction era, **3:90 et seq.**
Expansion era, **3:68**
Later history, **3:93**
Occasions for use, **3:91**

CONGRESSIONAL INTENT —Cont'd
Interpretation, use of legislative history in—Cont'd
Statutory structure, **3:94**
Later history, **3:93**
Merger regulation
Generally, **6:154 et seq.**
Information statement rules, **6:156**
Proxy rules, **6:155**
Rule 10b-5, **6:157**
SEA § 14(a), **6:155**
SEA § 14(c), **6:156**
Private Securities Litigation Reform Act (PSLRA), **3:214**
Rule 10b-5
Generally, **3:14 et seq.**
Deceptive devices, **3:17**
Manipulative devices, **3:17**
Private enforcement rights, **3:16**
Scienter, **8:158**
Scope of coverage, **3:15**
Securities Act and, **3:10**
Semiofficial evidence, **3:15**
Sarbanes-Oxley Act, **3:158**
Scienter, **8:158**
SEA
Generally, **3:11**
Rule 10b-5 history
Generally, **3:14 et seq.**
Deceptive devices, **3:17**
Manipulative devices, **3:17**
Private enforcement rights, **3:16**
Scope of coverage, **3:15**
Semiofficial evidence, **3:15**
Securities Litigation Uniform Standards Act (SLUSA), **3:201, 3:214**
Statutory structure, **3:94**
Tender offers
Generally, **6:16 et seq.**
Disclosure, **6:17**
Fairness, **6:19**
Investor protection, **6:17**
Target management protection, **6:18**

CONNECTION WITH REQUIREMENT
Generally, **5:127 et seq.**
Another's sale, misconduct in connection with, **5:132**
Commissions, **5:133**
Definition, **5:128**
Direct-impersonal dealing
Generally, **6:183 et seq.**
Rule 10b-5, **6:185**
Rule 14a-9, **6:183**
Rule 14c-6, **6:184**
Direct-personal dealing
Generally, **5:127 et seq.**
Another's sale, misconduct in connection with, **5:132**
Commissions, **5:133**
Court cases, **5:135**
Injunction suits, **5:138**
Kickbacks, **5:133**
Market transactions, misconduct affecting, **5:134**
Mechanical interpretation of, **5:130**
Modified view, **5:130 et seq.**
Pleading, **5:140**
Post-sale misconduct, **5:131**
Reasons, **5:139**
Strict view, **5:129**
Third party misconduct, **5:132**
Injunction suits, **5:138**
Insider trading
Generally, **7:676 et seq.**
Inducing action, **7:682**
Investment decision, influencing, **7:682**
Market transactions, **7:370**
Misappropriation theory, **7:597, 7:680**
Non-participation in pertinent transactions, **7:677**
Possession vs use, **7:681**
Price, affecting, **7:682**
Purchase, inducing, **7:682**
Purchaser-seller test, **7:678**
Rule 14e-3, **7:371**
Tender offers, **7:371**
Touching test, **7:678**

CONNECTION WITH REQUIREMENT—Cont'd
Kickbacks, **5:133**
Market transactions, misconduct affecting, **5:134**
Mechanical interpretation of, **5:130**
Merger challenges
Generally, **6:183 et seq.**
Rule 10b-5, **6:185**
Rule 14a-9, **6:183**
Rule 14c-6, **6:184**
Misappropriation theory of insider liabilities, **7:597**
Modified view, **5:130 et seq.**
Pleading, **5:140**
Policies, **5:139**
Post-sale misconduct, **5:131**
Purchaser-seller test, **7:678**
Reasons, **5:139**
Strict view, **5:129**
Third party misconduct, **5:132**
Touching test, **7:678**

CONSISTENCY OF RETURNS
Madoff Ponzi scheme, **20:2**

CONSOLIDATION OF ACTIONS
SLUSA restrictions, **3:206**

CONSPIRACIES AND CONSPIRATORS
Generally, **8:304 et seq.**
Actions in concert, **8:294**
Affirmative conduct
Generally, **8:305 et seq.**
No affirmative conduct, **8:310**
Aider-abettors compared, **8:292**
Common law fraud, **8:261**
Control sales, **8:307**
Injunctions, **8:312**
Insiders and Insider Trading (this index)
Madoff Ponzi Scheme (this index)
Misrepresentations, **8:305**
Nondisclosures, **8:306**
Other violations, **8:309**
Overt acts
Generally, **8:305 et seq.**
No overt act, **8:310**

CONSPIRACIES AND CONSPIRATORS—Cont'd
Parties and privity
Generally, **8:304 et seq.**
See also Private Actions (this index)
Pleading
Generally, **8:325**
Affirmative conduct, **8:321**
Aiding-abetting, **8:324**
Choice of parties, **8:320**
No affirmative conduct, **8:322**
Participation, **8:323**
Special elements, **8:326**
Privity
Implied liability, **8:280**
SA § 12(2), **8:270**
SA § 17(a), **8:280**
Sales fraud, **8:270**
Relations to other actors, **8:311**
Rule 10b-5 liability
Actions in concert, **8:294**
Aider-abettor liability, **8:327 et seq.**
Aider-abettors compared, **8:292**
Concerted action, **8:294**
Inducement, **8:295**
Injunction suits, **8:303**
Insiders, inducement by, **8:299**
Issuers, inducement by, **8:297**
Participants generally, **8:292**
Participants in violations generally, **8:294**
Pleading, **8:319 et seq.**
SEC decisions, **8:312**

CONSTRUCTIVE FRAUD
Generally, **8:242**

CONSTRUCTIVE KNOWLEDGE
Generally, **8:180**
See also Knowledge (this index)
Versions of scienter, relations among, **8:181**

CONTRACTION ERA
See also Expansion Era; Implied Liability (this index)
Compensatory damages in, **14:105**

CONTRACTION ERA—Cont'd
Fiduciary criteria
Generally, **7:561 et seq.**
Contraction era, **7:576**
Creation
Generally, **7:567**
Advisers to issuers, **7:569**
Business associates of issuers, **7:570**
Law characterizing relation, **7:573**
Position with issuer, **7:568**
Prior dealings, creation by, **7:571**
Securities professionals, **7:572**
Criteria, **7:561 et seq.**
Information possession criteria, **7:574**
Issuers, **7:565**
Market insiders, **7:575**
With whom must relationship exist, **7:562 et seq.**
Implied liabilities under SRO rules, **14:71**
Implied private actions under 10b-5
Generally, **3:74 et seq.**
See also Implied Liability (this index)
Administrative enforcement, supplement to, **3:81**
Administrative interpretation, **3:82**
Congressional intent, **3:76**
Cort v Ash, **3:95**
Flexibility to achieve remedial purpose, **3:88**
Judicial restraint, **3:85**
Legislative history, uses of, **3:90 et seq.**
Modes of interpretation, **3:86 et seq.**
Negative implication, **3:87**
Policies, **3:75**
Policy effectuation, **3:80**
Practicality, **3:83**
Reasons, **3:75**
Statutory jurisdictional grant, **3:79**
Statutory literalism, **3:89**
Statutory tort, **3:77**

CONTRACTION ERA—Cont'd
Implied private actions under 10b-5 —Cont'd
Supplement to administrative enforcement, **3:81**
Vexatiousness, **3:84, 3:85**
Voidability, statutory, **3:78**
Information possession criteria of insider liabilities, **7:576**
Insider trading by issuers, **7:646**
Overlapping remedies
Generally, **3:102 et seq.**
Comparison of elements of express and implied rights, **3:105**
Defense strategies, **3:103**
Exclusions, effect of, **3:108**
Falsity vs scheme, **3:106**
Nullification test, **3:104**
SA § 11
Generally, **3:109 et seq.**
Defendants excluded, **3:112**
Documents excluded, **3:113**
Failure to satisfy substantive elements, **3:115**
Plaintiffs excluded, **3:111**
Securities excluded, **3:110**
Substantive elements, failure to satisfy, **3:115**
Transactions excluded, **3:110**
SA § 12(2)
Generally, **3:116 et seq.**
Commercial paper, **3:119**
Defendants excluded, **3:121**
Documents excluded, **3:122**
Failure to satisfy substantive elements, **3:124**
Government securities, **3:118**
Municipal securities, **3:117**
Plaintiffs excluded, **3:120**
Securities excluded, **3:117 et seq.**
Substantive elements, **3:124**
SEA § 9
Generally, **3:125 et seq.**
Defendants excluded, **3:129**
Documents excluded, **3:130**
Failure to satisfy substantive elements, **3:132**

CONTRACTION ERA—Cont'd
Overlapping remedies—Cont'd
SEA § 9—Cont'd
Government securities, **3:127**
Municipal securities, **3:127**
OTC securities, **3:126**
Plaintiffs excluded, **3:128**
Securities excluded, **3:126 et seq.**
Substantive elements, **3:132**
SEA § 18
Generally, **3:133 et seq.**
Decisions rejecting IPA, **3:137**
Decisions sustaining IPA, **3:138**
Defendants excluded, **3:141**
Documents excluded, **3:142, 3:143**
Failure to satisfy substantive elements, **3:145**
Filed and unfiled documents, **3:142 et seq.**
Fischman rationale, **3:135**
Narrow focus of § 18, **3:136**
Plaintiffs excluded, **3:140**
Reexamination, reasons for, **3:134**
Scienter, **3:135**
Securities excluded, **3:139**
Substantive elements, **3:145**
Statutory cumulativity, **3:107**
Supreme Court approach, **3:104**
Rule 10b-5 history generally, **3:32**
SRO rules, implied liabilities, **14:71**
State law, **3:184**

CONTRACT PLANNING
See Transaction Planning (this index)

CONTRIBUTION
Generally, **9:66 et seq.**
Attorneys' fees, **9:75**
Costs, **9:75**
Court cases, **9:68**
Indemnification, **9:76**
Insurance, **9:76**
Knowing defendants, **9:70**
Limitation of actions, **9:74**
Measure of, **9:73**
Musick case, **9:68**

CONTRIBUTION—Cont'd
Nonknowing defendants, **9:71**
Proportionate liability and, **9:69**
Settlement, **9:72**
Statutory bases, **9:67**

CONTROL, SALES OF
See also Tender Offer Fraud (this index)
Buyer-seller requirements, **5:113**
Conspiracies, **8:307**

CONTROL PERSON LIABILITY
Generally, **7:451 et seq., 8:373 et seq.**
Actions in concert, **8:294**
Actual control, **5:156**
Broker-dealers
Generally, **7:456**
Good faith defense, **8:394 et seq.**
B test, **7:456**
Conspiracies
Generally, **8:304 et seq.**
Control, sales of, **8:307**
Contribution to violation, **7:458**
Corporate policy, control over, **8:382 et seq.**
Court cases, **8:380 et seq.**
Culpable participation, **8:378, 8:388 et seq.**
Disclosure of merger offers leading to board control changes, **6:61**
Element of control, **8:379**
Failure to act, **7:455**
Good faith defense
Generally, **8:393 et seq.**
Broker-dealers, **8:394 et seq.**
SA § 15, **8:393 et seq.**
SEA § 20(a), **8:393 et seq.**
Influence, proof of, **5:155**
Insider trading charges
Generally, **7:451 et seq.**
All control persons, **7:453**
Amount of liability, **7:459**
Broker-dealer control persons, **7:456**
B test, **7:456**
Contribution to violation, **7:458**
Failure to act, **7:455**

CONTROL PERSON LIABILITY —Cont'd
Insider trading charges—Cont'd
Investment adviser control persons, **7:456**
Knowledge
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Policy/procedure failures, **7:457**
Private actions against, **7:486, 7:512**
Reckless disregard
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Requirements, **7:452**
Respondeat superior liability, **7:450**
Substantial contribution to violation, **7:458**
A test, **7:453**
Insider trading penalties imposed on, **7:440**
Investment adviser control persons, **7:456**
Investment bankers for controlled companies, **5:175**
Investment bankers for controlling companies, **5:177**
Investment bankers representing controlled and controlling companies, **5:176**
Joint and several liability
Generally, **9:33**
SA § 15, **9:25**
SEA § 20(a), **9:33**
Knowledge
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Law and fact questions, **8:381**
Legislative history, **8:375**
Madoff Ponzi scheme, **20:5**
Parking stock in control fights, **7:146**
Participation, culpable, **8:378, 8:388 et seq.**
Parties and privity
Generally, **8:373 et seq.**

CONTROL PERSON LIABILITY —Cont'd
Parties and privity—Cont'd
See also Parties (this index)
Pleading
Affirmative conduct, **8:321**
Aiding-abetting, **8:324**
Choice of parties, **8:320**
Conspiracy, **8:325**
No affirmative conduct, **8:322**
Participation, **8:323**
Special elements, **8:326**
Policy/procedure failures, **7:457**
Potential control, **5:156**
Privity
Implied liability, **8:281**
SA § 12(2), **8:271**
SA § 17(a), **8:281**
Sales fraud, **8:271**
Proof of, **5:155**
Proportionate liability, **9:53**
Reckless disregard
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Requirements, **7:452**
Rule 10b-5 liability
Actions in concert, **8:294**
Aider-abettor liability, **8:327 et seq.**
Concerted action, **8:294**
Conspiracies, **8:304 et seq.**
Inducement, **8:295**
Injunction suits, **8:303**
Insiders, inducement by, **8:299**
Issuers, inducement by, **8:297**
Participants, **8:292, 8:294**
Pleading, **8:319 et seq.**
SA § 15, **8:393 et seq.**
Sales, unfair terms, **5:191**
SEA § 20(a), **8:393 et seq.**
Standard of participation, **8:377**
Statutory language, **8:374**
Substantial contribution to violation, **7:458**
Unfair terms in control sales, **5:191**
Valuation of control premiums and discounts, **5:166**

COOPERATION
SEC investigation, **20:15**

COOPERATIVE APARTMENTS
Shares in as securities, **5:26**

COORDINATED SEC-STATE-SRO INVESTIGATIONS
Generally, **13:322 et seq.**
ARS securities and market, **13:325**
ARS seller management liability, **13:330**
ARS violations, **13:326**
Auction Rate Security (ARS), generally, **13:323**
Criminal aspects, **13:331**
Government regulatory suits, **13:329**
Investor recovery as objective, **13:324**
Private litigation, **13:327, 13:328**
State law, private litigation, **13:328**

CORNERING THE MARKET
Manipulation, **7:134**

CORONAVIRUS
Covid-19 Pandemic (this index)

CORPORATE GOVERNANCE
Generally, **8:414**

CORPORATE OFFICERS
See Officers, Corporate (this index)

CORRECTION
Arbitration, challenging awards, **15:58**
Private actions, correction and price drop, Proposition 2, **8:580**

CORRUPTION
Coordinated investigations following subprime mortgage crisis, **13:338**

COSTS AND EXPENSES
Costs of enforcement, insiders and insider trading, **7:195**
Foreign Corrupt Practices Act (FCPA), affirmative defense, **19:4**

COUNSEL, RIGHT TO
See Attorneys (this index)

COURT DECISIONS
Aider-abettor liability, **8:328 et seq.**
Arbitration provisions, validity of, **15:3, 15:71**
Asterisks, **1:2**
Birnbaum Rule (this index)
Broker-dealer supervision liabilities, **14:176**
Cady, Roberts & Co case, **App E**
Central Bank decision, **7:79, 7:85**
Chadbourne case, **3:217 et seq.**
Chiasson/Newman cases, **7:387 et seq.**
Citation formats, **1:3**
Contested cases, **1:16**
Contribution, **9:68**
Control person liability, **8:380 et seq.**
Cooper case, **8:419**
Corporate officers, Rule 10b-5 liabilities, **8:415 et seq.**
Damages
  Benefit of bargain measure, **9:6**
  Circuit Courts, **9:4 et seq.**
  Consequential damages, **9:8**
  Constructive trust measure, **9:7**
  Disgorgement, **9:7**
  District court confusion, **9:10**
  Out-of-pocket measure, **9:5**
  Supreme Court, **9:3**
  Unjust enrichment, **9:7**
Directors, Rule 10b-5 liabilities, **8:415 et seq.**
Disclosures, **6:281**
Disgorgement, **9:42**
Fischman rationale, **3:135**
Front running, **7:142**
Gould case, **8:417**
Grace case, **8:423**
Gutfreund case, **8:420**
Howey test, **5:22**
Implied liabilities under SRO rules, **14:64 et seq.**
Indirect-impersonal dealing, GAAP violations, **7:62 et seq.**
International Brotherhood of Teamsters case, **5:27**

COURT DECISIONS—Cont'd
International transactions, **11:174**
IPA, current status of, **3:148 et seq.**
Joiner Leasing Corp case, **5:21**
Joint and several liability, **9:42**
Lampf case, **11:63 et seq.**
Lipkind case, **11:63 et seq.**
Loss causation, private actions in Supreme Court decisions, **8:556 to 8:570**
Margin rules, **14:60**
Materiality tests
  Mills case, **8:13**
  TSC cases, **8:14**
McMahon case, **15:3, 15:71**
Mills case, **8:13, 8:558**
Misappropriation theory of insider liabilities, **7:582 et seq.**
Musick case, **9:68**
National Telephone case, **8:422**
Notations, **1:2**
Omnicare decision, fact vs. opinion standard, **8:3**
Petigrow case, **11:63 et seq.**
Pinter case, **14:30, 14:38**
Plaut case, **11:69**
Pleva case, **11:63 et seq.**
Post-Chadbourne cases, **3:220 to 3:222**
Private actions, Supreme Court decisions. Private Actions (this index)
Prupis case, **11:63 et seq.**
Recklessness, **11:141 et seq., 11:162 et seq., 14:83 et seq.**
Risk disclosures, **6:281**
Rodriguez case, **15:3, 15:71**
SA § 11, **14:6**
Scienter, **14:83 et seq.**
SRO rules, implied liabilities, **14:64 et seq.**
Stirling Homex case, **8:416**
Stoneridge case, **7:82, 7:83**
TSC cases, **8:14**
UBS Securities decision, proof of retaliatory intent under Sarbanes-Oxley Act, **22:24**
Uncontested cases, **1:17**

COURT DECISIONS—Cont'd
Unfairness
Generally, **5:183 et seq.**
Fair terms, **5:185**
SEC decisions, **5:186**
Unfair terms, **5:184**
United Benefit Life Ins Co case, **5:24**
United Housing Foundation, Inc case, **5:26**
Ward La France Truck Corp case, **App D**
What is a security
Generally, **5:20 et seq.**
Flexible fund annuities, **5:25**
Howey test, **5:22**
International Brotherhood of Teamsters case, **5:27**
Joiner Leasing Corp case, **5:21**
Landreth Timber Co case, **5:29**
Marine Bank case, **5:28**
Reeves v. Ernst & Young case, **5:30**
SEC v. Edwards case, **5:31**
United Benefit Life Ins Co case, **5:24**
United Housing Foundation, Inc case, **5:26**
Variable annuities, **5:23**

COVID-19 PANDEMIC
Generally, **27:1 to 27:9**
Class actions
Foreign companies, misleading disclosure re: impact and effect of Covid-19 on, **27:7**
Insider trading, **27:4**
Material nonpublic information, misuse of, **27:4**
Misleading disclosures, **27:3, 27:5 to 27:7**
Misuse of material nonpublic information, **27:4**
Other Covid-19 related class actions, **27:8**
Private securities, **27:1**
Tests and treatments, misleading disclosure re:, **27:3**
Video conferencing, misleading disclosure re: capacity of provider for remote learning to meet surge demand, **27:6**
Video conferencing, misleading disclosure re: privacy and security for, **27:5**
DOJ criminal actions, **27:2**
Foreign companies, misleading disclosure re: impact and effect of Covid-19 on, class actions, **27:7**
Insider trading, class actions, **27:4**
Material nonpublic information, misuse of, class actions, **27:4**
Misleading disclosures, class actions, **27:3, 27:5 to 27:7**
Misuse of material nonpublic information, class actions, **27:4**
Other Covid-19 related class actions, **27:8**
Overview, **27:1**
Private securities, class actions, **27:1**
Private securities class actions related to, **27:1**
Securities enforcement actions, **27:1, 27:2**
Tests and treatments, misleading disclosure re:, class actions, **27:3**
Video conferencing, misleading disclosure re: capacity of provider for remote learning to meet surge demand, class actions, **27:6**
Video conferencing, misleading disclosure re: privacy and security for, class actions, **27:5**

CREDIBILITY
Madoff Ponzi scheme, **20:2**

CREDIT SUISSE SECURITIES LITIGATION
Coordinated investigations following subprime mortgage crisis, **13:337**

CRIMINAL ENFORCEMENT
Generally, **13:121 et seq., 13:253 et seq.**

CRIMINAL ENFORCEMENT —Cont'd
Actual knowledge, scienter, **8:176**
Administrative enforcement compared, SEC, **13:95**
Advantages and disadvantages
CFTC references, **13:262**
SEC references, **13:132**
Aider-abettor liability
Generally, **8:327 et seq., 8:372**
Absence of benefit, **8:366**
Benefit, **8:364 et seq.**
Court cases, **8:328 et seq.**
Definitions, **8:349**
Elements, **8:352**
Extent of benefit, **8:367**
High conscious intent, **8:358**
Janus Capital, preparation for or assistance to another, **8:336 et seq.**
Knowledge of violation, **8:356 et seq.**
Nature of benefit, **8:367**
Origins of doctrine, **8:351**
Presence of benefit, **8:365**
Primary violations, **8:355**
PSLRA, **8:347**
Requirements, **8:352**
SEA § 20(f), **8:348**
Substantial assistance
Generally, **8:359 et seq.**
Extraordinary actions, **8:362**
Inaction, **8:363**
Ordinary actions, **8:362**
Proximate cause, **8:360**
Silence, **8:363**
Timing, **8:361**
Ancillary relief
CFTC references, **13:260**
SEC references, **13:130**
Burden of proof, insider trading charges, **7:366**
CFTC references
Generally, **13:254**
Advantages and disadvantages, **13:262**
Ancillary relief, **13:260**
Character, **13:253**

CRIMINAL ENFORCEMENT —Cont'd
CFTC references—Cont'd
Collateral effects, **13:259**
Duration, **13:261**
Grand juries, **13:256**
Participation of agency, **13:255**
Plea bargaining, **13:257**
Proof standards, **13:258 et seq.**
Sentencing, **13:261**
Character
CFTC references, **13:253**
SEC references, **13:121**
Collateral effects
CFTC references, **13:259**
SEC references, **13:129**
Commodities fraud generally, **1:24**
Constructive knowledge, **8:187**
Continuations of civil proceedings, **13:137, 13:138**
Control person liability
Generally, **8:373 et seq.**
See also Control Person Liability (this index)
Coordinated SEC-state-SRO investigations, **13:331**
Defenses, **13:128**
Deferred prosecution agreement, JPMorgan/Madoff, **10:5**
Diligence, lack of, **8:236**
Discovery
Civil-criminal flow of information, **13:139**
Criminal-civil flow of information, **13:139.10, 13:141**
Failure to warn of criminal proceeding in civil proceeding, **13:142**
Double jeopardy limitations, insider trading charges, **7:443**
Duration
CFTC references, **13:261**
SEC references, **13:131**
Foreign Corrupt Practices Act (FCPA) (this index)
Global Ponzi scheme. Madoff Ponzi Scheme (this index)

CRIMINAL ENFORCEMENT —Cont'd
Grand juries
CFTC references, **13:256**
SEC references, **13:124**
Ignorance of law, **13:128**
Implied Liability (this index)
Insider trading
Generally, **7:415 et seq., 7:460 et seq.**
See also Administrative Enforcement (this index)
Amount of penalties, **7:466**
Burden of proof
Generally, **7:366**
Defenses, **7:369**
Institutions, **7:367**
Connection with requirement
Market transactions, **7:370**
Rule 10b-5, **7:370**
Rule 14e-3, **7:371**
Tender offers, **7:371**
Defenses
Generally, **7:350**
Amount defined, **7:355**
Binding contract defense, **7:351**
Burden of proving, **7:369**
Common terms and issues, **7:355 et seq.**
Date defined, **7:357**
Delegation alternative to amount, price and date, **7:358**
Exclusiveness of defenses, **7:360**
Institutional defenses, **7:361**
Instructions defense, **7:352**
Overriding limitations, **7:359**
Price defined, **7:356**
Relation to other laws, **7:362**
Systematic plans defense, **7:353**
Tracking plans defense, **7:354**
Disgorgement, **7:465**
Institutional defenses, **7:361**
Institutions, burden of proof, **7:367**
Judge or jury, **7:467**
Mail and wire fraud, **7:463**

CRIMINAL ENFORCEMENT —Cont'd
Insider trading—Cont'd
Martha Stewart case. Scienter, below in this group
Misappropriation theory, **7:578 et seq.**
Motion practice, **7:365**
New York district federal prosecutions, **App J**
Parties, **7:363**
Penalties, **7:466**
Pleading
Generally, **7:364**
Scienter, **7:398**
Procedural aspects, **7:363 et seq.**
Proof, **7:368**
Quantum of proof, **7:366, 7:367**
Raj Rajaratnam case, **21:1 et seq.**
Restitution, **7:465**
RICO, **7:414, 7:464**
Scienter
Generally, **7:372 et seq.**
Fiduciary theory
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**
Mail and wire fraud, **7:413**
Martha Stewart case
Generally, **7:403 et seq.**
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Sufficiency of evidence test, **7:408**
Misappropriation theory
Tippers, **7:382**
Trading insiders, **7:378**
Trading tippees, **7:386**
Pleading, **7:398**
Proof, **7:399 et seq.**

CRIMINAL ENFORCEMENT —Cont'd
Insider trading—Cont'd
Scienter—Cont'd
Rule 10b-5, **7:374 et seq.**
Rule 14e-3, **7:412**
Tippers
Generally, **7:379 et seq.**
Proof, **7:401**
Trading insiders
Generally, **7:375 et seq.**
Proof, **7:400**
Trading tippees
Generally, **7:383 et seq.**
Proof, **7:402**
Securities violations, **7:462**
Tippers, scienter, **7:379 et seq.**
Intent, **8:197**
Investigations
Generally, **13:1 et seq.**
See also Investigations (this index)
JPMorgan/Madoff, deferred prosecution agreement, **10:5**
Mail and wire fraud
Generally, **7:171, 7:463**
Scienter, **7:413**
Martha Stewart case
Generally, **7:403 et seq.**
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Insiders and inside trading, generally, **7:403 et seq.**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Scienter, generally, **7:403 et seq.**
Sufficiency of evidence test, **7:408**
Motion practice, **7:365**
Negligence and scienter, **8:236**
No-knowledge defenses, **13:128**
Parallel civil and criminal proceedings
Generally, **13:133 et seq.**
Battle over discovery, **13:135**

CRIMINAL ENFORCEMENT —Cont'd
Parallel civil and criminal proceedings—Cont'd
CFTC references, **13:263**
Civil-criminal flow of information, **13:139**
Continuation of criminal proceedings, **13:140**
Continuations of civil proceedings, **13:137, 13:138**
Criminal-civil flow of information, **13:141, 13:143**
Criteria for stay of discovery, **13:136**
Discovery, **13:138, 13:139, 13:141, 13:142, 13:143**
Failure to warn of criminal proceeding in civil proceeding, **13:142**
Reasons for concern, **13:134**
SEC references, **13:133 et seq.**
Participation of agency
CFTC references, **13:255**
SEC references, **13:123**
Penalty actions
Generally, **7:438 et seq.**
See also Securities and Exchange Commission (this index)
Plea bargaining
CFTC references, **13:257**
SEC references, **13:125**
Pleadings, **7:364**
Private actions, scienter, **8:65**
Proof standards
CFTC references, **13:258 et seq.**
SEC references, **13:126 et seq.**
Quantum of proof, **7:366**
Raj Rajaratnam case, **21:1 et seq.**
References from administrative agencies
CFTC references, **13:254**
SEC references, **13:122**
SRO references, **13:304**
Sanctions under rules generally, **3:4**
Scienter
Actual knowledge, **8:176**
Constructive knowledge, **8:187**

CRIMINAL ENFORCEMENT —Cont'd
Scienter—Cont'd
Diligence, lack of, **8:236**
Intent, **8:197**
Negligence, **8:236**
Private actions, **8:65**
SEC references, **13:127**
Unreasonable conduct, **8:236**
SEC
Investigations, information sharing by Office of Market Intelligence, **20:14**
Raj Rajaratnam case, early investigation, **21:3**
References
Generally, **13:122**
Advantages and disadvantages, **13:132**
Ancillary relief, **13:130**
Character, **13:121**
Collateral effects, **13:129**
Defenses, **13:128**
Duration, **13:131**
Grand juries, **13:124**
Ignorance of law, **13:128**
No-knowledge defenses, **13:128**
Participation of agency, **13:123**
Plea bargaining, **13:125**
Proof standards, **13:126 et seq.**
Scienter, **13:127**
Sentencing, **13:131**
Willfulness, **13:127**
Role in, **10:1, 10:4**
Securities fraud generally, **1:22**
Securities Litigation Uniform Standards Act (SLUSA), effect of, **3:216**
Sentencing
CFTC references, **13:261**
SEC references, **13:131**
SRO references, **13:304**
State investigations, **13:320**
Touting, scienter, **8:99**
Unreasonable conduct, **8:236**
Whistleblowers, retaliation, **22:16**
Willfulness, **13:127**

CROSS TRADING
Manipulation practices, **7:135**

CROWDFUNDING
Generally, **14:207 et seq.**
Accredited investors, JOBS Act, current status, **14:219**
Background, **14:207**
Broker-dealer liability, **14:215**
Disclosure, JOBS Act, current status, **14:219**
Enforcement priorities, **14:208**
Fraud, potential, **14:209, 14:212**
History, **14:210 et seq.**
Implementation, JOBS Act, current status, **14:219**
JOBS Act, **14:214 et seq.**
Kickstarter, **14:211**
Loomi lampshade, **14:211**
Ogre, **14:211**
Portals, **14:217**
Description, **14:223**
Proposed rules, reaction, **14:220, 14:221**
Registration of securities, **14:216**
Regulation A, application of law, **14:215**
Regulation D, application of law, **14:215**
Risk, **14:212**
Safecast Geiger counter, **14:211**
SEC rules and regulations, **14:216**
Securities and Exchange Commission (SEC), **14:218**
Solicitation, JOBS Act, current status, **14:219**
State regulators, reaction, **14:222**
Vetting projects, **14:212**

CRYPTOCURRENCIES
Generally, **24:1**
Bitcoin, **25:3**
Cases in the southern district of NY, **24:5**
Class actions, **24:9**
Commodities, virtual currencies as, **25:6**

CRYPTOCURRENCIES—Cont'd
Commodity Futures Trading Commission (CFTC)
Generally, **25:1 to 25:10**
Background, **25:3**
Bitcoin, **25:3**
Criminal activity, **25:4**
Enforcement actions, **25:8**
Jurisdiction, **25:2, 25:7**
Regulation and oversight, **25:5**
Spot markets, **25:7**
Statutory framework, **25:2**
Warning to investors, **25:9**
Criminal activity, **25:4**
Enforcement actions, **24:4**
CFTC, **25:8**
Insider trading cases, **24:8**
Jurisdiction of CFTC, **25:2, 25:7**
Private litigation, **24:9**
Regulation
CFTC, **25:5**
SEC, **24:1 to 24:9**
SEC
21(a) Report, **24:3**
Regulation by, **24:1 to 24:9**
SEC approach to cryptocurrencies prior to January,
2025, **24:2**
SEC v. Ripple Labs, **24:6**
Touting cases, **24:7**

CUSTODIAN OF CLIENT ASSETS
Madoff Ponzi scheme, **20:2**

"CUSTOMER" UNDER SECURITIES INVESTOR PROTECTION ACT
Madoff Ponzi scheme, **20:3**

CYBERSECURITY
Generally, **26:1 et seq.**
Broker-dealer, hacking of, **26:4, 26:5**
Customer data
Disclose hacking, failure to, **26:1**
Protect, failure to, **26:5**
Cyber breaches. Private securities litigation, cyber breaches, below
Disclose hacking, failure to, customer data, **26:1**

CYBERSECURITY—Cont'd
Failure to
Disclose hacking, **26:1**
Implement identity theft program, **26:4, 26:5**
Protect customer data, **26:5**
Final rule
Cybersecurity risk management, **26:9**
Governance, **26:9**
Incident disclosure, **26:9**
Strategy, **26:9**
Governance, final rule, **26:9**
Identity theft program, failure to implement, **26:4, 26:5**
Illegal trading, **26:2, 26:3**
Incident disclosure, final rule, **26:9**
Mergers and acquisitions, **26:2**
Misappropriation
Customer data, **26:5**
Non-public information, **26:2, 26:3**
Non-public information, misappropriation of, **26:2, 26:3**
Private securities litigation, cyber breaches
Class actions
Securities Act of 1933, **26:7**
Securities Exchange Act of 1934, Rule 10b-5, **26:6**
Fiduciary duties, **26:8**
Shareholder derivative actions, **26:8**
Regulation S-P, **26:4, 26:5**
Risk management, final rule, **26:9**
Safeguards rule, SEC, **26:4, 26:5**
Strategy, final rule, **26:9**

DAMAGES
Generally, **9:1 et seq.**
Ancillary remedies and, **9:17**
Arbitrations
Attorneys' fees, **15:38**
Costs, **15:38**
Interest, **15:38**
Mitigation of damages, **15:35**
Punitive, **15:36, 15:37, 15:74**
Attorneys' fees
Generally, **9:18**
Arbitrations, **15:38**

DAMAGES—Cont'd
Attorneys' fees—Cont'd
Broker-dealer liability, **14:53**
Contribution, **9:75**
Benefit of bargain measure, **9:6**
Broker-dealer liability
Express actions, **14:46, 14:51**
Implied actions, **14:95 et seq.**
Rule 10b-5, **14:95 et seq.**
SA § 11, **14:15**
Causation, **8:553**
Churning, **14:136**
Civil Penalties (this index)
Class actions, **9:13**
Consequential damages, **9:8**
Constructive trust measure, **9:7**
Contribution (this index)
Costs
Arbitrations, **15:38**
Broker-dealer liability, **14:53**
Contribution, **9:75**
Court cases
Benefit of bargain measure, **9:6**
Circuit Courts, **9:4 et seq.**
Consequential damages, **9:8**
Constructive trust measure, **9:7**
Disgorgement, **9:7**
District court confusion, **9:10**
Out-of-pocket measure, **9:5**
Supreme Court, **9:3**
Unjust enrichment, **9:7**
Disgorgement (this index)
Enforcement action civil penalties
CFTC, **13:238**
Financial test, **13:238**
SEC, **13:83**
Fraud on the market theory (FOMT)
Generally, **8:520 et seq., 8:552**
See also Reliance (this index)
Indemnification, **9:76**
Insider trading violations, **7:488**
Insurance, **9:76**
Interest, **15:38**
Joint and Several Liability (this index)
Lost profits, rescission and, **14:101**
Market based price determinations, **8:525**

DAMAGES—Cont'd
Multiple recoveries, **9:15**
Other damages, **9:14**
Out-of-pocket damages, broker-dealer liability, **14:103**
Out-of-pocket measure, court cases, **9:5**
Price, market based price determinations, **8:525**
Proportionate Liability (this index)
Punitive Damages (this index)
Reliance
Generally, **8:484 et seq.**
See also Reliance (this index)
Causation, **8:553**
Fraud on the market theory (FOMT), **8:552**
Rescissional damages, **14:51**
Rule 10b-5, **14:95 et seq.**
SA § 11, **14:15**
SEA § 21D(e), **9:11**
Statutory bases, **9:2**
Unjust enrichment, **9:7**

DAY TRADING
NASD risk disclosure requirements, **6:284**

DECEPTION
Generally, **5:79 et seq.**
Directors, deception of, **5:82**
Economic effect of deception, **5:84**
Knowledge, imputation of, **5:85**
Meaning, **5:80**
Modified views, **5:82 et seq.**
Pleading, **5:88**
Policies, **5:87**
Reasons, **5:87**
Shareholders, deception of, **5:83**
Strict view, **5:81**

DEFENSES
Foreign Corrupt Practices Act (FCPA) (this index)

DEFINED BENEFIT PLANS
Employee Benefit Plans (this index)

DEFINITIONS
See also What is a Security (this index)

DEFINITIONS—Cont'd
Aider-abettor, **8:349**
Causation, **5:90**
Churning, **14:138**
Customer, **15:10**
Direct-personal transactions, **1:2**
Manipulation, **7:119**
Materiality, **8:9**
Material nonpublic information, **7:152**
Mergers, **6:147**
MNPI, **7:152**
Opposite side traders, **7:494**
Parking, **7:144**
Prospectus, **3:41 et seq.**
Proxy, **6:208**
Same side traders, **7:495**
Scalping, **12:3**
Scienter, **8:155 et seq.**
Security. See What is a Security (this index)
Solicitation, **6:209**
Tip, **7:624**
Trade, **1:2**
Whistleblowers, **22:5, 22:23 et seq.**

DEPOSITORY TRUST CORPORATION (DTC)
Madoff Ponzi scheme, BMIS account, **20:6**

DERELICTION OF DUTIES
Madoff Ponzi scheme, **20:5, 20:9**

DERIVATIVE SUITS
Class actions compared, **3:212**
Jurisdictional means, **11:43**
Private securities litigation, cyber breaches, **26:8**
Securities Litigation Uniform Standards Act, effect on, **3:212**

DEXIA v. BEAR STEARNS LITIGATION
Coordinated investigations following subprime mortgage crisis, **13:335**

DIGITAL REALTY TRUST, INC. v. SOMERS
Whistleblowers, definition, **22:23 et seq.**

DILIGENCE, LACK OF
Generally, **8:229 et seq.**
See also Due Diligence (this index)
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Necessity, **8:231, 8:232**
Proof, **8:239**
Scienter, **8:234**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Versions of scienter, relations among, **8:230**

DIRECT-IMPERSONAL DEALING
Generally, **6:1 et seq., 12:12**
Actual knowledge and scienter, **8:171**
Antifraud provisions
Materiality standard
Generally, **6:165 et seq.**
Rule 10b-5, **6:168**
Rule 14a-9, **6:166**
Rule 14c-6, **6:167**
Mergers, **6:151**
Scienter standard
Generally, **6:169 et seq.**
Rule 10b-5, **6:171**
Rule 14a-9, **6:169**
Rule 14c-6, **6:170**
Buyer-seller requirement, **6:182**
Contested offers
Generally, **6:8 et seq.**
Mode of attack, **6:8**
Publicity, prefiling, **6:10**
Relief available, **6:9**
Direct and indirect dealings, **4:1**
Disclosure
Generally, **6:212 et seq., 6:267**
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Aggregate materiality, **6:253**
Annual reports, **6:242**
Application of funds, **6:260**
Assets
Generally, **6:261 et seq.**
Existence of, **6:262**

DIRECT-IMPERSONAL DEALING —Cont'd
Disclosure—Cont'd
Assets—Cont'd
Reasons, **6:273**
Value of assets, below
Balance, **6:229**
Buried facts, **6:232**
Cash flow, **6:260**
Clarity, **6:225**
Comparative tables, **6:219**
Consistency, **6:228**
Conspicuity. Prominence, below
Context, **6:235**
Corrections
Generally, **6:290 et seq., 6:321**
See also Supplementary communications, below
Another's statements, correction of, **6:319**
Blue sky laws, **6:292**
Broker-dealer fraud, **6:312**
Common law, **6:291**
False reports to SEC, **6:313**
Fraud in general, **6:314 et seq.**
How long correction is necessary
Rule 14a-9, **6:304**
Rule 14c-6, **6:308**
SA § 11, **6:296**
How long is correction necessary
Generally, **6:323, 6:325**
Direct-personal transactions, **6:324**
Indirect-impersonal transactions, **6:326**
How must correction be made
Rule 10b-5, **6:328**
Rule 14a-9, **6:306**
Rule 14c-6, **6:310**
SA § 11, **6:298**
Market manipulation, **6:300**
Proxy fraud, **6:302**
Registration fraud, **6:294 et seq.**
Rule 10b-5 requirements
Fraud in general, **6:314 et seq.**

DIRECT-IMPERSONAL DEALING —Cont'd
Disclosure—Cont'd
Corrections—Cont'd
Rule 10b-5 requirements —Cont'd
How long is correction necessary, **6:323 et seq.**
How must correction be made, **6:328**
What makes correction necessary, **6:319 et seq.**
What must be corrected, **6:327**
Who entitled to correction, **6:328**
Rule 14a-9, **6:303 et seq.**
Rule 14c-6, **6:307 et seq.**
SA § 11, **6:294 et seq.**
SA § 12(2), **6:293**
SA § 17(a), **6:299**
Sales fraud
Express liability, **6:293**
Implied liability, **6:299**
SEA § 9(a), **6:300**
SEA § 10, **6:301**
SEA § 14, **6:302**
SEC, false reports to, **6:313**
State law, **6:292**
Tender offer fraud, **6:311**
What makes correction necessary
Generally, **6:319**
Direct-personal transactions, **6:320**
Indirect-impersonal transactions, **6:322**
Rule 14a-9, **6:303**
Rule 14c-6, **6:307**
SA § 11, **6:295**
What must be corrected
Rule 10b-5, **6:327**
Rule 14a-9, **6:305**
Rule 14c-6, **6:309**
SA § 11, **6:297**
Who entitled to correction
Rule 10b-5, **6:328**
Rule 14a-9, **6:306**

DIRECT-IMPERSONAL DEALING —Cont'd
Disclosure—Cont'd
Corrections—Cont'd
Who entitled to correction —Cont'd
Rule 14c-6, **6:310**
SA § 11, **6:298**
Cross references, **6:233**
Detail, **6:234**
Distribution, **6:214 et seq.**
Earnings
Generally, **6:254**
Inherently misleading statements, **6:256**
Interim, **6:259**
Misrepresentations, **6:255**
Nondisclosure of, **6:257**
Predictions, **6:255**
Exchange offers, **6:12**
Form and substance, **6:235**
Interim earnings, **6:259**
Interpretation, **6:236**
Level, **6:227**
Locus, **6:214 et seq.**
Materiality
Generally, **6:248 et seq.**
Aggregate, **6:253**
Might, use of term, **6:249**
Practical problems, **6:251**
Probably would, use of term, **6:250**
Specific items, materiality of, **6:252**
Would, use of term, **6:249**
Misrepresentations
Earnings, **6:255**
Value of assets
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
Numerical information, **6:237**
Opposition communications, **6:247**
Organization, **6:226**
Overall effect, **6:238**
Predictions, earning, **6:255**
Presentation, **6:224 et seq.**

DIRECT-IMPERSONAL DEALING —Cont'd
Disclosure—Cont'd
Prominence
Generally, **6:230 et seq.**
Buried and scattered facts, **6:232**
Similar emphasis, **6:231**
Public sales, **6:12**
Repetition, **6:233**
Risk
Generally, **6:275 et seq.**
CFTC requirements, **6:289**
Context, **6:275**
Court cases, **6:281**
Day trading, **6:284**
Extended hour trading, **6:285**
Margin trading, **6:286**
NASD requirements, **6:283 et seq.**
Plain English requirements, **6:278**
Safe harbor, **6:282**
SA filings, **6:279**
SEA filings, **6:280**
Short selling, **6:287**
Specific requirements, **6:277**
Uninsured products, **6:288**
Rule 10b-5 requirements, **6:218**
SA § 5 requirements, **6:217**
Scattered facts, **6:232**
SEA § 14(a) requirements, **6:215**
SEA § 14(c) requirements, **6:216**
Sources of funds, **6:260**
Sources of requirements
Generally, **6:220 et seq.**
Antifraud provisions, **6:222**
Specific items, **6:221**
Timing, **6:223**
Specific information requirements, **6:2**
Style, **6:224 et seq.**
Supplementary communications
Generally, **6:239 et seq.**
See also Corrections, above
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Annual reports, **6:242**

DIRECT-IMPERSONAL DEALING —Cont'd
Disclosure—Cont'd
Supplementary communications —Cont'd
Cover letters, **6:243**
Followup solicitations, **6:244**
Generally available information, **6:246**
Other communications, **6:245**
Transmittal letters, **6:243**
Timing requirements, **6:223**
Value of assets
Generally, **6:263 et seq.**
Firm offers, **6:265**
Hard data, **6:264**
Misrepresentation
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
Modified view
Disposition plans, **6:266**
Hard data, **6:264**
Other situations, **6:268**
Policies, **6:269**
Reasons, **6:269**
Replacement costs, **6:267**
Traditional view, **6:263**
Distributions
Generally, **6:4**
Disclosure, **6:12**
Exchange offers, below
Registered offerings, **6:5**
Unregistered offerings, **6:6**
Exchange offers
Generally, **6:4, 6:7**
Contested offers
Generally, **6:8 et seq.**
Mode of attack, **6:8**
Publicity, prefiling, **6:10**
Relief available, **6:9**
Standing to challenge, **6:11**
Disclosure, **6:12**
Registered offerings, **6:5**
Unregistered offerings, **6:6**
Fraud on the market
Generally, **8:520 et seq.**
See also Reliance (this index)

DIRECT-IMPERSONAL DEALING —Cont'd
Issuer tender offers
Generally, **6:141**
Disclosure requirements, **6:144**
Price, **6:142**
Redemptions, **6:145**
Standing to challenge, **6:143**
Market-informing responsibilities, **12:7**
Mediation, **15:69**
Mergers
Generally, **6:146 et seq.**
Antifraud provisions
Generally, **6:158 et seq.**
Buyer-seller requirement, **6:182**
Causation
Generally, **6:179 et seq.**
Rule 10b-5, **6:181**
Rule 14a-9, **6:179**
Rule 14c-6, **6:180**
Comparative language, **6:164**
Connection requirement
Generally, **6:183 et seq.**
Rule 10b-5, **6:185**
Rule 14a-9, **6:183**
Rule 14c-6, **6:184**
Federal laws generally, **6:151**
Jurisdictional means
Generally, **6:188 et seq.**
Rule 10b-5, **6:190**
Rule 14a-9, **6:188, 6:189**
Materiality standard
Generally, **6:165 et seq.**
Rule 10b-5, **6:168**
Rule 14a-9, **6:166**
Rule 14c-6, **6:167**
Operation, areas of, **6:163**
Private actions, **6:160 et seq.**
Privity
Generally, **6:172 et seq.**
Rule 10b-5, **6:175**
Rule 14a-9, **6:173**
Rule 14c-6, **6:174**
Reliance
Generally, **6:176 et seq.**
Rule 10b-5, **6:178**
Rule 14a-9, **6:176**

DIRECT-IMPERSONAL DEALING —Cont'd
Mergers—Cont'd
Antifraud provisions—Cont'd
Reliance—Cont'd
Rule 14c-6, **6:177**
Rule 10b-5, relation of proxy rules to, **6:159 et seq.**
Rule 10b-5 private actions, **6:162**
Rule 14a-9 private actions, **6:160**
Rule 14c-6 private actions, **6:161**
Scienter standard
Generally, **6:169 et seq.**
Rule 10b-5, **6:171**
Rule 14a-9, **6:169**
Rule 14c-6, **6:170**
SEA § 14(e), **6:186**
Securities Act, **6:187**
State law
Generally, **6:191 et seq.**
Appraisal rights, **6:192, 6:193**
Delaware law, **6:196**
Effect of merger or dissolution, **6:194**
Equitable approach, **6:197**
Standing approach, **6:196**
Violations covered, **6:164**
Background, **6:148 et seq.**
Congressional intent
Generally, **6:154 et seq.**
Information statement rules, **6:156**
Proxy rules, **6:155**
Rule 10b-5, **6:157**
SEA § 14(a), **6:155**
SEA § 14(c), **6:156**
Definition, **6:147**
Disclosures
Generally, **6:212 et seq.**
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Aggregate materiality, **6:253**
Annual reports, **6:242**
Application of funds, **6:260**

DIRECT-IMPERSONAL DEALING —Cont'd
Mergers—Cont'd
Disclosures—Cont'd
Assets
Generally, **6:261 et seq.**
Existence of, **6:262**
Reasons, **6:273**
Balance, **6:229**
Buried facts, **6:232**
Cash flow, **6:260**
Clarity, **6:225**
Comparative tables, **6:219**
Congressional intent, **6:156**
Consistency, **6:228**
Conspicuity. Prominence, below
Context, **6:235**
Cross references, **6:233**
Detail, **6:234**
Distribution, **6:214 et seq.**
Earnings
Generally, **6:254**
Inherently misleading statements, **6:256**
Interim, **6:259**
Misrepresentations, **6:255**
Nondisclosure of, **6:257**
Predictions, **6:255**
Form and substance, **6:235**
Interim earnings, **6:259**
Interpretation, **6:236**
Level, **6:227**
Locus, **6:214 et seq.**
Materiality
Generally, **6:248 et seq.**
Aggregate, **6:253**
Might, use of term, **6:249**
Practical problems, **6:251**
Probably would, use of term, **6:250**
Specific items, materiality of, **6:252**
Would, use of term, **6:249**
Misrepresentations
Earnings, **6:255**
Value of assets
Generally, **6:270**
Defenses, **6:271**

DIRECT-IMPERSONAL DEALING —Cont'd
Mergers—Cont'd
Disclosures—Cont'd
Misrepresentations—Cont'd
Value of assets—Cont'd
Precautions, **6:272**
Numerical information, **6:237**
Opposition communications, **6:247**
Organization, **6:226**
Overall effect, **6:238**
Predictions, earning, **6:255**
Presentation, **6:224 et seq.**
Prominence
Generally, **6:230 et seq.**
Buried and scattered facts, **6:232**
Similar emphasis, **6:231**
Repetition, **6:233**
Rule 10b-5 requirements, **6:218**
SA § 5 requirements, **6:217**
Scattered facts, **6:232**
SEA § 14(a) requirements, **6:215**
SEA § 14(c) requirements, **6:216**
Sources of funds, **6:260**
Sources of requirements
Generally, **6:220 et seq.**
Antifraud provisions, **6:222**
Specific items, **6:221**
Timing, **6:223**
Style, **6:224 et seq.**
Supplementary communications
Generally, **6:239 et seq.**
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Annual reports, **6:242**
Cover letters, **6:243**
Followup solicitations, **6:244**
Generally available information, **6:246**
Other communications, **6:245**
Transmittal letters, **6:243**
Timing requirements, **6:223**

DIRECT-IMPERSONAL DEALING —Cont'd
Mergers—Cont'd
Disclosures—Cont'd
Value of assets
Generally, **6:263 et seq.**
Firm offers, **6:265**
Hard data, **6:264**
Misrepresentations
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
Modified view
Disposition plans, **6:266**
Hard data, **6:264**
Other situations, **6:268**
Policies, **6:269**
Reasons, **6:269**
Replacement costs, **6:267**
Traditional view, **6:263**
Federal laws
Generally, **6:149**
Antifraud provisions, **6:151**
Proxy rules, **6:150**
SA registration requirements, **6:152**
Private actions
Generally, **6:160 et seq.**
Rule 10b-5, **6:162**
Rule 14a-9, **6:160**
Rule 14c-6, **6:161**
Proxy solicitations
Generally, **6:198 et seq.**
Scope of regulations
Generally, **6:207 et seq.**
Annual reports, **6:211**
Excluded solicitations, **6:210**
Proxy defined, **6:208**
Solicitation defined, **6:209**
Securities covered
Generally, **6:199 et seq.**
Insurance companies
Generally, **6:201**
Antifraud provisions, federal, **6:204**
Federal and state rules, **6:202**
McCarran Act, **6:203**

DIRECT-IMPERSONAL DEALING —Cont'd
Mergers—Cont'd
Proxy solicitations—Cont'd
Securities covered—Cont'd
Investment companies, **6:205**
Public utility holding companies, **6:206**
SA registration requirements, **6:152**
Scope of regulations
Generally, **6:207 et seq.**
Annual reports, **6:211**
Excluded solicitations, **6:210**
Proxy defined, **6:208**
Solicitation defined, **6:209**
State law
Generally, **6:153**
Appraisal rights, **6:192, 6:193**
Organization of treatise, **4:1**
Personal and impersonal dealings, **4:1**
Proxy solicitations
Generally, **6:198 et seq.**
See also Proxy Fraud (this index)
Mergers, **6:198 et seq.**
Nonmerger solicitations, **6:274**
Scope of regulations
Generally, **6:207 et seq.**
Annual reports, **6:211**
Excluded solicitations, **6:210**
Proxy defined, **6:208**
Solicitation defined, **6:209**
Securities covered
Generally, **6:199 et seq.**
Insurance companies
Generally, **6:201**
Antifraud provisions, federal, **6:204**
Federal and state rules, **6:202**
McCarran Act, **6:203**
Investment companies, **6:205**
Public utility holding companies, **6:206**
Publicity, prefiling, **6:10**
Public sales
Generally, **6:4**
Disclosure, **6:12**

DIRECT-IMPERSONAL DEALING —Cont'd
Public sales—Cont'd
Exchange offers, above, **6:7**
Registered offerings, **6:5**
Unregistered offerings, **6:6**
Registered offerings, **6:5**
Reliance
Generally, **8:484 et seq.**
See also Reliance (this index)
Risk disclosures. Disclosures, above
Rule 10b-5
Application to, **3:28**
Responsibilities generally, **12:7**
Scienter and actual knowledge, **8:171**
Standing to challenge transaction, tender offers
Generally, **6:124**
Implied rights, **6:124**
Issuer offers, **6:143**
Nontendering offerees, **6:126**
Offerees, **6:125**
Offerors, **6:129**
Target companies, **6:128**
Tenderees
Nontendering, **6:126**
Undecided, **6:127**
Tendering offerees, **6:125**
Third parties, **6:130**
State law appraisal rights, **6:192, 6:193**
Tender offers
Banks, regulation of, **6:29**
Challenging
Relief available
Generally, **6:131 et seq.**
Balance of equities, **6:134**
Clean hands, **6:136**
Final relief, **6:140**
Inadequacy of other remedies, **6:133**
Irreparable injuries, **6:133**
Preliminary, **6:131 et seq.**
Probability of success, **6:132**
Proof elements, **6:132**
SEC actions, **6:138**
Time for relief, **6:139**
Types of relief, **6:135**

DIRECT-IMPERSONAL DEALING —Cont'd
Tender offers—Cont'd
Challenging—Cont'd
Standing to challenge, below
Congressional intent
Generally, **6:16 et seq.**
Disclosure, **6:17**
Fairness, **6:19**
Investor protection, **6:17**
Target management protection, **6:18**
Definitions, **6:31**
Disclosure requirements
Regulated offers
Generally, **6:41**
Arrangements, **6:47**
Changes, effects of
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Control change information, **6:61**
Control purposes, **6:64**
Date of information
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Deviation from stated plans, **6:70**
Fund source data, **6:44**
Groups, data on, **6:48**
Ideas vs plans, **6:68**
Issuer offers, **6:144**
Noncompliance, effects of, **6:74**
Offer data, **6:43**
Offeror data, **6:42**
Ownership, **6:55**
Plans and proposals, **6:45, 6:66 et seq.**
Publicity
Offeror, **6:94**
Target company, **6:98**

DIRECT-IMPERSONAL DEALING —Cont'd
Tender offers—Cont'd
Disclosure requirements—Cont'd
Regulated offers—Cont'd
Publicity—Cont'd
Third persons, **6:108**
Purposes, **6:45, 6:62 et seq.**
Sanctions for noncompliance, **6:74**
SEC filings
Generally, **6:50 et seq.**
Changes, effects of, **6:52**
Date of information, **6:52**
Other disseminations, **6:54**
Processing, **6:53**
Scope of disclosure, **6:51**
Time of filing, **6:50**
Securities, data on, **6:46**
Ten percent threshold
Generally, **6:55 et seq.**
Changes, effect of, **6:57**
Date of information, **6:57**
Exemptions, **6:60**
Other disseminations, **6:59**
Ownership, **6:55**
Scope of disclosure, **6:56**
SEC processing, **6:58**
Understandings, **6:47**
Unregulated offers
Generally, **6:113**
Insiders, **6:114**
Outsiders
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Target company, **6:121**
Third persons, **6:122**
Disclosures, corrections, **6:311**
Duration of offer, **6:89**
Exchange offers, **6:36**
Five percent offers
Generally, **6:32**
Base for percentages, **6:34**

DIRECT-IMPERSONAL DEALING —Cont'd
Tender offers—Cont'd
Foreign laws, **6:15**
Insiders, offers by
Generally, **6:111**
Disclosure requirements, **6:114**
Issuer offers
Generally, **6:141**
Disclosure requirements, **6:144**
Price, **6:142**
Redemptions, **6:145**
Standing to challenge, **6:143**
Medium of payment, **6:36**
Outsiders, offers by
Generally, **6:112**
Disclosures
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Price
Increases, effect of, **6:90 et seq.**
Issuer offers, **6:142**
Third-party offers, **6:123**
Regulated offers
Generally, **6:13 et seq., 6:33**
Antifraud provisions, applicability to
Generally, **6:22 et seq.**
Connection, **6:26**
Jurisdictional means, **6:27**
Opposition, applicability to, **6:23**
Proxy rules, **6:24**
SEA § 14(e), **6:24**
Banks, coverage of, **6:29**
Congressional intent
Generally, **6:16 et seq.**
Disclosure, **6:17**
Fairness, **6:19**
Investor protection, **6:17**
Target management protection, **6:18**
Coverage, **6:28 et seq.**

DIRECT-IMPERSONAL DEALING —Cont'd
Tender offers—Cont'd
Regulated offers—Cont'd
Definitional exclusions, **6:40**
Definitions, **6:31**
Disclosure requirements
Generally, **6:41**
Arrangements, **6:47**
Changes, effects of
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Control change information, **6:61**
Control purposes, **6:64**
Date of information
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Deviation from stated plans, **6:70**
Funds, source of, **6:44**
Fund source data, **6:44**
Groups, data on, **6:48**
Ideas vs plans, **6:68**
Issuer offers, **6:144**
Noncompliance, effects of, **6:74**
Offer data, **6:43**
Offeror data, **6:42**
Ownership, **6:55**
Plans, **6:45**
Plans and proposals, **6:66 et seq.**
Publicity
Offeror, **6:94**
Target company, **6:98**
Third persons, **6:108**
Purposes, **6:45, 6:62 et seq.**
Sanctions for noncompliance, **6:74**
SEC filings
Generally, **6:50 et seq.**

DIRECT-IMPERSONAL DEALING —Cont'd
Tender offers—Cont'd
Regulated offers—Cont'd
Disclosure requirements —Cont'd
SEC filings—Cont'd
Changes, effects of, **6:52**
Date of information, **6:52**
Other disseminations, **6:54**
Processing, **6:53**
Scope of disclosure, **6:51**
Time of filing, **6:50**
Securities, data on, **6:46**
Ten percent threshold
Generally, **6:55 et seq.**
Changes, effect of, **6:57**
Date of information, **6:57**
Exemptions, **6:60**
Other disseminations, **6:59**
Ownership, **6:55**
Scope of disclosure, **6:56**
SEC processing, **6:58**
Understandings, **6:47**
Duration of offer, **6:89**
Exchange offers, **6:36**
Excluded offers, **6:38 et seq.**
Express exclusions, **6:39**
Five percent offers
Generally, **6:32**
Base for percentages, **6:34**
Foreign laws, **6:15**
Insurance companies, **6:30**
Market activities
Offeror
Before offer, **6:97**
During offer, **6:96**
Target company
Generally, **6:106 et seq.**
Filing, **6:107**
Information to be disclosed, **6:107**
Scope of regulation, **6:106**
Third persons, **6:109**
Medium of payment, **6:36**
Opposition, applicability of antifraud provisions to, **6:23**

DIRECT-IMPERSONAL DEALING —Cont'd
Tender offers—Cont'd
Regulated offers—Cont'd
Price increases, effect of
Generally, **6:90 et seq.**
Exemptions, **6:93**
Procedure, **6:92**
Purpose of requirement, **6:91**
Proxy rule antifraud provisions, applicability to, **6:24**
Publicity
Offeror
Before offer, **6:95**
During offer, **6:94**
Target company
Generally, **6:98**
Attack, modes of, **6:105**
Change, effect of, **6:101**
Date of information, **6:101**
Exemptions, **6:103**
Other disseminations, **6:102**
Scope of antifraud provisions, **6:104**
Scope of disclosure, **6:100**
Time of filing, **6:99**
Third persons, **6:108**
Recommendations
Offeror
Before offer, **6:95**
During offer, **6:94**
Target company
Generally, **6:98**
Attack, modes of, **6:105**
Change, effect of, **6:101**
Date of information, **6:101**
Exemptions, **6:103**
Other disseminations, **6:102**
Scope of antifraud provisions, **6:104**
Scope of disclosure, **6:100**
Time of filing, **6:99**
Third persons, **6:108**
Scope
Generally, **6:28, 6:31 et seq.**
Definitions, **6:31**

DIRECT-IMPERSONAL DEALING —Cont'd
Tender offers—Cont'd
Regulated offers—Cont'd
Scope—Cont'd
Exchange offers, **6:36**
Five percent offers
Generally, **6:32**
Base for percentages, **6:34**
Jurisdictional means, **6:35**
Medium of payment, **6:36**
Special bids, **6:37**
Two percent offers
Generally, **6:32**
Base for percentages, **6:34**
SEA § 14(e) antifraud provisions, **6:24**
Special bids, **6:37**
State laws, **6:14**
Ten day pro rata takeup
Generally, **6:85, 6:85 et seq.**
Exemptions, **6:88**
Procedures, **6:87**
Purpose, **6:86**
Terms
Generally, **6:75 et seq.**
Applicability, **6:78**
Duration of offer, **6:89**
Freedom of offerer, degrees of, **6:75**
Relation to other provisions, **6:77**
Scope of requirements, **6:76**
Time factors, importance of, **6:79**
Voluntary withdrawal rights, **6:84**
Withdrawal rights
Generally, **6:80 et seq.**
Exemptions, **6:83**
Procedure, **6:82**
Purpose, **6:81**
Requirement, **6:80**
Voluntary, **6:84**
Two percent offers
Generally, **6:32**
Base for percentages, **6:34**

DIRECT-IMPERSONAL DEALING —Cont'd
Tender offers—Cont'd
Regulated offers—Cont'd
Voluntary withdrawal rights, **6:84**
Williams Bill, **6:13**
Withdrawal rights
Generally, **6:80 et seq.**
Exemptions, **6:83**
Procedure, **6:82**
Purpose, **6:81**
Voluntary, **6:84**
Special bids, **6:37**
Standing to challenge
Generally, **6:124**
Implied rights, **6:124**
Issuer offers, **6:143**
Nontendering offerees, **6:126**
Offerees, tendering, **6:125**
Offerors, **6:129**
Target companies, **6:128**
Tenderees
Nontendering, **6:126**
Undecided, **6:127**
Tendering offerees, **6:125**
Third parties, **6:130**
State laws, **6:14**
Target company disclosures, **6:121**
Third party offers, **6:13 et seq.**
Third persons disclosures, **6:122**
Two percent offers
Generally, **6:32**
Base for percentages, **6:34**
Unregulated offers
Generally, **6:110**
Disclosure requirements
Generally, **6:113**
Insiders, **6:114**
Outsiders
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Target company, **6:121**

DIRECT-IMPERSONAL DEALING —Cont'd
Tender offers—Cont'd
Unregulated offers—Cont'd
Disclosure requirements —Cont'd
Third persons, **6:122**
Insiders
Generally, **6:111**
Disclosure requirements, **6:114**
Outsiders
Generally, **6:112**
Disclosures
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Target company, disclosures, **6:121**
Third persons, disclosures, **6:122**
Williams Bill, **6:13**
Transaction Planning (this index)
Types of direct-impersonal dealings, **6:1**
What is a Security (this index)

DIRECTORS, CORPORATE
Generally, **8:413**
Actions in concert, **8:294**
Audit committees
Generally, **8:449 et seq.**
Auditor, oversight of, **8:453**
Backdating of stock options, resignations, **18:7**
Background, **8:449**
Definitions, **8:449**
Financial experts, **8:459**
Legislative standards, **8:450**
Sarbanes-Oxley Act standards
Generally, **8:450 et seq.**
Administrative implementation, **8:451**
Advisers, **8:455**
Auditor, oversight of, **8:453**

DIRECTORS, CORPORATE —Cont'd
Audit committees—Cont'd
Sarbanes-Oxley Act standards —Cont'd
Complaint procedures, **8:454**
Enforcement, **8:458**
Exemptions, **8:457**
Financial experts, **8:459**
Funding, **8:456**
Independence requirements, **8:452**
Auditor, oversight of, **8:453**
Backdating of stock options, resignations, **18:3, 18:7**
Bar orders against individuals, **13:87**
Blackout period trading prohibitions, **8:472, 8:475**
Collateral bar orders against individuals, **13:87, 13:88**
Conflict of interest, **8:417**
Conspiracies, **8:304 et seq.**
Control person liability, **8:373 et seq.**
Corporate governance, **8:414**
Correction of violations, responsibility for, **8:418**
Ethics codes, **8:483**
Financial experts, **8:459**
Indemnification, **9:76**
Injunctions against, **13:117**
Insider trading liability, **7:649**
Inside trading reports, **8:471**
Insurance, **9:76**
Internal controls, **8:466**
Loan prohibitions, **8:481**
Madoff Ponzi scheme, director of operations, **20:8**
Market, responsibilities to inform
Business changes, **8:422**
Grace case, **8:423**
National Telephone case, **8:422**
Second-guessing disclosure counsel, **8:423**
Mutual fund violations, **17:20**
Parties and privity
Generally, **8:413 et seq.**
See also Parties (this index)

DIRECTORS, CORPORATE —Cont'd
Prevention of violations, responsibility for, **8:418**
Responsibilities, **8:413**
Rule 10b-5 liabilities
Generally, **8:413 et seq.**
Actions in concert, **8:294**
Aider-abettor liability, **8:327 et seq.**
Backdating of stock options, violations of federal securities laws, **18:3, 18:10**
Concerted action, **8:294**
Conflict of interest, **8:417**
Conspiracies, **8:304 et seq.**
Control person liability, **8:373 et seq.**
Cooper case, **8:419**
Corporate governance, **8:414**
Correction of violations, responsibility for, **8:418**
Court cases, **8:415 et seq.**
Gould case, **8:417**
Gutfreund case, **8:420**
Inducement, **8:295**
Informed, responsibility to be, **8:415 et seq.**
Injunction suits, **8:303**
Insiders, inducement by, **8:299**
Issuers, inducement by, **8:297**
Market, responsibilities to inform
Business changes, **8:422**
Grace case, **8:423**
National Telephone case, **8:422**
Second-guessing disclosure counsel, **8:423**
Participants generally, **8:292**
Participants in violations generally, **8:294**
Pleading
Generally, **8:319 et seq.**
Affirmative conduct, **8:321**
Aiding-abetting, **8:324**
Choice of parties, **8:320**
Conspiracy, **8:325**
No affirmative conduct, **8:322**
Participation, **8:323**

DIRECTORS, CORPORATE —Cont'd
Rule 10b-5 liabilities—Cont'd
Pleading—Cont'd
Special elements, **8:326**
Prevention of violations, responsibility for, **8:418**
Stirling Homex case, **8:416**
Sarbanes-Oxley Act liabilities
Auditor, oversight of, **8:453**
Blackout periods, **8:472, 8:475**
Certification, **8:462**
Ethics codes, **8:483**
Financial experts, **8:459**
Inside trading reports, **8:471**
Loan prohibitions, **8:481**
Regulation
Generally, **8:461 et seq.**
Acquisition method, **8:474**
Bar from office, **8:482**
Blackout periods, **8:475**
Blackout trading prohibitions, **8:472**
Certification, **8:462**
Disclosure controls, **8:466**
Enforcement, **8:476**
Ethics codes, **8:483**
Evaluations, **8:468**
Exemptions, **8:479**
Fair presentation, **8:465**
Forfeiture on accounting restatement, **8:480**
Inside trading reports, **8:471**
Internal controls, **8:466**
Liability, **8:476**
Loan prohibitions, **8:481**
Non-financial information, **8:467**
Notice, **8:478**
Profit measure, **8:477**
Regulation BTR, **8:473**
Response to evidence of violations, **8:470**
SEC implementation, **8:464, 8:473**
Section 302 legislation, **8:463**
Section 906, **8:469**
Regulation BTR, **8:473**

DIRECTORS, CORPORATE —Cont'd
Whistleblower bounty program, original information, **22:9**

DIRECT-PERSONAL DEALING
Generally, **5:1 et seq., 5:53 et seq., 5:141 et seq.**
Abuse of trading process, **5:76**
Actual knowledge and scienter, **8:170**
Arms length transactions
Generally, **5:144**
Reasons and policies, **5:149**
Birmbaun canon, **5:70 et seq.**
Broker-dealers, actions against
Generally, **14:2 et seq.**
See also Broker-Dealer Liability (this index)
Attorneys' fees, **14:53**
Broker's knowledge, **14:41**
Burden of proof, **14:42**
Causation, **14:91 et seq.**
Churning (this index)
Class actions
SA § 11, **14:18**
SA § 12, **14:57**
Costs, **14:53**
Damages
Express actions, **14:46, 14:51**
Implied actions, **14:95 et seq.**
Debt securities markups, **14:163**
Due diligence defense
Generally, **14:5**
SEC view, **14:9**
Express actions
Generally, **14:2 et seq.**
Attorneys' fees, **14:53**
Broker as defendant
SA § 12(a)(1), **14:20**
SA § 12(a)(2), **14:28**
Broker's knowledge, **14:41**
Burden of proof, **14:42**
Class actions
SA § 11, **14:18**
SA § 12, **14:57**
Costs, **14:53**
Damages, **14:46, 14:51**

DIRECT-PERSONAL DEALING —Cont'd
Broker-dealers, actions against —Cont'd
Express actions—Cont'd
Integrated disclosure systems, **14:7**
Interest, **14:48**
Limitation of actions, **14:17**
SA § 12(a)(1), **14:25**
SA § 12(a)(2), **14:56**
Misrepresentations, **14:39**
Offerors, brokers as
SA § 12(a)(1), **14:22**
SA § 12(a)(2), **14:29 et seq.**
Omissions, **14:39**
In pari delicto defense, **14:21**
Privity, **14:34**
Proximate cause, **14:35**
Punitive damages, **14:54**
Purchaser, plaintiff as
SA § 12(a)(1), **14:23**
SA § 12(a)(2), **14:44**
Purchaser's knowledge, **14:40**
Reasonable investigation defense
Generally, **14:5**
Integrated disclosure systems, **14:7**
SEC Rule 176, **14:8**
Recovery, **14:45 et seq.**
Rescission, **14:46, 14:50**
SA § 11
Generally, **14:2 et seq., 14:3 et seq.**
Court cases, **14:6**
Damages, **14:15**
Integrated disclosure systems, **14:7**
Later filings, effect of, **14:10**
Non-managing underwriters, **14:13**
Participating underwriters, **14:13**
Policy considerations, **14:12**
Reasonable investigation requirement, **14:11**
SEC Rule 176, **14:7**

DIRECT-PERSONAL DEALING —Cont'd
Broker-dealers, actions against —Cont'd
Express actions—Cont'd
SA § 11—Cont'd
SEC Rule 412, **14:7**
SEC view of due diligence techniques, **14:9**
SA § 12(a)(1)
Generally, **14:19 et seq.**
Broker as defendant, **14:20**
Class actions, **14:57**
Exemptions from SA § 5, **14:24**
Limitation of actions, **14:25**
Offerors, brokers as, **14:22**
In pari delicto defense, **14:21**
Purchaser, plaintiff as, **14:23**
Sellers, brokers as, **14:22**
Violations of SA § 5, **14:26**
SA § 12(a)(2)
Generally, **14:27 et seq.**
Attorneys' fees, **14:53**
Broker as defendant, **14:28**
Broker's knowledge, **14:41**
Burden of proof, **14:42**
Class actions, **14:57**
Costs, **14:53**
Damages, **14:46, 14:51**
Interest, **14:48**
Limitation of actions, **14:56**
Misrepresentations, **14:39**
Offerors, brokers as, **14:29 et seq.**
Omissions, **14:39**
Pinter case, **14:30, 14:38**
Privity, **14:34**
Proximate cause, **14:35**
Punitive damages, **14:54**
Purchaser, plaintiff as, **14:44**
Purchaser's knowledge, **14:40**
Reasonable care, **14:43**
Reasonable investigation requirement, **14:43**
Recovery, **14:45 et seq.**
Rescission, **14:46, 14:50**

DIRECT-PERSONAL DEALING —Cont'd
Broker-dealers, actions against —Cont'd
Express actions—Cont'd
SA § 12(a)(2)—Cont'd
SEA § 10(b) and, overlap between, **14:55**
Sellers, brokers as, **14:29 et seq.**
Substantial factor in sale, broker as, **14:35**
Tax considerations, **14:48**
Tender, **14:49**
Transactional coverage, **14:58**
Sellers, brokers as
SA § 12(a)(1), **14:22**
SA § 12(a)(2), **14:29 et seq.**
Substantial factor in sale, broker as, **14:35**
Tax considerations, **14:48**
Violations of SA § 5, **14:26**
Express actions, SA § 11
Due diligence defense
Generally, **14:5**
SEC view, **14:9**
Reasonable investigation defense
Generally, **14:5**
Integrated disclosure systems, **14:7**
SEC Rule 176, **14:8**
Underwriters
Generally, **14:4**
Due diligence, **14:14**
Implied actions
Margin rules
Generally, **14:59**
Arbitration, use in, **14:61**
Court cases, **14:60**
SEA § 7, **14:59**
Rule 10b-5
Generally, **14:73 et seq.**
Connection requirement, **14:94**
Contraction era, compensatory damages in, **14:105**
Damages, **14:95 et seq.**

DIRECT-PERSONAL DEALING —Cont'd
Broker-dealers, actions against —Cont'd
Implied actions—Cont'd
Rule 10b-5—Cont'd
Elements of action, **14:74**
Issuer misrepresentations, **14:76**
Issuer nondisclosures, **14:77**
Justifiable reliance, **14:89**
Market misrepresentations, **14:78**
Market nondisclosures, **14:79**
Materiality, **14:82**
Misrepresentation, **14:75 et seq.**
Mitigation of damages, **14:102**
Nondisclosure, **14:75 et seq.**
Opinions, **14:81**
Out-of-pocket damages, **14:103**
Predictions, **14:81**
Proximate cause, **14:92**
Punitive damages, **14:106 et seq.**
Recklessness, **14:83 et seq.**
Recommendations, **14:81**
Reliance, **14:86 et seq.**
Restitution, **14:104**
Scienter, **14:83 et seq.**
SRO rules
Generally, **14:62 et seq.**
Arbitration, **14:72**
Buttrey doctrine, **14:65**
Colonial Realty doctrine, **14:64**
Contraction era, **14:71**
Court cases, **14:64 et seq.**
Expansion era, **14:63 et seq.**
Implied actions, Rule 10b-5, rescission
Chasins measure, **14:97**
Lost profits, **14:101**
Nye measure, **14:101**
Rolf measure, **14:100**

DIRECT-PERSONAL DEALING —Cont'd
Broker-dealers, actions against —Cont'd
Insider Trading and Securities Fraud Enforcement Act, **14:168**
Justifiable reliance, **14:89**
Limitation of actions, express actions
SA § 12(a)(1), **14:25**
SA § 12(a)(2), **14:56**
Lost profits, rescission and, **14:101**
Markup and markdown practices
Generally, **14:148 et seq.**
Basis
Generally, **14:150 et seq.**
Customers, comparative frequency of purchases from, **14:158**
Dominating market makers, **14:154**
Inter-dealer prices, availability of, **14:155**
Inter-dealer trades, frequency of, **14:158**
Market-makers, retail, **14:153**
Market maker status, **14:152 et seq.**
NASD criteria, **14:157 et seq.**
Non dominating market makers, **14:160**
Retailer market makers, **14:153**
SEC criteria, **14:150 et seq.**
Debt securities markups, **14:163**
Disclosure, **14:149**
Five percent policy, **14:162**
Inter-dealer prices, availability of, **14:155**
Inter-dealer trades, frequency of, **14:158**
Market maker status, **14:152 et seq.**
Markup and markdown practices, basis
Contemporaneous defined
NASD criteria, **14:161**
SEC criteria, **14:156**

DIRECT-PERSONAL DEALING —Cont'd
Broker-dealers, actions against —Cont'd
Markup and markdown practices, basis—Cont'd
Non market makers
NASD criteria, **14:159**
SEC criteria, **14:152**
Materiality, **14:82**
Misrepresentations, **14:39**
Offerors, brokers as, **14:22, 14:29 et seq.**
Omissions, **14:39**
Opinions, **14:81**
Out-of-pocket damages, **14:103**
In pari delicto defense, express actions, **14:21**
Penny Stock Sales (this index)
Predictions, **14:81**
Privity, **14:34**
Proximate cause
Generally, **14:92**
Express actions, **14:35**
Punitive damages
Generally, **14:106 et seq.**
Express actions, **14:54**
Purchaser, plaintiff as
SA § 12(a)(1), **14:23**
SA § 12(a)(2), **14:44**
Purchaser's knowledge, **14:40**
Reasonable investigation defense
Generally, **14:5**
Integrated disclosure systems, **14:7**
SEC Rule 176, **14:8**
Reasonable investigation requirement
SA § 11, **14:11**
SA § 12(a)(2), **14:43**
Recklessness, **14:83 et seq.**
Recommendations, **14:81**
Recovery, **14:45 et seq.**
Reliance, **14:86 et seq.**
Rescission
Chasins measure, **14:97**
Express actions, **14:46, 14:50**
Implied actions, **14:95 et seq.**

DIRECT-PERSONAL DEALING —Cont'd
Broker-dealers, actions against —Cont'd
Rescission—Cont'd
Lost profits, **14:101**
Nye measure, **14:101**
Rolf measure, **14:100**
Restitution, **14:104**
Rule 10b-5
Generally, **14:73 et seq.**
Causation, **14:91 et seq.**
Connection requirement, **14:94**
Contraction era, compensatory damages in, **14:105**
Damages, **14:95 et seq.**
Elements of action, **14:74**
Issuer misrepresentations, **14:76**
Issuer nondisclosures, **14:77**
Justifiable reliance, **14:89**
Market misrepresentations, **14:78**
Market nondisclosures, **14:79**
Materiality, **14:82**
Misrepresentation, **14:75 et seq.**
Mitigation of damages, **14:102**
Nondisclosure, **14:75 et seq.**
Opinions, **14:81**
Out-of-pocket damages, **14:103**
Predictions, **14:81**
Proximate cause, **14:92**
Punitive damages, **14:106 et seq.**
Recklessness, **14:83 et seq.**
Recommendations, **14:81**
Reliance, **14:86 et seq.**
Rescission
Chasins measure, **14:97**
Lost profits, **14:101**
Nye measure, **14:101**
Rolf measure, **14:100**
Restitution, **14:104**
Scienter, **14:83 et seq.**
SA § 11
Damages, **14:15**
Reasonable investigation requirement, **14:11**
SA § 12(a)(2), **14:43**

DIRECT-PERSONAL DEALING —Cont'd
Broker-dealers, actions against —Cont'd
Scienter, **14:83 et seq.**
Sellers, brokers as, **14:22, 14:29 et seq.**
Substantial factor in sale, broker as, **14:35**
Suitability (this index)
Supervision liabilities
Generally, **14:164 et seq.**
Amex requirements, **14:174**
Branch office managers, **14:178**
Chief executive officers, **14:180**
Compliance officers, **14:181**
Court cases, **14:176**
Deficiencies, **14:175**
General counsel, **14:182**
Heads of functional areas, **14:179**
Individual responsibilities, **14:177 et seq.**
Insider Trading and Securities Fraud Enforcement Act, **14:168**
NASD requirements, **14:172**
NYSE requirements, **14:173**
Rule 14e-3(b), **14:169**
Safe harbor programs, **14:175**
Sanctions, **14:175**
SEA § 15(b)(4)(D), **14:166**
SEA § 15(b)(4)(E), **14:165**
SEA § 15(b)(6), **14:165**
SEA § 19, **14:170**
SEA § 20(a), **14:167**
SRO requirements, **14:171 et seq.**
Burden of proof
Broker-dealers, actions against, **14:42**
Causation requirements, **5:98**
Unfair terms, **5:153**
Buyer-seller requirements
Generally, **5:110 et seq.**
Broad interpretation, **5:117**
Company as buyer-seller, **5:124**
Control, sales of, **5:113**

DIRECT-PERSONAL DEALING —Cont'd
Buyer-seller requirements—Cont'd
Definition, **5:111**
Forced sales, **5:120**
Injunction suits, **5:122**
Interpretation of requirement, **5:117**
Issuances, **5:121**
Liquidations, **5:119**
Loss causation as substitute, **5:123**
Mergers, **5:118**
Modified view, **5:117**
Pleading, **5:126**
Strict view, **5:112 et seq.**
Causation requirements
Generally, **5:89 et seq.**
Burden of proof, **5:98**
Loss causation, **5:91, 5:123**
Meaning, **5:90**
Minority vote requirements, **5:93 et seq.**
Modified view, **5:95**
Pleading
Materiality, **5:107**
Modified causation, **5:105 et seq.**
Proxy solicitation as element, **5:108**
Strict causation, **5:99 et seq.**
Policies, **5:97**
Proof
Materiality, **5:107**
Modified causation, **5:105 et seq.**
Proxy solicitation as element, **5:108**
Strict causation, **5:99 et seq.**
Proxy solicitation as element, **5:108**
Reasons, **5:97**
Strict view, **5:93, 5:94**
Transaction causation, **5:92**
Voting
Modified causation, **5:105 et seq.**
Strict causation, **5:100 et seq.**
Churning (this index)

DIRECT-PERSONAL DEALING —Cont'd
Common law theories and sources, **5:54**
Conflict of interest transactions
Generally, **5:53 et seq., 5:141 et seq.**
Alternative forums, efficiency of, **5:65**
Arms length transactions
Generally, **5:144**
Reasons and policies, **5:149**
Birmbaun Canon, **5:70 et seq., 5:71**
Burden of proof
Causation requirements, **5:98**
Unfair terms, **5:153**
Buyer-seller requirements
Generally, **5:110 et seq.**
Broad interpretation, **5:117**
Company as buyer-seller, **5:124**
Control, sales of, **5:113**
Definition, **5:111**
Forced sales, **5:120**
Injunction suits, **5:122**
Interpretation of requirement, **5:117**
Issuances, **5:121**
Liquidations, **5:119**
Loss causation as substitute, **5:123**
Mergers, **5:118**
Modified view, **5:117**
Strict view, **5:112 et seq.**
Causation requirements
Generally, **5:89 et seq.**
Burden of proof, **5:98**
Loss causation, **5:91, 5:123**
Meaning, **5:90**
Minority vote requirements, **5:93 et seq.**
Modified view, **5:95**
Pleading
Materiality, **5:107**
Modified causation, **5:105 et seq.**
Proxy solicitation as element, **5:108**

DIRECT-PERSONAL DEALING —Cont'd
Conflict of interest transactions —Cont'd
Causation requirements—Cont'd
Pleading—Cont'd
Strict causation, **5:99 et seq.**
Policies, **5:97**
Proof
Materiality, **5:107**
Modified causation, **5:105 et seq.**
Proxy solicitation as element, **5:108**
Strict causation, **5:99 et seq.**
Proxy solicitation as element, **5:108**
Reasons, **5:97**
Strict view, **5:93, 5:94**
Transaction causation, **5:92**
Voting
Modified causation, **5:105 et seq.**
Strict causation, **5:100 et seq.**
Common law theories and sources, **5:54**
Connection requirement
Generally, **5:127 et seq.**
Another's sale, misconduct in connection with, **5:132**
Commissions, **5:133**
Court cases, **5:135**
Definition, **5:128**
Injunction suits, **5:138**
Kickbacks, **5:133**
Market transactions, misconduct affecting, **5:134**
Mechanical interpretation of, **5:130**
Modified view, **5:130 et seq.**
Pleading, **5:140**
Policies, **5:139**
Post-sale misconduct, **5:131**
Reasons, **5:139**
Strict view, **5:129**
Third party misconduct, **5:132**
Continuity of investor protection, **5:67**

DIRECT-PERSONAL DEALING —Cont'd
Conflict of interest transactions —Cont'd
Control, sales of, **5:113**
Court cases
Birmbaun Canon, **5:70 et seq.**
Connection requirement, **5:135 et seq.**
Unfairness
Generally, **5:183 et seq.**
Fair terms, **5:185**
SEC decisions, **5:186**
Unfair terms, **5:184**
Deception requirement
Generally, **5:79 et seq.**
Company, deception of, **5:84 et seq.**
Creditors, deception of, **5:86**
Decisional impairment, **5:84**
Directors, deception of, **5:82**
Economic effect of deception, **5:84**
Knowledge, imputation of, **5:85**
Meaning, **5:80**
Modified views, **5:82 et seq.**
Pleading, **5:88**
Policies, **5:87**
Reasons, **5:87**
Shareholders, deception of, **5:83**
Strict view, **5:81**
Disclosure
Generally, **5:187 et seq.**
Full disclosure, **5:187 et seq.**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Fairness. Unfair terms, below
Fraud vs fiduciary breach, **5:60**
Full disclosure, **5:187 et seq.**
Injunction suits
Buyer-seller requirements, **5:122**
Connection requirements, **5:138**
Intrusion argument, **5:61 et seq.**
Investor protection, continuity of, **5:67**
Mismanagement exception
Generally, **5:72 et seq.**

DIRECT-PERSONAL DEALING —Cont'd
Conflict of interest transactions —Cont'd
Mismanagement exception —Cont'd
Abuse of trading process, **5:76**
Fraud as part of, **5:75**
Meaning, **5:73**
Pleading, **5:78**
Policies, **5:77**
Public, effect of trading abuse on, **5:76**
Reasons, **5:77**
Strict view, **5:74**
Obstacles
Generally, **5:56 et seq.**
Alternative forums, efficiency of, **5:65**
Application to other provisions, **5:69**
Birmbaun Canon, **5:70 et seq.**
Buyer-seller requirements
Generally, **5:110 et seq.**
Broad interpretation, **5:117**
Company as buyer-seller, **5:124**
Control, sales of, **5:113**
Definition, **5:111**
Forced sales, **5:120**
Injunction suits, **5:122**
Interpretation of requirement, **5:117**
Issuances, **5:121**
Liquidations, **5:119**
Loss causation as substitute, **5:123**
Mergers, **5:118**
Modified view, **5:117**
Strict view, **5:112 et seq.**
Causation requirements
Burden of proof, **5:98**
Loss causation, **5:91**
Loss causation as substitute for buyer-seller requirement, **5:123**
Meaning, **5:90**

DIRECT-PERSONAL DEALING —Cont'd
Conflict of interest transactions —Cont'd
Obstacles—Cont'd
Causation requirements —Cont'd
Minority vote requirements, **5:93 et seq.**
Modified view, **5:95**
Pleading
Generally, **5:99 et seq.**
Materiality, **5:107**
Proxy solicitation as element, **5:108**
Policies, **5:97**
Proof
Generally, **5:99 et seq.**
Materiality, **5:107**
Proxy solicitation as element, **5:108**
Proxy solicitation as element, **5:108**
Reasons, **5:97**
Strict view, **5:93, 5:94**
Transaction causation, **5:92**
Voting
Modified causation, **5:105 et seq.**
Strict causation, **5:100 et seq.**
Connection requirement
Generally, **5:127 et seq.**
Another's sale, misconduct in connection with, **5:132**
Commissions, **5:133**
Court cases, **5:135**
Definition, **5:128**
Injunction suits, **5:138**
Kickbacks, **5:133**
Market transactions, misconduct affecting, **5:134**
Mechanical interpretation of, **5:130**
Modified view, **5:130 et seq.**
Pleading, **5:140**
Policies, **5:139**
Post-sale misconduct, **5:131**

DIRECT-PERSONAL DEALING —Cont'd
Conflict of interest transactions —Cont'd
Obstacles—Cont'd
Connection requirement —Cont'd
Reasons, **5:139**
Strict view, **5:129**
Third party misconduct, **5:132**
Continuity of investor protection, **5:67**
Control, sales of, **5:113**
Deception requirement
Generally, **5:79 et seq.**
Company, deception of, **5:84 et seq.**
Creditors, deception of, **5:86**
Decisional impairment, **5:84**
Directors, deception of, **5:82**
Economic effect of deception, **5:84**
Knowledge, imputation of, **5:85**
Meaning, **5:80**
Modified views, **5:82 et seq.**
Pleading, **5:88**
Policies, **5:87**
Reasons, **5:87**
Shareholders, deception of, **5:83**
Strict view, **5:81**
Decline of, **5:58**
Federal comparison, **5:55**
Fraud vs fiduciary breach, **5:60**
Interrelation of, **5:59**
Intrusion argument, **5:61 et seq.**
Investor protection, continuity of, **5:67**
Mismanagement exception
Generally, **5:72 et seq.**
Abuse of trading process, **5:76**
Fraud as part of, **5:75**
Meaning, **5:73**
Pleading, **5:78**
Policies, **5:77**

DIRECT-PERSONAL DEALING —Cont'd
Conflict of interest transactions —Cont'd
Obstacles—Cont'd
Mismanagement exception —Cont'd
Public, effect of trading abuse on, **5:76**
Reasons, **5:77**
Strict view, **5:74**
Operation of, **5:57 et seq.**
Policies, **5:60**
Reasons for, **5:60**
Rise of, **5:58**
Standards, uniformity of, **5:66**
Uniformity of standards, **5:66**
Pleading
Buyer-seller requirements, **5:126**
Causation requirements, **5:99 et seq.**
Company as buyer seller, **5:126**
Connection requirement, **5:140**
Deception requirement, **5:88**
Materiality, **5:107**
Mismanagement exception, **5:78**
Modified causation, **5:105 et seq.**
Strict causation, **5:99 et seq.**
Unfair terms, **5:152**
Sources, common law, **5:54**
Standards, uniformity of, **5:66**
Theories, common law, **5:54**
Unfair terms
Generally, **5:142 et seq.**
Actual control, **5:156**
Arms length transactions
Generally, **5:144**
Reasons and policies, **5:149**
Book value, **5:162**
Burden of proof, **5:153**
Business decisions as value determiners, **5:171**
Capitalization of earnings as test of value, **5:161**
Conflict transactions
Generally, **5:145**

DIRECT-PERSONAL DEALING —Cont'd
Conflict of interest transactions —Cont'd
Unfair terms—Cont'd
Conflict transactions—Cont'd
Reasons and policies, **5:150**
Control, proof of, **5:155**
Control premiums and discounts, **5:166**
Control sales, **5:191**
Court cases, **5:183 et seq.**
Definition, **5:143**
Disclosure
Generally, **5:187 et seq.**
Full disclosure, **5:187 et seq.**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Persons to whom disclosure made, **5:190**
Discounts, control, **5:166**
Earnings tests of value, **5:161**
Fair terms, effect of, **5:147**
Full disclosure, effect of
Generally, **5:146**
Reasons and policies, **5:151**
Influence, proof of, **5:155**
Investment bankers
Generally, **5:172 et seq.**
Controlled company bankers, **5:175**
Controlling company bankers, **5:177**
Dual representation bankers, **5:176**
No banker transactions, **5:178**
Opinions of, challenging, **5:181**
Prior relations of, **5:182**
Qualities of bankers, **5:173**
Roles of bankers, **5:174**
Successive bankers, **5:179**
Trials, bankers for, **5:180**
Legal decisions as value determiners, **5:170**
Liquidation value, **5:163**
Market prices as value indicators, **5:160**

DIRECT-PERSONAL DEALING —Cont'd
Conflict of interest transactions —Cont'd
Unfair terms—Cont'd
Pleading, **5:152**
Policies, **5:148 et seq.**
Potential control, **5:156**
Premiums, control, **5:166**
Proof of elements, **5:154**
Range of fairness, **5:143**
Reasons, **5:148 et seq.**
Shareholder votes, effect of
Generally, **5:146**
Reasons and policies, **5:151**
Tax factors in value determination, **5:164**
Time factors in value determination, **5:165**
Value determiners, **5:169 et seq.**
Value indicators, **5:158 et seq.**
Uniformity of standards, **5:66**
Connection requirement
Generally, **5:127 et seq.**
Another's sale, misconduct in connection with, **5:132**
Commissions, **5:133**
Court cases, **5:135**
Definition, **5:128**
Injunction suits, **5:138**
Kickbacks, **5:133**
Market transactions, misconduct affecting, **5:134**
Mechanical interpretation of, **5:130**
Modified view, **5:130 et seq.**
Pleading, **5:140**
Policies, **5:139**
Post-sale misconduct, **5:131**
Reasons, **5:139**
Strict view, **5:129**
Third party misconduct, **5:132**
Context, **5:1**
Control, sales of, **5:113**
Court cases
Birmbaun Canon, **5:70 et seq.**
Connection requirement, **5:135, 5:135 et seq.**

DIRECT-PERSONAL DEALING —Cont'd
Court cases—Cont'd
Unfairness
Generally, **5:183 et seq.**
Fair terms, **5:185**
SEC decisions, **5:186**
Unfair terms, **5:184**
Deception
Generally, **5:79 et seq.**
Company, deception of, **5:84 et seq.**
Decisional impairment, **5:84**
Directors, deception of, **5:82**
Economic effect of deception, **5:84**
Knowledge, imputation of, **5:85**
Meaning, **5:80**
Modified views, **5:82 et seq.**
Pleading, **5:88**
Policies, **5:87**
Reasons, **5:87**
Shareholders, deception of, **5:83**
Strict view, **5:81**
Definition, **1:2**
Direct and indirect dealings, **4:1**
Disclosure
Generally, **5:187 et seq.**
Corrections
How long is correction necessary, **6:324**
What makes correction necessary, **6:320**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Fairness. Unfair terms, below
Fraud on the market
Generally, **8:520 et seq.**
See also Reliance (this index)
Injunction suits
Buyer-seller requirements, **5:122**
Connection requirements, **5:138**
Issuer liabilities
Privately held securities, **5:6**
Publicly held securities, **5:7**
Legal factors in party relationships, **5:5**
Market-informing responsibilities, **12:7**

DIRECT-PERSONAL DEALING —Cont'd
Mediation, **15:69**
Mismanagement
Generally, **5:72 et seq.**
Abuse of trading process, **5:76**
Fraud as part of, **5:75**
Meaning, **5:73**
Pleading, **5:78**
Policies, **5:77**
Public, effect of trading abuse on, **5:76**
Reasons, **5:77**
Strict view, **5:74**
Misrepresentations, **5:2**
Nondisclosures, **5:2**
Obstacles
Generally, **5:56 et seq.**
Alternative forums, efficiency of, **5:65**
Application to other provisions, **5:69**
Continuity of investor protection, **5:67**
Decline of, **5:58**
Federal comparison, **5:55**
Interrelation of, **5:59**
Intrusion argument, **5:61 et seq.**
Mismanagement exception, fraud as part of, **5:75**
Operation of, **5:57 et seq.**
Reasons for, **5:60**
Rise of, **5:58**
Uniformity of standards, **5:66**
Organization of treatise, **4:1**
OTC market distinguished, **1:2**
Other deceptions, **5:3**
Penny Stock Sales (this index)
Personal and impersonal dealings, **4:1**
Pleading
Buyer-seller requirements, **5:126**
Causation requirements, **5:99 et seq.**
Company as buyer seller, **5:126**
Connection requirement, **5:140**
Deception requirement, **5:88**
Materiality, **5:107**

DIRECT-PERSONAL DEALING —Cont'd
Pleading—Cont'd
Mismanagement exception, **5:78**
Modified causation, **5:105 et seq.**
Strict causation, **5:99 et seq.**
Unfair terms, **5:152**
Practical factors in party relationships, **5:4**
Privately held securities, issuer liabilities as to, **5:6**
Private transactions, **5:8**
Proxy solicitation as element, **5:108**
Publicly held securities, issuer liabilities as to, **5:7**
Relations of parties
Legal factors, **5:5**
Practical factors, **5:4**
Reliance
Generally, **8:484 et seq.**
See also Reliance (this index)
Rule 10b-5
Application to
Generally, **3:26**
Broker-dealer transactions, **3:27**
Responsibilities generally, **12:7**
Scienter and actual knowledge, **8:170**
Securities types
Generally, **5:9 et seq.**
Alternative government regulation, **5:35**
Certificates of deposit, **5:28**
Characteristics of instrument in commerce, **5:39**
Common elements in defining a security, **5:32 et seq.**
Context clause, **5:18**
Cooperative apartment corporation shares, **5:26**
Court cases, **5:20 et seq.**
Employee benefit plans
Generally, **5:42 et seq.**
Contributory plans
Involuntary, **5:46**
Voluntary, **5:48**
Defined plans, **5:49**
Distinguishing contributory from noncontributory, **5:52**

DIRECT-PERSONAL DEALING —Cont'd
Securities types—Cont'd
Employee benefit plans—Cont'd
Distinguishing voluntary from involuntary plans, **5:51**
ERISA, preemptive effect of, **5:43**
ESOPs, **5:48**
Involuntary contributory plans, **5:46**
Involuntary noncontributory plans, **5:45**
Noncontributory plans
Involuntary, **5:45**
Voluntary, **5:47**
Pension plans, **5:49**
Sales, **5:44**
Voluntary contributory plans, **5:48**
Voluntary noncontributory plans, **5:47**
Evidence of indebtedness, **5:13**
Expectations of public, **5:40**
Flexible fund annuities, **5:24, 5:25**
Fractional interests in mineral rights, **5:21**
Guarantees, **5:15**
Howey test, **5:22**
Interest, **5:14**
International Brotherhood of Teamsters case, **5:27**
Investment risk as factor, **5:34**
Joiner Leasing Corp case, **5:21**
Judicial decisions, **5:20 et seq.**
Landreth Timber Co case, **5:29**
Marine Bank case, **5:28**
Marketing as factor, **5:33**
Motivations of purchasers, **5:37**
Motivations of sellers, **5:38**
9 month notes, **5:17**
Notes, **5:30**
Oil and gas interests
Generally, **5:16**
Fractional interests, **5:21**
Passive or active purchasers, **5:36**
Pension plans, employee interests in, **5:27**

DIRECT-PERSONAL DEALING —Cont'd
Securities types—Cont'd
Perceptions of public, **5:40**
Reeves v. Ernst & Young case, **5:30**
Relative importance of elements, **5:41**
SA § 2(1)(a) definition
Generally, **5:10**
Evidence of indebtedness, **5:13**
Guarantees, **5:15**
Interest, **5:14**
9 month notes, **5:17**
Oil and gas interests, **5:16**
SEA § 3(a)(10) differences, **5:12 et seq.**
SEA § 3(a)(10) similarities, **5:11**
SEA § 3(A)(10)
Generally, **5:10**
Evidence of indebtedness, **5:13**
Guarantees, **5:15**
Interest, **5:14**
9 month notes, **5:17**
Oil and gas interests, **5:16**
SA § 2(1)(a) differences, **5:12 et seq.**
SA § 2(1)(a) similarities, **5:11**
State law definitions, **5:19**
Statutory definitions, **5:10 et seq.**
United Benefit Life Ins Co case, **5:24**
United Housing Foundation, Inc case, **5:26**
Variable annuities, **5:23**
Suitability (this index)
Transaction Planning (this index)
Unfair terms
Generally, **5:142 et seq.**
Actual control, **5:156**
Arms length transactions
Generally, **5:144**
Reasons and policies, **5:149**
Book value, **5:162**
Burden of proof, **5:153**
Business decisions as value determiners, **5:171**

DIRECT-PERSONAL DEALING —Cont'd
Unfair terms—Cont'd
Capitalization of earnings as test of value, **5:161**
Conflict transactions
Generally, **5:145**
Reasons and policies, **5:150**
Control, proof of, **5:155**
Control premiums and discounts, **5:166**
Control sales, **5:191**
Court cases, **5:183 et seq.**
Definition, **5:143**
Disclosure
Generally, **5:187 et seq.**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Persons to whom disclosure made, **5:190**
Discounts, control, **5:166**
Earnings tests of value, **5:161**
Fair terms, effect of, **5:147**
Full disclosure, effect of
Generally, **5:146**
Reasons and policies, **5:151**
Influence, proof of, **5:155**
Investment bankers
Generally, **5:172 et seq.**
Controlled company bankers, **5:175**
Controlling company bankers, **5:177**
Dual representation bankers, **5:176**
No banker transactions, **5:178**
Opinions of, challenging, **5:181**
Prior relations of, **5:182**
Qualities of bankers, **5:173**
Roles of bankers, **5:174**
Successive bankers, **5:179**
Trials, bankers for, **5:180**
Legal decisions as value determiners, **5:170**
Liquidation value, **5:163**
Market prices as value indicators, **5:160**
Pleading, **5:152**

DIRECT-PERSONAL DEALING —Cont'd
Unfair terms—Cont'd
Policies, **5:148 et seq.**
Potential control, **5:156**
Premiums, control, **5:166**
Proof of elements, **5:154**
Range of fairness, **5:143**
Reasons, **5:148 et seq.**
Shareholder votes, effect of
Generally, **5:146**
Reasons and policies, **5:151**
Tax factors in value determination, **5:164**
Time factors in value determination, **5:165**
Value determiners, **5:169 et seq.**
Value indicators, **5:158 et seq.**
What is a Security (this index)

DIRKS CASE
Insider trading, gifts to relatives, **7:396**
Private actions, loss causation in Supreme Court decision, **8:563**

DISCIPLINARY PROCEEDINGS
Injunctions, collateral effects, **13:106**

DISCLOSURES
Generally, **5:187 et seq., 6:267**
Acquisition information
Required disclosures, **7:259**
Timely disclosure
Generally, **7:248 et seq.**
Agreements
Disclosure not required, **7:261**
Disclosure required, **7:260**
Company, trading by, **7:256**
Definitions, **7:250**
Disclosure document obligations, **7:259**
Leaks, **7:255**
Materiality of negotiated acquisitions, **7:262 et seq.**
Preliminary negotiations
Misleading statements, **7:253**
No statement made, **7:252**
Other situations, **7:254**

DISCLOSURES—Cont'd
Acquisition information—Cont'd
Timely disclosure—Cont'd
Prior statement now misleading, **7:257**
Rumors, **7:255**
Stages of negotiated acquisitions, **7:249**
Target response to tender offers, **7:258**
When disclosure required, **7:251 et seq., 7:260**
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Aggregate materiality, **6:253**
Analysts' roles in full disclosure regulations, **7:528**
Annual reports, **6:242**
Antifraud provisions and Regulation FD, **7:546**
Application of funds, **6:260**
Assets
Generally, **6:261 et seq.**
Existence of, **6:262**
Reasons, **6:273**
Value of assets, below
Awareness of MNPI
Generally, **7:316, 7:349 et seq.**
Possession distinguished, **7:349**
Backdating of stock options, executive compensation, **18:1 et seq.**
Balance, **6:229**
Burden of proof, nonpublic nature of information, **7:312**
Buried facts, **6:232**
Cash flow, **6:260**
Clarity, **6:225**
Compulsory disclosure. Regulation FD, below
Consistency, **6:228**
Conspicuity. Prominence, below
Conspirators' nondisclosures, **8:306**
Context
Generally, **6:235**
Risk disclosures, **6:275**
Control, merger offers leading to board control changes, **6:61**

DISCLOSURES—Cont'd
Corrections
Generally, **6:290 et seq.**
See also Supplementary communications, below
Another's statements, correction of, **6:319**
Blue sky laws, **6:292**
Broker-dealer fraud, **6:312**
Common law, **6:291**
False reports to SEC, **6:313**
Fraud in general, **6:314 et seq.**
How long correction is necessary
Generally, **6:323**
Direct-impersonal transactions, **6:325**
Direct-personal transactions, **6:324**
Indirect-impersonal transactions, **6:326**
Rule 14a-9, **6:304**
Rule 14c-6, **6:308**
SA § 11, **6:296**
How must correction be made
Rule 10b-5, **6:328**
Rule 14a-9, **6:306**
Rule 14c-6, **6:310**
SA § 11, **6:298**
Market manipulation, **6:300**
Proxy fraud, **6:302**
Registration fraud, **6:294 et seq.**
Rule 10b-5 requirements
Fraud in general, **6:314 et seq.**
How long is correction necessary, **6:323 et seq.**
How must correction be made, **6:328**
What makes correction necessary, **6:319 et seq.**
What must be corrected, **6:327**
Who entitled to correction, **6:328**
Rule 14a-9, **6:303 et seq.**
Rule 14c-6, **6:307 et seq.**
SA § 11, **6:294 et seq.**
SA § 12(2), **6:293**
SA § 17(a), **6:299**

DISCLOSURES—Cont'd
Corrections—Cont'd
Safe harbor for predictions and projections
Later disclosures, **7:30**
Update duties, **7:45**
Sales fraud
Express liability, **6:293**
Implied liability, **6:299**
SEA § 9(a), **6:300**
SEA § 10, **6:301**
SEA § 14, **6:302**
SEC, false reports to, **6:313**
State law, **6:292**
Tender offer fraud, **6:311**
What makes correction necessary
Generally, **6:319**
Direct-impersonal transactions, **6:321**
Direct-personal transactions, **6:320**
Indirect-impersonal transactions, **6:322**
Rule 14a-9, **6:303**
Rule 14c-6, **6:307**
SA § 11, **6:295**
What must be corrected
Rule 10b-5, **6:327**
Rule 14a-9, **6:305**
Rule 14c-6, **6:309**
SA § 11, **6:297**
Who entitled to correction
Rule 10b-5, **6:328**
Rule 14a-9, **6:306**
Rule 14c-6, **6:310**
SA § 11, **6:298**
Cover letters, **6:243**
Covid-19 pandemic, misleading disclosures re: class actions, **27:3, 27:5 to 27:7**
Cross references, **6:233**
Crowdfunding, **14:216**
JOBS Act, current status, **14:219**
Cybersecurity, failure to, **26:1**
Detail, **6:234**
Direct-impersonal dealing
Generally, **6:212 et seq.**

DISCLOSURES—Cont'd
Direct-impersonal dealing—Cont'd
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Aggregate materiality, **6:253**
Annual reports, **6:242**
Application of funds, **6:260**
Assets
Generally, **6:261 et seq.**
Existence of, **6:262**
Reasons, **6:273**
Value of assets, below
Balance, **6:229**
Buried facts, **6:232**
Cash flow, **6:260**
Clarity, **6:225**
Comparative tables, **6:219**
Consistency, **6:228**
Conspicuity. Prominence, below
Context, **6:235**
Control, merger offers leading to board control changes, **6:61**
Corrections
Generally, **6:290 et seq.**
See also Supplementary communications, below
Another's statements, correction of, **6:319**
Blue sky laws, **6:292**
Broker-dealer fraud, **6:312**
Common law, **6:291**
False reports to SEC, **6:313**
Fraud in general, **6:314 et seq.**
How long correction is necessary
Generally, **6:323**
Direct-impersonal transactions, **6:325**
Direct-personal transactions, **6:324**
Indirect-impersonal transactions, **6:326**
Rule 14a-9, **6:304**
Rule 14c-6, **6:308**
SA § 11, **6:296**
How must correction be made
Rule 10b-5, **6:328**

DISCLOSURES—Cont'd
Direct-impersonal dealing—Cont'd
Corrections—Cont'd
How must correction be made—Cont'd
Rule 14a-9, **6:306**
Rule 14c-6, **6:310**
SA § 11, **6:298**
Market manipulation, **6:300**
Proxy fraud, **6:302**
Registration fraud, **6:294 et seq.**
Rule 10b-5 requirements
Fraud in general, **6:314 et seq.**
How long is correction necessary, **6:323 et seq.**
How must correction be made, **6:328**
What makes correction necessary, **6:319 et seq.**
What must be corrected, **6:327**
Who entitled to correction, **6:328**
Rule 14a-9, **6:303et seq.**
Rule 14c-6, **6:307 et seq.**
SA § 11, **6:294 et seq.**
SA § 12(2), **6:293**
SA § 17(a), **6:299**
Sales fraud
Express liability, **6:293**
Implied liability, **6:299**
SEA § 9(a), **6:300**
SEA § 10, **6:301**
SEA § 14, **6:302**
SEC, false reports to, **6:313**
State law, **6:292**
Tender offer fraud, **6:311**
What makes correction necessary
Generally, **6:319**
Direct-impersonal transactions, **6:321**
Direct-personal transactions, **6:320**
Indirect-impersonal transactions, **6:322**
Rule 14a-9, **6:303**

DISCLOSURES—Cont'd
Direct-impersonal dealing—Cont'd
Corrections—Cont'd
What makes correction necessary—Cont'd
Rule 14c-6, **6:307**
SA § 11, **6:295**
What must be corrected
Rule 10b-5, **6:327**
Rule 14a-9, **6:305**
Rule 14c-6, **6:309**
SA § 11, **6:297**
Who entitled to correction
Rule 10b-5, **6:328**
Rule 14a-9, **6:306**
Rule 14c-6, **6:310**
SA § 11, **6:298**
Cross references, **6:233**
Detail, **6:234**
Distribution, **6:214 et seq.**
Earnings
Generally, **6:254**
Inherently misleading statements, **6:256**
Interim, **6:259**
Misrepresentations, **6:255**
Nondisclosure of, **6:257**
Predictions, **6:255**
Exchange offers, **6:12**
Form and substance, **6:235**
Interim earnings, **6:259**
Interpretation, **6:236**
Level, **6:227**
Locus, **6:214 et seq.**
Materiality
Generally, **6:248 et seq.**
Aggregate, **6:253**
Might, use of term, **6:249**
Practical problems, **6:251**
Probably would, use of term, **6:250**
Specific items, materiality of, **6:252**
Would, use of term, **6:249**
Merger information statement rules, Congressional intent, **6:156**

DISCLOSURES—Cont'd
Direct-impersonal dealing—Cont'd
Misrepresentations
Earnings, **6:255**
Value of assets
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
Numerical information, **6:237**
Opposition communications, **6:247**
Organization, **6:226**
Overall effect, **6:238**
Predictions, earning s, **6:255**
Presentation, **6:224 et seq.**
Prominence
Generally, **6:230 et seq.**
Buried and scattered facts, **6:232**
Similar emphasis, **6:231**
Publicity, prefiling, **6:10**
Public sales, **6:12**
Repetition, **6:233**
Risk
Generally, **6:275 et seq.**
CFTC requirements, **6:289**
Context, **6:275**
Court cases, **6:281**
Day trading, **6:284**
Extended hour trading, **6:285**
Margin trading, **6:286**
NASD requirements, **6:283 et seq.**
Plain English requirements, **6:278**
Safe harbor, **6:282**
SA filings, **6:279**
SEA filings, **6:280**
Short selling, **6:287**
Specific requirements, **6:277**
Uninsured products, **6:288**
Rule 10b-5 requirements, **6:218**
SA § 5 requirements, **6:217**
Scattered facts, **6:232**
SEA § 14(a) requirements, **6:215**
SEA § 14(c) requirements, **6:216**
Sources of funds, **6:260**
Sources of requirements
Generally, **6:220 et seq.**
Antifraud provisions, **6:222**

DISCLOSURES—Cont'd
Direct-impersonal dealing—Cont'd
Sources of requirements—Cont'd
Specific items, **6:221**
Timing, **6:223**
Specific information requirements, **6:2**
Style, **6:224 et seq.**
Supplementary communications
Generally, **6:239 et seq.**
See also Corrections, above
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Annual reports, **6:242**
Cover letters, **6:243**
Followup solicitations, **6:244**
Generally available information, **6:246**
Other communications, **6:245**
Transmittal letters, **6:243**
Tender offers
Congressional intent, **6:17**
Regulated offers
Generally, **6:41**
Arrangements, **6:47**
Changes, effects of
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Control change information, **6:61**
Control purposes, **6:64**
Date of information
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Deviation from stated plans, **6:70**
Funds, source of, **6:44**
Fund source data, **6:44**
Groups, data on, **6:48**
Ideas vs plans, **6:68**
Issuer offers, **6:144**

DISCLOSURES—Cont'd
Direct-impersonal dealing—Cont'd
Tender offers—Cont'd
Regulated offers—Cont'd
Noncompliance, effects of, **6:74**
Offer data, **6:43**
Offeror data, **6:42**
Ownership, **6:55**
Plans, **6:45**
Plans and proposals, **6:66 et seq.**
Publicity
Offeror, **6:94**
Target company, **6:98**
Third persons, **6:108**
Purposes, **6:45, 6:62 et seq.**
Sanctions for noncompliance, **6:74**
SEC filings
Generally, **6:50 et seq.**
Changes, effects of, **6:52**
Date of information, **6:52**
Other disseminations, **6:54**
Processing, **6:53**
Scope of disclosure, **6:51**
Time of filing, **6:50**
Securities, data on, **6:46**
Ten percent threshold
Generally, **6:55 et seq.**
Changes, effect of, **6:57**
Date of information, **6:57**
Exemptions, **6:60**
Other disseminations, **6:59**
Ownership, **6:55**
Scope of disclosure, **6:56**
SEC processing, **6:58**
Understandings, **6:47**
Unregulated offers
Generally, **6:113**
Insiders, **6:114**
Outsiders
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**

DISCLOSURES—Cont'd
Direct-impersonal dealing—Cont'd
Tender offers—Cont'd
Unregulated offers—Cont'd
Outsiders—Cont'd
Policy factors, **6:120**
Target company, **6:121**
Timing requirements, **6:223**
Value of assets
Generally, **6:263 et seq.**
Firm offers, **6:265**
Hard data, **6:264**
Misrepresentations
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
Modified view
Disposition plans, **6:266**
Hard data, **6:264**
Other situations, **6:268**
Policies, **6:269**
Reasons, **6:269**
Replacement costs, **6:267**
Traditional view, **6:263**
Direct-personal dealing
Generally, **5:146, 5:187 et seq.**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Nondisclosures generally, **5:2**
Unfair terms
Generally, **5:187 et seq.**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Persons to whom disclosure made, **5:190**
Reasons and policies, **5:151**
Dividend actions
Materiality, **7:247**
When disclosure required, **7:246**
Earnings
Generally, **6:254**
Executive compensation, backdating of stock options, **18:1 et seq.**
Inherently misleading statements, **6:256**
Interim, **6:259**
Misrepresentations, **6:255**

DISCLOSURES—Cont'd
Earnings—Cont'd
Nondisclosure of, **6:257**
Predictions, **6:255**
Exchange offers, **6:12**
Exemption provisions and Regulation FD, **7:548**
Final rule on incident disclosure, cybersecurity, **26:9**
Foreign Corrupt Practices Act (FCPA) (this index)
Form and substance, **6:235**
Forward Looking Information (this index)
Fraud on the market
Generally, **8:520 et seq.**
See also Reliance (this index)
Theory and disclosure policy, **8:533**
Full disclosure duty
Regulation FD, below
Trigger, **7:536**
Grace case, **8:423**
Information disclosed, **5:189**
Information types, **7:2**
Inside information
Dividend actions, materiality, **7:247**
Law violations and timeliness considerations, **7:244**
Timely disclosure
Generally, **7:238 et seq.**
Acquisition information
Generally, **7:248 et seq.**
Agreements
Disclosure not required, **7:261**
Disclosure required, **7:260**
Company, trading by, **7:256**
Definitions, **7:250**
Disclosure document obligations, **7:259**
Leaks, **7:255**
Materiality of negotiated acquisitions, **7:262 et seq.**
Preliminary negotiations
Misleading statements, **7:253**

DISCLOSURES—Cont'd
Inside information—Cont'd
Timely disclosure—Cont'd
Acquisition information—Cont'd
Preliminary negotiations—Cont'd
No statement made, **7:252**
Other situations, **7:254**
Prior statement now misleading, **7:257**
Rumors, **7:255**
Stages of negotiated acquisitions, **7:249**
Target response to tender offers, **7:258**
When disclosure of agreement required, **7:260**
When disclosure required, **7:251 et seq.**
Business judgment considerations, **7:241**
Corporate purpose considerations, **7:242**
Delays, justifications for, **7:240**
Dividend actions
Evolving information, **7:245**
Materiality, **7:247**
When disclosure required, **7:246**
Justification for delay, **7:240**
Law violations and timeliness considerations, **7:244**
Ripeness and timing, **7:243**
Tender offers
Generally, **7:267**
Materiality, **7:270**
Stages of nonnegotiated acquisitions, **7:268**
When disclosure required, **7:269**
Insiders
Generally, **7:152 et seq.**
See also Insiders and Insider Trading (this index)
Disclose or abstain duties
Generally, **7:197 et seq.**
Duration of duty, **7:200**
Nature of duty, **7:198**

DISCLOSURES—Cont'd
Insiders—Cont'd
Disclose or abstain duties—Cont'd
Who is entitled to disclosure, **7:199**
Regulation FD, below
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Interim earnings, **6:259**
Interpretation, **6:236**
Investment community disclosure, **7:300**
Issuer disclosures
Generally, **7:282 et seq.**
Awareness of MNPI
Generally, **7:316, 7:349 et seq.**
Possession distinguished, **7:349**
Burden of proof, nonpublic nature of information, **7:312**
Full disclosure duty triggered by partial disclosure, **7:536**
Law and fact questions, nonpublic character of information, **7:314**
Limitations period, disclosure as starting, **7:279**
Market reaction as public/nonpublic test, **7:281**
Materiality and public disclosure, **7:280**
Misrepresentations, public disclosure as curing, **7:276 et seq.**
MNPI
Materiality, above
Nonpublic information, below
Nonpublic information
Generally, **7:271 et seq.**
Absorption requirement, **7:306 et seq.**
Burden of proof, **7:312**
Eliminating nonpublic information, Regulation FD, **7:552**
Full disclosure duty triggered by partial disclosure of, **7:536**
Law and fact questions, **7:314**
Limitations period, disclosure as starting, **7:279**

DISCLOSURES—Cont'd
Issuer disclosures—Cont'd
Nonpublic information—Cont'd
Market reaction as public/nonpublic test, **7:281**
Materiality and public disclosure, **7:280**
Misrepresentations, public disclosure as curing, **7:276 et seq.**
Motion practice, **7:311**
Omissions, public disclosure as curing, **7:276 et seq.**
Pleading, **7:310**
Procedural aspects, **7:309 et seq.**
Proof, **7:313**
Public as affecting insider trading, **7:272 et seq.**
Quantum of proof, **7:312**
Rumors, **7:301**
Time in becoming public, **7:304 et seq.**
Tipping of, **7:272 et seq.**
Omissions, public disclosure as curing, **7:276 et seq.**
Periodic reports, **7:289**
Pleading nonpublic nature of information, **7:310**
Possession of MNPI
Generally, **7:316**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321, 7:341**
Chinese walls, **7:343 et seq.**
Connection with transaction, **7:681**
Individuals, proof for, **7:342**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Proof, **7:322 et seq.**
Rule 10b-5
Generally, **7:318 et seq.**
Access, proof of, **7:323**

DISCLOSURES—Cont'd
Issuer disclosures—Cont'd
Possession of MNPI—Cont'd
Rule 10b-5—Cont'd
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321**
Contact, proof of, **7:324**
Individuals, proof as to, **7:322**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:326**
Proof, **7:322 et seq.**
Trading, proof of, **7:325**
Use inferred from possession, **7:328**
Rule 14e-3
Generally, **7:340 et seq.**
Burden of proof, **7:341**
Chinese walls, **7:343 et seq.**
Individuals, proof for, **7:342**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Standard of proof, **7:341**
Standard of proof, **7:341**
Use compared, **7:317**
Press releases, **7:283**
Proof of nonpublic character of information, **7:313**
Prospectuses, **7:286**
Proxy statements, **7:287**
Reports, **7:289**
Rumors, **7:301**
SEC filings, **7:285**
Shareholder communications, **7:284**
Tender offer statements, **7:288**
Use of MNPI
Generally, **7:316**
Burden of proof, **7:331**
Connection with transaction, **7:681**
Individuals, proof for, **7:332**
Organizations, proof for, **7:339**
Possession compared, **7:317**

DISCLOSURES—Cont'd
Issuer disclosures—Cont'd
Use of MNPI—Cont'd
Rule 10b-5
Generally, **7:327 et seq.**
Burden of proof, **7:331**
Individuals, proof for, **7:332**
Inferences, **7:328**
Organizations, proof for, **7:339**
Possession, use inferred from, **7:328**
Rebuttal evidence, **7:337, 7:338**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Rule 14e-3, **7:347**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Law and fact questions, **7:314**
Law violations and timeliness considerations, **7:244**
Level, **6:227**
Limitations period, disclosure as starting, **7:279**
Market, management responsibilities to inform
Generally, **8:421**
Business changes, **8:422**
Grace case, **8:423**
National Telephone case, **8:422**
Second-guessing disclosure counsel, **8:423**
Market reaction as public/nonpublic test, **7:281**
Markup and markdown practices, **14:149**
Materiality
Generally, **6:248 et seq.**
Aggregate, **6:253**
Might, use of term, **6:249**

DISCLOSURES—Cont'd
Materiality—Cont'd
Practical problems, **6:251**
Probably would, use of term, **6:250**
Safe harbor for predictions and projections, **7:35, 7:38**
Selective disclosures, materiality of, **7:535**
Specific items, materiality of, **6:252**
Would, use of term, **6:249**
Materiality and public disclosure, **7:280**
Material nonpublic information (MNPI)
Generally, **7:152**
Awareness of MNPI, above
Possession of MNPI, below
Use of MNPI, below
Merger information statement rules, Congressional intent, **6:156**
Method of disclosure
Generally, **5:188**
Regulation FD, **7:544**
Misrepresentation
Backdating of stock options, **18:1 et seq.**
Earnings, **6:255**
Public disclosure as curing, **7:276 et seq.**
Value of assets
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
MNPI. Material nonpublic information, above
Mutual fund violations, misleading prospectuses, **17:7**
Nondisclosure liability (this index)
Nonpublic information
Generally, **7:271 et seq.**
Absorption requirement, **7:306 et seq.**
Burden of proof, **7:312**
Duty to disclose generally, **7:275**
Eliminating nonpublic information, Regulation FD, **7:552**
Full disclosure duty triggered by partial disclosure of, **7:536**

DISCLOSURES—Cont'd
Nonpublic information—Cont'd
Investment community disclosure, **7:300**
Issuer disclosures
Generally, **7:282 et seq.**
Periodic reports, **7:289**
Press releases, **7:283**
Prospectuses, **7:286**
Proxy statements, **7:287**
Reports, **7:289**
SEC filings, **7:285**
Shareholder communications, **7:284**
Tender offer statements, **7:288**
Law and fact questions, **7:314**
Limitations period, disclosure as starting, **7:279**
Market reaction as public/nonpublic test, **7:281**
Materiality and public disclosure, **7:280**
Media disclosures
Generally, **7:292 et seq.**
Particular media, **7:299**
Timing, **7:297**
Misrepresentations, public disclosure as curing, **7:276 et seq.**
Motion practice, **7:311**
Omissions, public disclosure as curing, **7:276 et seq.**
Pleading, **7:310**
Procedural aspects, **7:309 et seq.**
Proof, **7:313**
Public as affecting insider trading, **7:272 et seq.**
Quantum of proof, **7:312**
Rumors, **7:301**
Time in becoming public, **7:304 et seq.**
Tipping of, **7:272 et seq.**
Numerical information, **6:237**
NYSE rules, **App F**
Omissions, public disclosure as curing, **7:276 et seq.**
Opposition communications, **6:247**
Organization, **6:226**

DISCLOSURES—Cont'd
Overall effect, **6:238**
Payments to foreign government officials. Foreign Corrupt Practices Act (FCPA) (this index)
Periodic reports, **7:289**
Plain English requirements, **6:278**
Possession of MNPI
Generally, **7:316**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321, 7:341**
Chinese walls, **7:343 et seq.**
Connection with transaction, **7:681**
Individuals, proof for, **7:342**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Proof, **7:322 et seq.**
Rule 10b-5
Generally, **7:318 et seq.**
Access, proof of, **7:323**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321**
Contact, proof of, **7:324**
Individuals, proof as to, **7:322**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:326**
Proof, **7:322 et seq.**
Trading, proof of, **7:325**
Use inferred from possession, **7:328**
Rule 14e-3
Generally, **7:340 et seq.**
Burden of proof, **7:341**
Chinese walls, **7:343 et seq.**
Individuals, proof for, **7:342**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Standard of proof, **7:341**
Standard of proof, **7:341**
Use compared, **7:317**

DISCLOSURES—Cont'd
Predictions and projection disclosure obligations
Generally, **7:10 et seq.**
Capital resources, **7:15**
Earnings, **6:255**
Liquidity, **7:14**
With MD&A requirement
Administrative enforcement, **7:13**
Private actions, **7:17**
Nondisclosure liability, **8:2**
Operation results, **7:16**
Private actions on MD&A requirements, **7:17**
Restrictions on disclosures, **7:18**
Safe harbor
Generally, **7:19 et seq.**
Background, **7:20**
Bespeaks caution doctrine, **7:22**
PSLRA
Generally, **7:23 et seq.**
Actual knowledge prong, **7:36**
Attacking cautionary statements, **7:29**
Caution prong, **7:26**
Corrections, **7:45**
Definition of forward looking statement, **7:25**
Discovery stays, **7:44**
Drafting cautionary statements, **7:28**
Eligible makers, **7:37**
Exclusions, **7:40**
Expandability, **7:41**
Falsity, actual knowledge of, **7:36**
Immateriality, **7:35, 7:38**
Later disclosures, **7:30**
Motion practice, **7:43**
Nonexclusiveness, **7:41**
Oral statements referencing caution, **7:31, 7:39**
Procedural aspects, **7:42**
Prohibited uses, **7:40**
Scope of Act, **7:24**

DISCLOSURES—Cont'd
Predictions and projection disclosure obligations—Cont'd
Safe harbor—Cont'd
PSLRA—Cont'd
Statements with cautions, **7:27**
Update duty, **7:45**
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
SA Rule 175, **7:21**
SEA Rule 3b-6, **7:21**
SEC, traditional position, **7:18**
With SEC encouragement, **7:12**
Without SEC rule, **7:11**
Presentation, **6:224 et seq.**
Prominence
Generally, **6:230 et seq.**
Buried and scattered facts, **6:232**
Similar emphasis, **6:231**
Prompt disclosure requirement, Regulation FD, **7:543**
Public or nonpublic character of information. Nonpublic information, above
Public sales, **6:12**
Registration provisions and Regulation FD, **7:547**
Regulation FD
Generally, **7:526 et seq.**
Analysts' roles, **7:528**
Antifraud provisions and, **7:546**
Avoiding selective disclosure, **7:553**
Companies covered, **7:545**
Compliance, **7:551 et seq.**
Curing violations, **7:554**
Eliminating nonpublic information, **7:552**
Enforcement, **7:549**
Exemption provisions and, **7:548**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**

DISCLOSURES—Cont'd
Regulation FD—Cont'd
Materiality of triggering information, **7:535**
Method of disclosure, **7:544**
Persons triggering duty, **7:537**
Policy basis, **7:527**
Prompt disclosure requirement, **7:543**
Registration provisions and, **7:547**
Regulatory gap, **7:530**
Scope of regulation, **7:545**
SEC filing, compliance by, **7:555**
Selective disclosure
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Simultaneous disclosure requirements, **7:542**
Timing requirements, **7:541 et seq.**
Triggering events
Generally, **7:531 et seq.**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Materiality of triggering information, **7:535**
Nonintentional disclosures, **7:540**
Nonpublic nature of information disclosed, **7:536**
Nontriggering disclosures, **7:533**
Persons triggering duty, **7:537**
Selective disclosures, **7:532**
Unintentional disclosures, **7:540**
Unintentional disclosures, **7:540**
Validity, **7:550**
Violations, curing, **7:554**
Release of Information (this index)
Reliance
Generally, **8:484 et seq.**

DISCLOSURES—Cont'd
Reliance—Cont'd
See also Reliance (this index)
Repetition, **6:233**
Ripeness and timely disclosure of inside information, **7:243**
Risk disclosures
Generally, **6:275 et seq.**
CFTC requirements, **6:289**
Context, **6:275**
Court cases, **6:281**
Day trading, **6:284**
Extended hour trading, **6:285**
Margin trading, **6:286**
NASD requirements, **6:283 et seq.**
Plain English requirements, **6:278**
Safe harbor, **6:282**
SA filings, **6:279**
SEA filings, **6:280**
Short selling, **6:287**
Specific requirements, **6:277**
Uninsured products, **6:288**
Rule 10b-5 as disclosure rule, **12:3**
Rumors, **7:301**
Safe harbor for predictions and projections
Generally, **7:19 et seq.**
Background, **7:20**
Bespeaks caution doctrine, **7:22**
Immateriality, **7:35, 7:38**
PSLRA
Generally, **7:23 et seq.**
Actual knowledge prong, **7:36**
Attacking cautionary statements, **7:29**
Caution prong, **7:26**
Corrections, **7:45**
Definition of forward looking statement, **7:25**
Discovery stays, **7:44**
Drafting cautionary statements, **7:28**
Eligible makers, **7:37**
Exclusions, **7:40**
Expandability, **7:41**
Falsity, actual knowledge of, **7:36**
Later disclosures, **7:30**

DISCLOSURES—Cont'd
Safe harbor for predictions and projections—Cont'd
PSLRA—Cont'd
Motion practice, **7:43**
Nonexclusiveness, **7:41**
Oral statements referencing caution, **7:31, 7:39**
Procedural aspects, **7:42**
Prohibited uses, **7:40**
Scope of Act, **7:24**
Statements with cautions, **7:27**
Update duty, **7:45**
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
SA Rule 175, **7:21**
SEA Rule 3b-6, **7:21**
Sarbanes-Oxley Act controls, **8:466**
Scattered facts, **6:232**
SEC filings of issuer disclosures, **7:285**
Second-guessing disclosure counsel, **8:423**
Selective disclosure and full disclosure obligations
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Simultaneous FD disclosure requirements, **7:542**
Sources of funds, **6:260**
Style, **6:224 et seq.**
Supplementary communications
Generally, **6:239 et seq.**
See also Corrections, above
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Annual reports, **6:242**

DISCLOSURES—Cont'd
Supplementary communications —Cont'd
Cover letters, **6:243**
Followup solicitations, **6:244**
Generally available information, **6:246**
Other communications, **6:245**
Transmittal letters, **6:243**
Tender offers
Generally, **7:288**
Congressional intent, **6:17**
Regulated offers
Generally, **6:41**
Arrangements, **6:47**
Changes, effects of
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Control change information, **6:61**
Control purposes, **6:64**
Date of information
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Deviation from stated plans, **6:70**
Funds, source of, **6:44**
Groups, data on, **6:48**
Ideas vs plans, **6:68**
Issuer offers, **6:144**
Noncompliance, effects of, **6:74**
Offer data, **6:43**
Offeror data, **6:42**
Ownership, **6:55**
Plans and proposals, **6:45, 6:66 et seq.**
Publicity
Offeror, **6:94**
Target company, **6:98**
Third persons, **6:108**
Purposes, **6:45, 6:62 et seq.**

DISCLOSURES—Cont'd
Tender offers—Cont'd
Regulated offers—Cont'd
Sanctions for noncompliance, **6:74**
SEC filings
Generally, **6:50 et seq.**
Changes, effects of, **6:52**
Date of information, **6:52**
Other disseminations, **6:54**
Processing, **6:53**
Scope of disclosure, **6:51**
Time of filing, **6:50**
Securities, data on, **6:46**
Ten percent threshold
Generally, **6:55 et seq.**
Changes, effect of, **6:57**
Date of information, **6:57**
Exemptions, **6:60**
Other disseminations, **6:59**
Ownership, **6:55**
Scope of disclosure, **6:56**
SEC processing, **6:58**
Understandings, **6:47**
Unregulated offers
Generally, **6:113**
Insiders, **6:114**
Outsiders
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Target company, **6:121**
Third persons, **6:122**
Time in becoming public, **7:304 et seq.**
Timely disclosure of inside information
Generally, **7:238 et seq.**
Acquisition information
Generally, **7:248 et seq.**
Agreements
Disclosure not required, **7:261**
Disclosure required, **7:260**

DISCLOSURES—Cont'd
Timely disclosure of inside information—Cont'd
Acquisition information—Cont'd
Company, trading by, **7:256**
Definitions, **7:250**
Disclosure document obligations, **7:259**
Leaks, **7:255**
Materiality of negotiated acquisitions, **7:262 et seq.**
Preliminary negotiations
Misleading statements, **7:253**
No statement made, **7:252**
Other situations, **7:254**
Prior statement now misleading, **7:257**
Rumors, **7:255**
Stages of negotiated acquisitions, **7:249**
Target response to tender offers, **7:258**
When disclosure of agreement required, **7:260**
When disclosure required, **7:251 et seq.**
Business judgment considerations, **7:241**
Corporate purpose considerations, **7:242**
Delays, justifications for, **7:240**
Dividend actions
Evolving information, **7:245**
Materiality, **7:247**
When disclosure required, **7:246**
Evolving information. Dividend actions, above
Justification for delay, **7:240**
Law violations and timeliness considerations, **7:244**
Ripeness and timing, **7:243**
Tender offers
Generally, **7:267**
Materiality, **7:270**
Stages of nonnegotiated acquisitions, **7:268**
When disclosure required, **7:269**
Timing of FD requirements, **7:541 et seq.**

DISCLOSURES—Cont'd
Touting, class actions, **8:90**
Transmittal letters, **6:243**
Types of information, **7:2**
Unfair terms
Generally, **5:187 et seq.**
Full disclosure of
Generally, **5:146**
Reasons and policies, **5:151**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Persons to whom disclosure made, **5:190**
Unintentional disclosures and Regulation FD, **7:540**
Use of MNPI
Generally, **7:316**
Burden of proof, **7:331**
Connection with transaction, **7:681**
Individuals, proof for, **7:332**
Organizations, proof for, **7:339**
Possession compared, **7:317**
Rule 10b-5
Generally, **7:327 et seq.**
Burden of proof, **7:331**
Individuals, proof for, **7:332**
Inferences, **7:328**
Organizations, proof for, **7:339**
Possession, use inferred from, **7:328**
Rebuttal evidence, **7:337, 7:338**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Rule 14e-3, generally, **7:347**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Value of assets
Generally, **6:263 et seq.**
Firm offers, **6:265**
Hard data, **6:264**

DISCLOSURES—Cont'd
Value of assets—Cont'd
Misrepresentations
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
Modified view
Disposition plans, **6:266**
Hard data, **6:264**
Other situations, **6:268**
Policies, **6:269**
Reasons, **6:269**
Replacement costs, **6:267**
Traditional view, **6:263**

DISCOVERY
Generally, **13:66 et seq.**
Administrative enforcement by SEC, limitation of actions, **13:90**
Arbitration, **15:15, 15:63**
Criminal enforcement
Civil-criminal flow of information, **13:139**
Criminal-civil flow of information, **13:141**
Failure to warn of criminal proceeding in civil proceeding, **13:142**
Document subpoenas, **13:67, 13:225**
FOIA requests, **13:68, 13:226**
Parallel civil and criminal proceedings
Civil-criminal flow of information, **13:139**
Criminal-civil flow of information, **13:141, 13:143**
Failure to warn of criminal proceeding in civil proceeding, **13:142**
Pleading particularity requirements and discovery stays, **11:120 et seq.**
Production requests, **13:69, 13:227**
PSLRA stays, **7:44**
SEC administrative enforcement, limitation of actions, **13:90**
Securities Litigation Uniform Standards Act limitations, **3:203**

DISGORGEMENT
Administrative enforcement, SEC, **13:84**
Amount, **7:426 et seq.**
Court cases, **9:7**
Criminal proceedings, **7:465**
Disposition of disgorgement
Generally, **7:433 et seq.**
Actual beneficiaries, **7:436**
Administration, **7:435**
Intended beneficiaries, **7:434**
Procedure, **7:435**
Enforcement, limitations on, Liu v. SEC, **13:189**
Insider trading charges
Generally, **7:418, 7:425 et seq., 7:465**
Amount, **7:426 et seq.**
Criminal proceedings, **7:465**
Disposition of disgorgement, **7:433 et seq.**
Market measure, **7:428**
Measurement methods, **7:426 et seq.**
Pocket measure, **7:427**
Prejudgment interest, **7:432**
Price changes and measurement, **7:430**
Reasonable time for measuring, **7:429**
Time for measuring, **7:429**
Vicarious liability, **7:431**
Joint and several liability
Generally, **9:26, 9:35**
Rule 10b-5, **9:39 et seq.**
Liu v. SEC, **13:189**
Market measure, **7:428**
Measurement methods, **7:426 et seq.**
Pocket measure, **7:427**
Prejudgment interest, **7:432**
Price changes and measurement, **7:430**
Reasonable time for measuring, **7:429**
Time for measuring, **7:429**
Vicarious liability, **7:431**

DISTRIBUTION
Madoff feeder funds losses to investors, **20:23**

DIVIDENDS
Inside information re
Generally, **7:207, 7:245**
Materiality, **7:247**
When information required, **7:246**

DODD-FRANK WHISTLEBLOWER BOUNTY PROGRAM
Generally, **22:1 et seq.**

DOJ INVESTIGATIONS
Backdating of stock options, wider ramifications, **18:6, 18:8**
Standard and Poor's ratings, subprime mortgage crisis, **13:338**

DONATION MODEL
Crowdfunding, **14:210**

DOORSTEP SALES
See Over The Counter Market (this index)

DRAFTING AGREEMENTS
See Transaction Planning (this index)

DUAL ROLES
Madoff feeder funds investment manager, **20:19**

DUE DILIGENCE
Generally, **14:5**
See also Diligence, Lack of (this index)
Foreign Corrupt Practices Act (FCPA), **19:15**
Madoff feeder funds, failure as to due diligence, **20:17, 20:18**
Misrepresentation claims, consideration of, **7:52**
Reliance, **8:506**
SA § 11, **14:5**
SEC view, **14:9**
Underwriters', **14:14**

DURA PHARMACEUTICALS
Private actions, loss causation in Supreme Court decision, **8:569**

EARNINGS
Capitalization, value indicators generally, **5:161**
Insider use of information re
Generally, **7:205**
Predictions, **7:204**
Misrepresentations, **7:47**
Predictions, **7:204**

EGALITARIAN THEORY
Rule 10b-5 and, **12:2**

ELDER ABUSE
See Senior Investor Financial Abuse (this index)

EMPLOYEE BENEFIT PLANS
ERISA preemption, **5:43**
Securities, treatment as
Generally, **5:42 et seq.**
Contributory plans
Involuntary, **5:46**
Voluntary, **5:48**
Defined plans, **5:49**
Distinguishing contributory from noncontributory, **5:52**
Distinguishing voluntary from involuntary plans, **5:51**
ERISA, preemptive effect of, **5:43**
ESOPs, **5:48**
Involuntary contributory plans, **5:46**
Involuntary noncontributory plans, **5:45**
Noncontributory plans
Involuntary, **5:45**
Voluntary, **5:47**
Pension plans, **5:49**
Sales, **5:44**
Voluntary contributory plans, **5:48**
Voluntary noncontributory plans, **5:47**

EMPLOYEES OF PUBLIC ACCOUNTING FIRM
Whistleblower bounty program, original information, **22:10**

ENRON
Indirect-impersonal dealing, **7:87**
Private actions, materiality, **8:40**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)
Business priority, **29:1**
Private class actions, **29:3**
SEC enforcement focus, **29:1**
SEC's ESG-related enforcement actions
Climate, **29:2**
Task Force, **29:2**
SEC's proposed, regulations, **29:4**

EQUITABLE FRAUD
Generally, **8:242**

EQUITY CROWDFUNDING
See Crowdfunding (this index)

EQUITYNET
Crowdfunding, portals, description, **14:223**

ETHICS CODES
Sarbanes-Oxley Act, **8:483**

EVASION OF FEDERAL INCOME TAXES
Madoff Ponzi scheme, **20:6**

EXCEPTIONS AND EXCLUSIONS
Whistleblower bounty program, original information, **22:11, 22:13**

EXCHANGES
American Stock Exchange (this index)
Arbitration (this index)
Auction rate security (ARS), securities and market, **13:325**
Delisting, backdating of stock options, **11:9**
Direct-Impersonal Dealing (this index)
Implied liabilities under SRO rules
Generally, **14:62 et seq.**
See also Self Regulatory Organizations (this index)
Indirect-Impersonal Dealing (this index)

EXCHANGES—Cont'd
Interstate commerce, **11:7**
National Association of Securities Dealers (this index)
New York Stock Exchange (this index)
Over The Counter Market (this index)

EXCLUSIVITY OF FUNDS
Madoff Ponzi scheme, **20:2**

EXPANSION ERA
See also Contraction Era (this index)
Implied liability
See also Implied Liability (this index)
Rule 10b-5, **3:54 et seq.**
SRO rules, **14:63 et seq.**
Insider trading
Issuers, **7:645**
Regulation, **7:560**
Tippee violations, **7:665**
Tipping violations, **7:656**
Issuers' insider trading, **7:645**
New expansion era
Generally, **3:32**
Current status of IPA, **3:146**
Overlapping remedies
Generally, **3:69 et seq.**
SA § 11, **3:70**
SA § 12(2), **3:71**
SEA § 9, **3:72**
SEA § 18, **3:73**
Rule 10b-5 history generally, **3:30**
SRO rules, implied liabilities, **14:63 et seq.**
State law, **3:184**

EXPERT WITNESSES
Arbitrations
Claimants' experts, **15:34**
Cross examination, **15:42**
Respondents' experts, **15:45**
Investment bankers
Generally, **5:180**
Challenging opinions of, **5:181**

EXPUNGEMENT
Arbitration, **15:70**

EXTENDED HOUR TRADING
NASD risk disclosure requirements, **6:285**

EXTRATERRITORIALITY
Jurisdiction, foreign cubed cases, **11:17 et seq.**
Whistleblowers, protection, application of law, **22:31**

FACE-TO-FACE TRANSACTIONS
See Direct-Personal Dealing (this index)

FAIRFIELD GREENWICH GROUP
Madoff feeder funds, **20:17**

FAIR FUNDS
Injunctions, victim access to penalty, **13:116**

FAIRNESS
See also Unfair Terms (this index)
Rule 10b-5 as fairness rule, **12:5, 12:13**
Tender offer fairness, Congressional intent, **6:19**

FAIR SHARE LIABILITY
See Proportionate Liability (this index)

FALSE INFORMATION
Attorneys (this index)
Dissemination of material false information, liability for, Lorenzo v. SEC, **8:346**
Madoff Ponzi scheme, **20:6**

FAMILY MEMBERS
Madoff Ponzi scheme, **20:5**

FEDERAL AGENCIES
SEC investigations, information sharing by Office of Market Intelligence, **20:14**

FEDERAL ARBITRATION ACT
Generally, **15:54 et seq.**
See also Arbitration (this index)

FEDERAL SECURITIES CODE
American Law Institute proposal, **1:23**

FEDERAL SENTENCING GUIDELINES
Insiders and inside trading, Raj Rajaratnam criminal case, **21:29 to 21:31**

FEEDER FUNDS
Madoff Ponzi scheme, **20:2, 20:16 et seq.**

FEES
Attorneys' Fees (this index)
Madoff feeder funds, **20:24**

FIDUCIARY DUTIES
Breach, insider trading and misappropriation theory, **7:315**
Creation of relationship
Generally, **7:567**
Advisers to issuers, **7:569**
Business associates of issuers, **7:570**
Law characterizing relation, **7:573**
Position with issuer, **7:568**
Prior dealings, creation by, **7:571**
Securities professionals, **7:572**
Insider trading
Generally, **7:561 et seq.**
Breach, **7:315**
Contraction era, **7:576**
Creation
Generally, **7:567**
Advisers to issuers, **7:569**
Business associates of issuers, **7:570**
Law characterizing relation, **7:573**
Position with issuer, **7:568**
Prior dealings, creation by, **7:571**
Securities professionals, **7:572**
Criteria, **7:561 et seq.**
Expansion era, **7:574**
Issuers, **7:565**
Market insiders, **7:575**
Scienter
Private actions, **7:498**
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**

FIDUCIARY DUTIES—Cont'd
Insider trading—Cont'd
With whom must relationship exist, **7:562 et seq.**
Investment Bankers (this index)
Madoff Ponzi scheme, **20:5**
Private securities litigation, cyber breaches, **26:8**
Reliance on relationship, **8:500**
Suitability claims, **14:202**
Suitability rules, **14:206**

FILIP DECISION
SEC investigations, attorney-client privilege, **13:50 et seq.**

FINANCIAL ABUSE
See Senior Investor Financial Abuse (this index)

FINANCIAL ACCOUNTING STANDARDS BOARD (FASB)
Indirect-impersonal dealing, **7:60**

FINANCIAL CRISIS INQUIRY COMMISSION
Subprime mortgage crisis, Commission report, **13:333**

FINANCIAL EXPERTS
See Audit Committees (this index)
Sarbanes-Oxley Act standards, **8:459**

FINANCIAL INCENTIVES
Madoff Ponzi scheme, **20:2**

FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA)
Creation, **14:183**
Suitability rules, **14:185**
FINRA Rule 2090, know your customer, **14:191**
FINRA Rule 2111, **14:186**
FINRA Rule 2111(a), **14:187, 14:188**
Institutional investors, **14:190**
Know your customer, **14:191**
Recommendations to customers, **14:187**

FINANCIAL INFORMATION
Backdating of stock options, **18:1 et seq.**
Officers' certifications and Sarbanes-Oxley Act liability, **3:169**
Pro forma financial information, Sarbanes-Oxley Act liabilities based on, **3:170**

FINANCIAL STATEMENTS
Backdating of stock options, wider ramifications, **18:6**
Madoff Ponzi scheme, **20:5 to 20:7**

FLEXIBLE FUND ANNUITIES
What is a security, **5:25**

FOIA REQUESTS
Generally, **13:226**
SEC investigations, **13:68**

FORCED SALES
Buyer-seller requirements, **5:120**

FORECASTS
Generally, **7:5 et seq.**
Forward Looking Information (this index)
Predictions (this index)
Projections (this index)

FOREIGN ACCOUNTS
Insiders' use of, **7:177**

FOREIGN AND INTERNATIONAL TRANSACTIONS
Conduct or effect, **11:19, 11:24**
Conflict with foreign law, **11:31**
Discerning intent, **11:23**
Domestic contacts, **11:36**
Enforcement, **11:37**
Foreign cubed case
Generally, **11:16**
American actors, **11:30**
Clear statement, **11:35**
Conduct or effect, **11:24**
Conduct or effect test, **11:19**
Conflict with foreign law, **11:31**
Discerning intent, **11:23**
Domestic contacts, **11:36**
Evolution of jurisdictional tests, **11:33**

FOREIGN AND INTERNATIONAL TRANSACTIONS—Cont'd
Foreign cubed case—Cont'd
Extraterritoriality, specificity, **11:29**
Facts in Morrison, **11:20**
Focus of securities laws purpose, **11:37**
Foreign law, conflict with, **11:31**
Foreign references in statute, **11:28**
Gaps in legislature, **11:34**
Holding in Morrison case, **11:17**
Importance of domestic contacts, **11:36**
Intent, **11:23**
International context, **11:18**
Judges, role, **11:26**
Judicial filling of legislative gaps, **11:34**
Jurisdictional tests, **11:33**
Justice Steven's concurrence, **11:32 to 11:37**
Legislators, role, **11:26**
Morrison case, **11:17, 11:20**
Presumptions, **11:22, 11:35**
Prior law, **11:19**
References in statute, **11:28**
Rule 10b-5, **11:27**
Scalia's debate with Steven's concurrence, **11:25**
SEA § 10(b), generally, **11:27**
SEC enforcement of authority, **11:37**
Securities laws purpose and focus, **11:36**
Specificity of extraterritoriality, **11:29**
Subject matter jurisdiction, **11:21**
Intent, **11:23**
International transactions, generally, **11:172 et seq.**
Jurisdictional means, **11:16**
Jurisdictional tests, **11:33**
Morrison case, generally, **11:16 to 11:37**
Presumptions, **11:22, 11:35**
References in statute, **11:28**
SEC enforcement of authority, **11:37**

FOREIGN AND INTERNATIONAL TRANSACTIONS—Cont'd
Specificity of extraterritoriality, **11:29**
Statement clarity, foreign cubed case, **11:35**
Statutory bases, international transactions, **11:173**
Subject matter jurisdiction, **11:21**

FOREIGN CITIZENS
Foreign Corrupt Practices Act (FCPA), allegations and settlements, **19:12**

FOREIGN CORRUPT PRACTICES ACT (FCPA)
Generally, **19:1 et seq.**
Accounting practices, **19:5, 19:9**
Actions against private individuals, members of Congress, and foreign citizens, **19:12**
Affirmative defenses
Generally, **19:3 to 19:5**
Accounting provisions, **19:5**
Foreign law, **19:3**
Lodging expenses, **19:4**
Travel expenses, **19:4**
Allegations and settlements
Generally, **19:6**
Bookkeeping in multiple sets, **19:9**
Boxes of cash and two sets of books, **19:9**
Chinese way of doing business, **19:11**
Congress, actions against members, **19:12**
Foreign citizens, actions against, **19:12**
Ineffective bribe, **19:8**
Initial public offering, foreign company and pervasive fraud, **19:10**
Multiple sets of books, **19:9**
Pervasive fraud, **19:10**
Private individuals, actions against, **19:12**
UN Iraqi Oil-for-Food program, **19:7**
Background of Act, **19:1**
Basis for private actions, **19:13**

FOREIGN CORRUPT PRACTICES ACT (FCPA)—Cont'd
Bookkeeping in multiple sets, **19:9**
Boxes of cash and two sets of books, **19:9**
Bribe, effectiveness, **19:8**
Chinese way of doing business, **19:11**
Compliance programs, **19:14**
Congress, actions against members, **19:12**
Costs and expenses, **19:4**
Developments in enforcement, **19:16**
Due diligence, **19:15**
Effectiveness of bribe, **19:8**
Enforcement, recent trends, currents, and developments, **19:16**
Exception, **19:2**
Expense of travel and lodging, affirmative defense, **19:4**
Foreign citizens, actions against, **19:12**
Foreign law as affirmative defense, **19:3**
Grease payments as statutory exception, **19:2**
Initial public offering, foreign company and pervasive fraud, **19:10**
Lodging expenses, affirmative defense, **19:4**
Mergers and acquisitions, mitigation of risks, **19:15**
Mitigation of risks in mergers and acquisitions, **19:15**
Multiple sets of books, **19:9**
Pervasive fraud, **19:10**
Private actions, **19:13**
Private individuals, actions against, **19:12**
Recent trends, currents, and developments in enforcement, **19:16**
Risks in mergers and acquisitions, mitigation, **19:15**
Settlements. Allegations and settlements, above
Statutory accounting provisions, affirmative defense, **19:5**
Statutory affirmative defenses. Affirmative defenses, above

FOREIGN CORRUPT PRACTICES ACT (FCPA)—Cont'd
Statutory exception, **19:2**
Travel and lodging expenses, affirmative defense, **19:4**
Undisclosed payments, generally, **19:1 et seq.**
UN Iraqi Oil-for-Food program, **19:7**
U.S. Congress, actions against members, **19:12**
Written foreign law as affirmative defense, **19:3**

FOREIGN CORRUPT PRACTICES ACT UNIT
SEC investigations, **20:12**

FOREIGN COUNTRIES
Whistleblowers, protection, application of law, **22:31**

FOREIGN LAW
Foreign Corrupt Practices Act (FCPA), affirmative defense, **19:3**

FOREIGN TRANSACTIONS
See Foreign and International Transactions (this index)

FORESEEABILITY
Coordinated investigations following subprime mortgage crisis, **13:334**

FORWARD LOOKING INFORMATION
Generally, **7:5 et seq.**
See also Predictions; Projections (this index)
Attacking cautionary statements, **7:29**
Bespeaks caution doctrine, **7:22**
Definition, **7:25**
Drafting cautionary statements, **7:28**
Forecasts distinguished, **7:5**
Information types, **7:2**
Later disclosures, **7:30**
Misrepresentations
Generally, **7:5**
Analyst projections, **7:9**
Company projections, **7:8**

FORWARD LOOKING INFORMATION—Cont'd
Misrepresentations—Cont'd
Predictions and projection disclosure obligations
Generally, **7:10 et seq.**
Capital resources, **7:15**
Liquidity, **7:14**
With MD&A requirement
Administrative enforcement, **7:13**
Private actions, **7:17**
Operation results, **7:16**
Private actions on MD&A requirements, **7:17**
With SEC encouragement, **7:12**
Without SEC rule, **7:11**
Pleading, **11:132**
Predictions distinguished, **7:5**
Projections distinguished, **7:5**
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
Restrictions on disclosures, **7:18**
Safe harbor
Generally, **7:19 et seq.**
Actual knowledge prong, **7:36**
Attacking cautionary statements, **7:29**
Background, **7:20**
Bespeaks caution doctrine, **7:22**
Caution prong, **7:26**
Discovery stays, **7:44**
Drafting cautionary statements, **7:28**
Falsity, actual knowledge of, **7:36**
Immateriality, **7:35, 7:38**
Later disclosures, **7:30**
PSLRA
Generally, **7:23 et seq.**
Actual knowledge prong, **7:36**
Attacking cautionary statements, **7:29**
Caution prong, **7:26**
Corrections, **7:45**

FORWARD LOOKING INFORMATION—Cont'd
Safe harbor—Cont'd
PSLRA—Cont'd
Definition of forward looking statement, **7:25**
Discovery stays, **7:44**
Drafting cautionary statements, **7:28**
Eligible makers, **7:37**
Exclusions, **7:40**
Expandability, **7:41**
Falsity, actual knowledge of, **7:36**
Immateriality, **7:35, 7:38**
Later disclosures, **7:30**
Motion practice, **7:43**
Nonexclusiveness, **7:41**
Oral statements referencing caution, **7:31, 7:39**
Procedural aspects, **7:42**
Prohibited uses, **7:40**
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
Scope of Act, **7:24**
Statements with cautions, **7:27**
Update duty, **7:45**
SA Rule 175, **7:21**
SEA Rule 3b-6, **7:21**
Statements with cautions, **7:27**
SA Rule 175, **7:21**
SEA Rule 3b-6, **7:21**
SEC, traditional position, **7:18**
Types of information, **7:2**

FRAUD
Accounting, **13:112**
Common law fraud. See Common Law Fraud (this index)
Crowdfunding, potential, **14:209, 14:212**
Cybersecurity (this index)
Foreign Corrupt Practices Act (FCPA), **19:10**

FRAUD—Cont'd
Foreign cubed cases. See Foreign and International Transactions (this index)
Fraud on the market theory (FOMT). See Reliance (this index)
Fraud to enter the market theory (FEMT). See Reliance (this index)
Global fraud. Madoff Ponzi Scheme (this index)
Indirect-Impersonal Dealing (this index)
Madoff Ponzi Scheme (this index)
Mutual fund violations, broker fraud, **17:8**
Ponzi scheme. Madoff Ponzi Scheme (this index)
Subprime mortgage crisis, DOJ suit against Standard and Poor's, **13:338**
Suitability claims, consumer fraud, **14:204**

FRONT RUNNING
Generally, **7:139 et seq.**
Court cases, **7:142**
SEC interpretations
Generally, **7:140**
Decisions, **7:142**
SRO interpretations
Criticisms, **7:141**
Decisions, **7:142**

FULL DISCLOSURE
See Disclosure (this index)

FUND DISTRIBUTION PAYMENTS
Mutual fund violations, sales practices, **17:14**

GAAP
Private actions, materiality, **8:42, 8:44**

GALLEON GROUP HEDGE FUND
Criminal insider trading, Raj Rajaratnam case, **21:1 et seq.**

GIFTS
Insiders and insider trading, **7:396**

GLOBAL FRAUD
Madoff Ponzi scheme, **20:1 et seq.**

GOOD FAITH
See also Bad Faith (this index)
Control person liability defense, **8:393 et seq.**
Effect of good or bad faith generally, **8:216 et seq.**
Misrepresentation claims, consideration of, **7:53**
Plaintiff's in Rule 10b-5 cases, **8:254**
SA § 15, **8:393 et seq.**
SEA § 20(a), **8:393 et seq.**
SEC, false reports to, **8:150**

GOVERNING LAW
Jurisdiction, foreign cubed cases, **11:31**

GOVERNMENT ENFORCEMENT
See Administrative Enforcement (this index)

GRAND JURIES
See Criminal Enforcement (this index)

GREASE PAYMENTS
Foreign Corrupt Practices Act (FCPA), **19:2**

HACKING
Cybersecurity, **26:1 et seq.**

HEDGE FUNDS
Backdating of stock options and delayed filings, **18:9**
Criminal insider trading, Raj Rajaratnam case, **21:1 et seq.**
Madoff Ponzi scheme, **20:1, 20:2**
Mutual fund violations, **17:21**

HISTORY
Crowdfunding, **14:210 et seq.**

HOLMES CASE
Private actions, loss causation in Supreme Court decision, **8:567**

HOWEY TEST
What is a security, **5:22**

IMPLIED LIABILITY
Generally, **3:54 et seq., 8:242 et seq.**
Absolute liability, **8:243**
Actual knowledge of plaintiff, **8:244**
Administrative interpretation, Rule 10b-5, **3:62, 3:82**
ALI Federal Securities Code, **3:154**
Analysts' certifications, actions based on, **3:168**
Attorneys, implied private actions against under Sarbanes-Oxley Act, **3:165**
Audit committee financial experts, **3:166**
Audit records, actions based on, **3:171**
Broker-dealers, actions against
Generally, **14:73 et seq.**
Causation, **14:91 et seq.**
Connection requirement, **14:94**
Contraction era, compensatory damages in, **14:105**
Damages, **14:95 et seq.**
Elements of action, **14:74**
Issuer misrepresentations, **14:76**
Issuer nondisclosures, **14:77**
Justifiable reliance, **14:89**
Margin rules
Generally, **14:59**
Arbitration, use in, **14:61**
Court cases, **14:60**
SEA § 7, **14:59**
Market misrepresentations, **14:78**
Market nondisclosures, **14:79**
Materiality, **14:82**
Misrepresentation, **14:75 et seq.**
Mitigation of damages, **14:102**
Nondisclosure, **14:75 et seq.**
Opinions, **14:81**
Out-of-pocket damages, **14:103**
Predictions, **14:81**
Proximate cause, **14:92**
Punitive damages, **14:106 et seq.**
Recklessness, **14:83 et seq.**
Recommendations, **14:81**
Reliance, **14:86 et seq.**
Rescission
Chasins measure, **14:97**

IMPLIED LIABILITY—Cont'd
Broker-dealers, actions against —Cont'd
Rescission—Cont'd
Lost profits, **14:101**
Nye measure, **14:101**
Rolf measure, **14:100**
Restitution, **14:104**
Rule 10b-5
Generally, **14:73 et seq.**
Causation, **14:91 et seq.**
Connection requirement, **14:94**
Contraction era, compensatory damages in, **14:105**
Damages, **14:95 et seq.**
Elements of action, **14:74**
Issuer misrepresentations, **14:76**
Issuer nondisclosures, **14:77**
Justifiable reliance, **14:89**
Market misrepresentations, **14:78**
Market nondisclosures, **14:79**
Materiality, **14:82**
Misrepresentation, **14:75 et seq.**
Mitigation of damages, **14:102**
Nondisclosure, **14:75 et seq.**
Opinions, **14:81**
Out-of-pocket damages, **14:103**
Predictions, **14:81**
Proximate cause, **14:92**
Punitive damages, **14:106 et seq.**
Recklessness, **14:83 et seq.**
Recommendations, **14:81**
Reliance, **14:86 et seq.**
Rescission
Chasins measure, **14:97**
Lost profits, **14:101**
Nye measure, **14:101**
Rolf measure, **14:100**
Restitution, **14:104**
Scienter, **14:83 et seq.**
Scienter, **14:83 et seq.**
SRO rules
Generally, **14:62 et seq.**
Arbitration, **14:72**
Buttrey doctrine, **14:65**
Colonial Realty doctrine, **14:64**

IMPLIED LIABILITY—Cont'd
Broker-dealers, actions against —Cont'd
SRO rules—Cont'd
Contraction era, **14:71**
Court cases, **14:64 et seq.**
Expansion era, **14:63 et seq.**
Burden of proof
Generally, **8:255**
Scienter, **8:134**
Tender offer fraud, **8:134**
Causation, insider trading, **7:517**
Checklists arguing IPA cases, **3:151 et seq.**
Churning (this index)
Congressional intent, Rule 10b-5, **3:56**
Constructive fraud, **8:242**
Contraction era
10b-5 actions
Generally, **3:74 et seq.**
Administrative enforcement, supplement to, **3:81**
Administrative interpretation, **3:82**
Congressional intent, **3:76**
Cort v Ash, **3:95**
Flexibility to achieve remedial purpose, **3:88**
Judicial restraint, **3:85**
Legislative history, uses of, **3:90 et seq.**
Modes of interpretation, **3:86 et seq.**
Negative implication, **3:87**
Policies, **3:75**
Policy effectuation, **3:80**
Practicality, **3:83**
Reasons, **3:75**
Statutory jurisdictional grant, **3:79**
Statutory literalism, **3:89**
Statutory tort, **3:77**
Supplement to administrative enforcement, **3:81**
Vexatiousness, **3:84, 3:85**
Voidability, statutory, **3:78**

IMPLIED LIABILITY—Cont'd
Contraction era—Cont'd
Manipulation
Generally, **3:125 et seq.**
Defendants excluded, **3:129**
Documents excluded, **3:130**
Failure to satisfy substantive elements, **3:132**
Government securities, **3:127**
Municipal securities, **3:127**
OTC securities, **3:126**
Plaintiffs excluded, **3:128**
Securities excluded, **3:126 et seq.**
Substantive elements, **3:132**
Nullification test, **3:104**
Overlapping remedies
Generally, **3:102 et seq.**
Comparison of elements of express and implied rights, **3:105**
Defense strategies, **3:103**
Exclusions, effect of, **3:108**
Falsity vs scheme, **3:106**
Nullification test, **3:104**
SA § 11
Generally, **3:109 et seq.**
Defendants excluded, **3:112**
Documents excluded, **3:113**
Failure to satisfy substantive elements, **3:115**
Plaintiffs excluded, **3:111**
Securities excluded, **3:110**
Substantive elements, failure to satisfy, **3:115**
Transactions excluded, **3:110**
SA § 12(2)
Generally, **3:116 et seq.**
Commercial paper, **3:119**
Defendants excluded, **3:121**
Documents excluded, **3:122**
Failure to satisfy substantive elements, **3:124**
Government securities, **3:118**
Municipal securities, **3:117**
Plaintiffs excluded, **3:120**
Securities excluded, **3:117 et seq.**

IMPLIED LIABILITY—Cont'd
Contraction era—Cont'd
Overlapping remedies—Cont'd
SA § 12(2)—Cont'd
Substantive elements, **3:124**
SEA § 9
Generally, **3:125 et seq.**
Defendants excluded, **3:129**
Documents excluded, **3:130**
Failure to satisfy substantive elements, **3:132**
Government securities, **3:127**
Municipal securities, **3:127**
OTC securities, **3:126**
Plaintiffs excluded, **3:128**
Securities excluded, **3:126 et seq.**
Substantive elements, **3:132**
SEA § 18
Generally, **3:133 et seq.**
Decisions rejecting IPA, **3:137**
Decisions sustaining IPA, **3:138**
Defendants excluded, **3:141**
Documents excluded, **3:142, 3:143**
Failure to satisfy substantive elements, **3:145**
Filed and unfiled documents, **3:142 et seq.**
Fischman rationale, **3:135**
Narrow focus of § 18, **3:136**
Plaintiffs excluded, **3:140**
Reexamination, reasons for, **3:134**
Scienter, **3:135**
Securities excluded, **3:139**
Substantive elements, **3:145**
Statutory cumulativity, **3:107**
Supreme Court approach, **3:104**
Registered offerings
Generally, **3:109 et seq.**
Defendants excluded, **3:112**
Documents excluded, **3:113**
Failure to satisfy substantive elements, **3:115**
Plaintiffs excluded, **3:111**

IMPLIED LIABILITY—Cont'd
Contraction era—Cont'd
Registered offerings—Cont'd
Securities excluded, **3:110**
Substantive elements, failure to satisfy, **3:115**
Transactions excluded, **3:110**
SEC filings, reliance on
Generally, **3:133 et seq.**
Decisions rejecting IPA, **3:137**
Decisions sustaining IPA, **3:138**
Defendants excluded, **3:141**
Documents excluded, **3:142, 3:143**
Failure to satisfy substantive elements, **3:145**
Filed and unfiled documents, **3:142 et seq.**
Fischman rationale, **3:135**
Narrow focus of § 18, **3:136**
Plaintiffs excluded, **3:140**
Reexamination, reasons for, **3:134**
Scienter, **3:135**
Securities excluded, **3:139**
Substantive elements, **3:145**
Contribution (this index)
Contributory negligence, **8:253**
Current status of IPA, **3:146 et seq.**
Defense strategies, **3:103**
Disclosure, **3:60, 3:80**
Equitable fraud, **8:242**
Ethical standards, **3:60, 3:80**
Expansion era
Generally, **3:54 et seq.**
Manipulation, **3:72**
New expansion era, **3:146**
Overlapping remedies
Generally, **3:69 et seq.**
SA § 11, **3:70**
SA § 12(2), **3:71**
SEA § 9, **3:72**
SEA § 18, **3:73**
Registered offerings, **3:70**
SEC filings, reliance on, **3:73**
Expenses, security for, **3:175**
Federal vs state private actions, relative advantages, **3:200**

IMPLIED LIABILITY—Cont'd
Financial report certifications, Sarbanes-Oxley Act, **3:169**
Fraud on the market
Generally, **8:520 et seq.**
See also Reliance (this index)
Good faith of plaintiff, **8:254**
Implied private actions (IPA) generally, **3:53**
Indemnification, **9:76**
Innocent defendants, **8:243**
Insider trading
Generally, **7:491 et seq.**
Amount of liability, **7:521 et seq.**
Ancillary relief, **7:525**
Background, **7:501**
Causation, **7:517**
Contemporaneous traders, actions by, **7:503 et seq.**
Control persons, actions against, **7:512**
Convertibles traders, suits by, **7:508**
Damages, **7:521 et seq.**
Elements of action, **7:514 et seq.**
Fiduciary theory, **7:498**
Market, relation of parties to, **7:493 et seq.**
Misappropriation theory, **7:499**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**
Suits by, **7:504**
Option traders, suits by, **7:507**
Parties defendant, **7:509**
Relation to other liabilities, **7:524**
Reliance, **7:516**
Rule 10b-5, **7:497 et seq.**
Rule 14e-3, **7:500**
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**
Suits by, **7:505**
Standing, **7:520**

IMPLIED LIABILITY—Cont'd
Insider trading—Cont'd
Tippers, actions against, **7:511**
Traders, actions against, **7:510**
Who can be sued, **7:509**
Who can sue, **7:502**
Insurance, **9:76**
Interpretation
Generally, **3:64 et seq., 3:86 et seq.**
Expansion era, **3:64 et seq., 3:86 et seq.**
Flexibility to achieve remedial purpose
Contraction era, **3:88**
Expansion era, **3:66**
Legislative history, use of
Contraction era, **3:90 et seq.**
Expansion era, **3:68**
Literalism, statutory
Contraction era, **3:89**
Expansion era, **3:67**
Negative implication
Contraction era, **3:87**
Expansion era, **3:65**
Remedial purpose, flexibility to achieve
Contraction era, **3:88**
Expansion era, **3:66**
Statutory literalism
Contraction era, **3:89**
Expansion era, **3:67**
Investment Advisers Act, **3:155**
Investor protection considerations, **3:60, 3:80**
Joint and Several Liability (this index)
Jurisdiction
Generally, **11:2 et seq.**
Adviser activities, **11:15**
Agent's interstate activities, **11:13**
Broker-dealer activities, **11:15**
Check clearance as interstate activity, **11:11**
Class actions, **11:42**
Defenses, **11:41**
Derivative suits, **11:43**
Foreign transactions, **11:16**

IMPLIED LIABILITY—Cont'd
Jurisdiction—Cont'd
Fraud, interstate nature of, **11:9**
International transactions, **11:16**
Interstate commerce, **11:3**
Local telephone use, **11:4**
Mails, use of, **11:6**
Misconduct, relation of jurisdictional means to
Generally, **11:8 et seq.**
Agent's interstate activities, **11:13**
Check clearances, **11:11**
Fraud, **11:9**
Plaintiff's interstate activities, **11:14**
Transaction, **11:10, 11:12**
Plaintiff's interstate activities, **11:14**
Pleading, **11:38**
Procedure, **11:39 et seq.**
Scope of commerce, **11:3**
Securities exchanges and interstate commerce, **11:7**
Statutory jurisdictional grant
Contraction era, **3:79**
Expansion era, **3:59**
Telephone use, **11:4**
Transactions, interstate, **11:10, 11:12**
Jurisdictional grants, statutory
Contraction era, **3:79**
Expansion era, **3:59**
Limitation of actions
Generally, **8:251, 11:61 et seq.**
See also Limitation of Actions (this index)
Court cases, **11:63 et seq.**
Rule 10b-5, **3:174**
Sarbanes-Oxley Act, **3:161, 11:92**
Manipulation
Contraction era
Generally, **3:125 et seq.**
Defendants excluded, **3:129**
Documents excluded, **3:130**
Failure to satisfy substantive elements, **3:132**
Government securities, **3:127**

IMPLIED LIABILITY—Cont'd
Manipulation—Cont'd
Contraction era—Cont'd
Municipal securities, **3:127**
OTC securities, **3:126**
Plaintiffs excluded, **3:128**
Securities excluded, **3:126 et seq.**
Substantive elements, **3:132**
Expansion era, **3:72**
Materiality
Proxy fraud, **8:56**
SEA § 10, **8:55**
Misrepresentation, plaintiff's knowledge of, **8:246**
Modes of interpretation
Expansion era, **3:64 et seq., 3:86 et seq.**
Rule 10b-5, **3:64 et seq., 3:86 et seq.**
Negligence of plaintiff, **8:253**
New expansion era, **3:146**
Nondisclosure, plaintiff's knowledge, **8:245**
Nullification test, **3:104**
Officers' certifications of financial reports, **3:169**
Overlapping remedies
Contraction era
Generally, **3:102 et seq.**
Comparison of elements of express and implied rights, **3:105**
Defense strategies, **3:103**
Exclusions, effect of, **3:108**
Falsity vs scheme, **3:106**
Nullification test, **3:104**
SA § 11
Generally, **3:109 et seq.**
Defendants excluded, **3:112**
Documents excluded, **3:113**
Failure to satisfy substantive elements, **3:115**
Plaintiffs excluded, **3:111**
Securities excluded, **3:110**
Substantive elements, failure to satisfy, **3:115**
Transactions excluded, **3:110**

IMPLIED LIABILITY—Cont'd
Overlapping remedies—Cont'd
Contraction era—Cont'd
SA § 12(2)
Generally, **3:116 et seq.**
Commercial paper, **3:119**
Defendants excluded, **3:121**
Documents excluded, **3:122**
Failure to satisfy substantive elements, **3:124**
Government securities, **3:118**
Municipal securities, **3:117**
Plaintiffs excluded, **3:120**
Securities excluded, **3:117 et seq.**
Substantive elements, **3:124**
SEA § 9
Generally, **3:125 et seq.**
Defendants excluded, **3:129**
Documents excluded, **3:130**
Failure to satisfy substantive elements, **3:132**
Government securities, **3:127**
Municipal securities, **3:127**
OTC securities, **3:126**
Plaintiffs excluded, **3:128**
Securities excluded, **3:126 et seq.**
Substantive elements, **3:132**
SEA § 18
Generally, **3:133 et seq.**
Decisions rejecting IPA, **3:137**
Decisions sustaining IPA, **3:138**
Defendants excluded, **3:141**
Documents excluded, **3:142, 3:143**
Failure to satisfy substantive elements, **3:145**
Filed and unfiled documents, **3:142 et seq.**
Fischman rationale, **3:135**
Narrow focus of § 18, **3:136**
Plaintiffs excluded, **3:140**
Reexamination, reasons for, **3:134**
Scienter, **3:135**

IMPLIED LIABILITY—Cont'd
Overlapping remedies—Cont'd
Contraction era—Cont'd
SEA § 18—Cont'd
Securities excluded, **3:139**
Substantive elements, **3:145**
Statutory cumulativity, **3:107**
Supreme Court approach, **3:104**
Expansion era
Generally, **3:69 et seq.**
SA § 11, **3:70**
SA § 12(2), **3:71**
SEA § 9, **3:72**
SEA § 18, **3:73**
Nullification test, **3:104**
Parties
Proxy fraud, **8:284**
SEA § 14
Proxy fraud, **8:284**
Tender offer fraud, **8:285**
SEA § 15(c)(1), **8:286**
SEA § 18, **8:287**
Tender offer fraud, **8:285**
Penny Stock Sales (this index)
Plaintiff's knowledge
Generally, **8:244 et seq.**
Actual knowledge, **8:244**
Comparative knowledge, **8:249**
Constructive knowledge, **8:250**
Limitation of actions, **8:251**
Misrepresentation, **8:246**
Nondisclosure, **8:245**
Theoretical knowledge, **8:248**
Pleading
Generally, **8:257, 11:104 et seq.**
See also Private Actions (this index)
Broker-dealer fraud, **8:145**
Jurisdiction, **11:38**
Particularity, **11:114**
Pleading, **11:104**
Scienter
Broker-dealer fraud, **8:145**
Tender offer fraud, **8:138**
Policies
Effectuation, Rule 10b-5, **3:60, 3:80**
Rule 10b-5, **3:55**

IMPLIED LIABILITY—Cont'd
Practicality, expansion era, **3:63, 3:83**
Private actions generally
Generally, **8:1 et seq.**
See also Private Actions (this index)
Privity
Generally, **8:288 et seq.**
Rule 10b-5, **3:176**
Pro forma financial information disclosures, **3:170**
Proof
Generally, **8:256**
Defendant's knowledge and belief, **8:142**
Rule 10b-5, **3:177**
Scienter, **8:135, 8:142**
Tender offer fraud, **8:135**
Proportionate Liability (this index)
Proxy fraud
Materiality, **8:56**
Scienter
Generally, **8:125 et seq.**
Burden of proof, **8:127**
Intent, **8:129**
Plaintiff's knowledge, **8:130**
Pleading, **8:131**
Proof, **8:128**
Punitive damages, **14:106 et seq.**
Registered offerings
Contraction era
Generally, **3:109 et seq.**
Defendants excluded, **3:112**
Documents excluded, **3:113**
Failure to satisfy substantive elements, **3:115**
Plaintiffs excluded, **3:111**
Securities excluded, **3:110**
Substantive elements, failure to satisfy, **3:115**
Transactions excluded, **3:110**
Expansion era, **3:70**
Regulation G liabilities, **3:170**
Reliance
Generally, **8:484 et seq.**
See also Reliance (this index)
Insider trading, **7:516**
Remedies (this index)

IMPLIED LIABILITY—Cont'd
Remedies, Rule 10b-5, **3:178**
Rule 10b-5
Generally, **3:54 et seq.**
Absorption principle, **3:173**
Administrative interpretation, **3:62, 3:82**
Clause 3, primacy of, **3:182**
Congressional intent, **3:56**
Current status of IPA, **3:146 et seq.**
Displacements within 10b-5, **3:181**
Expansion era, **3:54 et seq.**
Expenses, security for, **3:175**
Implied civil recovery, Rule 10b-5 without, **3:180**
Jurisdictional grant, statutory, **3:59, 3:79**
Limitations of actions, **3:174**
Modes of interpretation, **3:64 et seq., 3:86 et seq.**
Overlaps within 10b-5, **3:181**
Policies
Generally, **3:55**
Effectuation, **3:60, 3:80**
Practicality, **3:63, 3:83**
Prevalence of rule, **3:179**
Privity requirements, **3:176**
Proof requirements, **3:177**
Reasons, **3:55**
Remedies, **3:178**
Security for expenses, **3:175**
Silent conduct, **3:182**
Statutory tort principles, **3:57, 3:77**
Supplement to government enforcement, **3:61, 3:81**
Voidability, statutory, **3:58**
SA 17(a), **3:155**
Sales fraud, parties
Generally, **8:274 et seq.**
Aider-abettors, **8:279**
Brokers, **8:276**
Buyers, **8:275**
Conspirators, **8:280**
Control persons, **8:281**
Insiders, **8:277**
Participants, **8:278**
Sarbanes-Oxley Act
Generally, **3:156 et seq.**

IMPLIED LIABILITY—Cont'd
Sarbanes-Oxley Act—Cont'd
Analysts' certifications, actions based on, **3:168**
Attorneys, implied private actions against, **3:165**
Audit committee financial experts, **3:166**
Audit records, actions based on, **3:171**
Express actions negating IPA, **3:162**
Financial report certifications, **3:169**
History of enactment, **3:159**
Legislative intent, **3:158**
Limitation of actions, **3:161**
Off-balance sheet transactions, **3:167**
Officers' certifications of financial reports, **3:169**
Overview, **3:157**
Pro forma financial information, liabilities based on, **3:170**
Provisions adversely impacting IPA, **3:163**
Regulation G liabilities, **3:170**
Rejection of IPA, **3:161**
SEC rules and releases, **3:164 et seq.**
Scienter
Broker-dealer fraud
Generally, **8:139 et seq.**
Burden of proof, **8:141**
Defendant's intent, **8:143**
Defendant's knowledge and belief
Generally, **8:140 et seq.**
Burden of proof, **8:141**
Proof, **8:142**
Plaintiff's knowledge, **8:144**
Pleading, **8:145**
Proof, **8:142**
Pleading, **8:131, 8:138, 8:145**
Proxy fraud
Generally, **8:125 et seq., 8:126 et seq.**
Burden of proof, **8:127**
Intent, **8:129**

IMPLIED LIABILITY—Cont'd
Scienter—Cont'd
Proxy fraud—Cont'd
Plaintiff's knowledge, **8:130**
Pleading, **8:131**
Proof, **8:128**
Tender offer fraud
Defendant's intent, **8:136**
Defendant's knowledge and belief
Generally, **8:133 et seq.**
Burden of proof, **8:134**
Proof, **8:135**
Intent, **8:136**
Plaintiff's knowledge, **8:137**
Pleading, **8:138**
SEA § 14, **8:132 et seq.**
SEC filings, reliance on
Contraction era
Generally, **3:133 et seq.**
Decisions rejecting IPA, **3:137**
Decisions sustaining IPA, **3:138**
Defendants excluded, **3:141**
Documents excluded, **3:142, 3:143**
Failure to satisfy substantive elements, **3:145**
Filed and unfiled documents, **3:142 et seq.**
Fischman rationale, **3:135**
Narrow focus of § 18, **3:136**
Plaintiffs excluded, **3:140**
Reexamination, reasons for, **3:134**
Scienter, **3:135**
Securities excluded, **3:139**
Substantive elements, **3:145**
Expansion era, **3:73**
Security for expenses, **3:175**
Standing, **7:520**
Statutory tort principles
Contraction era, **3:77**
Expansion era, **3:57**
Strict liability, **8:243**
Suitability (this index)
Supplement to government enforcement, Rule 10b-5, **3:61, 3:81**
Supreme Court, **3:148**

IMPLIED LIABILITY—Cont'd
Tender offer fraud
Generally, **8:132 et seq.**
Scienter
Defendant's intent, **8:136**
Defendant's knowledge and belief
Generally, **8:133 et seq.**
Burden of proof, **8:134**
Proof, **8:135**
Intent, **8:136**
Plaintiff's knowledge, **8:137**
Pleading, **8:138**
Standing to challenge, **6:124**
Tests for implied rights
Generally, **3:100**
Prohibitory language, **3:101**
Voidability, statutory
Contraction era, **3:78**
Expansion era, **3:58**

IMPLIED PRIVATE ACTIONS (IPA)
Generally, **3:53**
See also Implied Liability (this index)

INDEMNIFICATION
Generally, **9:76, 12:11**

INDIRECT-IMPERSONAL DEALING
Generally, **7:1 et seq.**
Accumulation of stock, manipulation by, **7:134**
Actual knowledge and scienter, **8:172**
Actual or apparent trading, **7:124**
Aiding-abetting, **7:98**
Analyst projections, **7:9**
Antifraud provisions and Regulation FD disclosure, **7:546**
Bright line vs. substantial participation, **7:89**
Business judgment standard, misrepresentation claims, consideration of, **7:50**
Capping, **7:136**
Causation, **7:76**
Central Bank decision, **7:79, 7:85**
Circular trading, **7:135**
Company projections, **7:8**

INDIRECT-IMPERSONAL DEALING—Cont'd
Cornering the market, **7:134**
Criminal enforcement
Burden of proof, insider trading charges, **7:366**
Defenses to insider trading charges, generally, **7:350**
Double jeopardy limitations, insider trading charges, **7:443**
Insiders
Generally, **7:460 et seq.**
Amount of penalties, **7:466**
Disgorgement, **7:465**
Judge or jury, **7:467**
Mail and wire fraud, **7:463**
Penalties, **7:466**
Restitution, **7:465**
RICO, **7:464**
Securities violations, **7:462**
Insider trading
Generally, **7:415 et seq.**
Mail and wire fraud, **7:171**
Insider trading charges
Burden of proof
Generally, **7:366**
Defenses, **7:369**
Institutions, **7:367**
Connection with requirement
Market transactions, **7:370**
Rule 10b-5, **7:370**
Rule 14e-3, **7:371**
Tender offers, **7:371**
Defenses
Generally, **7:350**
Amount defined, **7:355**
Binding contract defense, **7:351**
Burden of proof, **7:369**
Burden of proving, **7:369**
Common terms and issues, **7:355 et seq.**
Date defined, **7:357**
Delegation alternative to amount, price and date, **7:358**
Exclusiveness of defenses, **7:360**

INDIRECT-IMPERSONAL DEALING—Cont'd
Criminal enforcement—Cont'd
Insider trading charges—Cont'd
Defenses—Cont'd
Institutional defenses, **7:361**
Instructions defense, **7:352**
Overriding limitations, **7:359**
Price defined, **7:356**
Relation to other laws, **7:362**
Systematic plans defense, **7:353**
Tracking plans defense, **7:354**
Fiduciary breach, **7:315**
Institutional defenses, **7:361**
Institutions, burden of proof, **7:367**
Motion practice, **7:365**
Parties, **7:363**
Pleading
Generally, **7:364**
Scienter, **7:398**
Procedural aspects, **7:363 et seq.**
Proof, **7:368**
Quantum of proof, **7:366, 7:367**
RICO, **7:414, 7:464**
Scienter
Generally, **7:372 et seq.**
Fiduciary theory
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**
Mail and wire fraud, **7:413**
Martha Stewart case
Generally, **7:403 et seq.**
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Sufficiency of evidence test, **7:408**

INDIRECT-IMPERSONAL DEALING—Cont'd
Criminal enforcement—Cont'd
Insider trading charges—Cont'd
Scienter—Cont'd
Misappropriation theory
Tippers, **7:382**
Trading insiders, **7:378**
Trading tippees, **7:386**
Pleading, **7:398**
Proof, **7:399 et seq.**
Rule 10b-5, **7:374 et seq.**
Rule 14e-3, **7:412**
Tippers
Generally, **7:379 et seq.**
Proof, **7:401**
Trading insiders
Generally, **7:375 et seq.**
Proof, **7:400**
Trading tippees
Generally, **7:383 et seq.**
Proof, **7:402**
Tippers, **7:379 et seq.**
Mail and wire fraud
Generally, **7:171, 7:463**
Scienter, **7:413**
Motion practice, **7:365**
Penalty actions, **7:438 et seq.**
Pleadings, **7:364**
Quantum of proof, **7:366**
Cross trading manipulation, **7:135**
Curtailing scheme to defraud. Fraud, below
Defenses to insider trading charges
Generally, **7:350**
Amount defined, **7:355**
Binding contract defense, **7:351**
Burden of proof, **7:369**
Common terms and issues, **7:355 et seq.**
Date defined, **7:357**
Delegation alternative to amount, price and date, **7:358**
Exclusiveness of defenses, **7:360**
Institutional defenses, **7:361**
Instructions defense, **7:352**
Overriding limitations, **7:359**
Price defined, **7:356**

INDIRECT-IMPERSONAL DEALING—Cont'd
Defenses to insider trading charges —Cont'd
Relation to other laws, **7:362**
Systematic plans defense, **7:353**
Tracking plans defense, **7:354**
Depressing price manipulations, **7:124**
Derivatives, see also Derivatives Fraud (this index)
Direct and indirect dealings, **4:1, 7:91, 7:108, 7:116**
Disclosure corrections
How long is correction necessary, **6:326**
What makes correction necessary, **6:322**
Due diligence, consideration of in misrepresentation claims, **7:52**
Enron case, **7:87**
Exemption provisions and Regulation FD disclosure, **7:548**
Fiduciary breach, **7:315**
Fifth Circuit, Enron case, **7:87**
First Circuit, Lernout case, **7:106**
Foreign law, insiders, **7:201**
Fraud
Generally, **7:84 to 7:620**
Bright line vs. substantial participation, **7:89**
Central Bank decision, **7:79, 7:85**
Creation of misrepresentation, **7:90**
Curtailing scheme to defraud, generally, **7:75 et seq.**
Directly and indirectly, **7:91, 7:108, 7:116**
Fifth Circuit, Enron case, **7:87**
First Circuit, Lernout case, **7:106**
Group scienter, **7:99**
Group violations, **7:92, 7:95**
Historical perspective, **7:81**
Insider defendants, **7:102**
Liability, scope of, **7:96**
Manipulation vs. scheme, **7:113**
Misrepresentation vs. scheme, **7:88, 7:110, 7:112**

INDIRECT-IMPERSONAL DEALING—Cont'd
Fraud—Cont'd
Misrepresentation vs. scheme revisited, **7:115**
Ninth Circuit, Homestore case, **7:101**
Outsider defendants, **7:103**
Participation, **7:116**
Primary liability vs. aiding-abetting, **7:98**
Primary violators, **7:104, 7:109, 7:110, 7:114**
Private actions for schemes, **7:105**
PSLRA
Application of, **7:97**
Impact of, **7:86**
Reliance, **7:76 to 7:78, 7:80**
Scheme to defraud, generally, **7:84 et seq.**
SEC authority, **7:93**
Secondary actors, **7:104, 7:114**
Second Circuit, Parmalat case, **7:111**
SEC view of reliance, **7:77, 7:80**
Specific violations, **7:100**
Stoneridge amici, **7:83**
Stoneridge impact, **7:82**
Supreme Court, Zandford case, **7:117**
Zone and reliance permitted, **7:78**
Front running manipulation
Generally, **7:139 et seq.**
Court cases, **7:142**
SEC interpretations
Generally, **7:140**
Decisions, **7:142**
SRO interpretations
Generally, **7:140**
Criticisms, **7:141**
Decisions, **7:142**
Insider trading, **7:168**
Good faith, consideration of in misrepresentation claims, **7:53**
Group scienter, **7:99**
Guidelines for information releases, **7:54**
Homestore case, **7:101**

INDIRECT-IMPERSONAL DEALING—Cont'd
Information release guidelines, **7:54**
Information types, **7:2**
Inside trading
See also Insiders and Insider Trading (this index)
Agreed confidentiality, **7:589**
Benefit to insider-tipper, **7:627**
Fraud, **7:102**
Information, **7:4**
Misappropriation theory of liability
Generally, **7:577**
Agreed confidentiality, **7:589**
Close family relationships, **7:587**
Connection element, **7:597**
Connection with transaction, **7:680**
Court cases, **7:582 et seq.**
Enforcement actions, **7:578**
Family relationships, **7:587**
Mail and wire fraud, **7:594**
Private actions, **7:579, 7:603**
Rule 10b5-2, **7:585 et seq.**
SEC v. Mark Cuban, stress test for misappropriation theory, generally, **7:604 to 7:622**
Shared confidences, **7:590**
Regulation FD disclosure, below
Shared confidences, **7:590**
Tippees
Generally, **7:623**
Benefit to insider-tipper, **7:627**
Dirks background, **7:625**
Family benefit to, **7:630**
Fiduciary breach requirement, **7:626**
Friends, benefit to, **7:630**
Need for fiduciary benefit, **7:626**
Pecuniary benefit, **7:628**
Receipt in fiduciary breach, **7:623**
Relations, benefit to, **7:630**
Reputational benefit, **7:629**
Tip defined, **7:624**

INDIRECT-IMPERSONAL DEALING—Cont'd
Intent, consideration of in misrepresentation claims, **7:53**
Lernout case, **7:106**
Mail and wire fraud, **7:463**
Manipulation
Generally, **7:118 et seq.**
Accumulation of stock, **7:134**
Actual or apparent trading, **7:124**
Capping, **7:136**
Circular trading, **7:135**
Cornering the market, **7:134**
Cross trading, **7:135**
Definition, **7:119**
Depressing prices, **7:124**
Federal securities laws, **7:120**
Fraud, scheme, **7:113**
Front running
Generally, **7:139 et seq.**
Court cases, **7:142**
SEC interpretations
Generally, **7:140**
Decisions, **7:142**
SRO interpretations
Generally, **7:140**
Criticisms, **7:141**
Decisions, **7:142**
Insider trading, **7:168**
Margin requirements, parking to avoid, **7:148**
Marking the close, **7:131**
Matched orders, **7:121**
Painting the tape, **7:132**
Parking
Generally, **7:143 et seq.**
Capital requirements, use to avoid, **7:147**
Control fights, use in, **7:146**
Definitions, **7:144**
Margin requirements
Parking to avoid, **7:148**
Use to avoid, **7:148**
Record keeping violations, **7:149**
Tax evasion uses, **7:150**
Pegging, **7:136**
Raising prices, **7:124**

INDIRECT-IMPERSONAL DEALING—Cont'd
Manipulation—Cont'd
Rule 10b-5
Generally, **7:130 et seq.**
Accumulation of stock, **7:134**
Capping, **7:136**
Circular trading, **7:135**
Control, **7:138**
Cornering the market, **7:134**
Cross trading, **7:135**
Domination, **7:138**
Front running, above
Marking the close, **7:131**
Painting the tape, **7:132**
Parking, above
Pegging, **7:136**
Short selling, **7:137**
Successive activity price manipulations, **7:133**
SEA § 9(a)(1), **7:121**
SEA § 9(a)(2)
Generally, **7:122 et seq.**
Actual or apparent trading, **7:124**
Depressing prices, **7:124**
Purpose, **7:125**
Raising prices, **7:124**
Series of transactions, **7:123**
SEA § 9(a)(3), **7:126**
SEA § 9(a)(4), **7:126**
SEA § 9(a)(5), **7:126**
SEA § 9(a)(6), **7:127**
SEA § 9(b), **7:128**
SEA § 9(e), **7:129**
Short selling, **7:137**
Successive activity price manipulations, **7:133**
Wash sales, **7:121**
Margin requirements, parking to avoid, **7:148**
Market-informing responsibilities, **12:7**
Marking the close manipulations, **7:131**
Matched order manipulations, **7:121**
Mediation, **15:69**

INDIRECT-IMPERSONAL DEALING—Cont'd
Method of disclosure, Regulation FD, **7:544**
Misappropriation by insiders
Generally, **7:577**
Agreed confidentiality, **7:589**
Arguments of parties on appeal, **7:619**
Close family relationships, **7:587**
Conclusion of Cuban case, **7:622**
Confidentiality, **7:611**
Connection element, **7:597**
Connection with transaction, **7:680**
Court cases, **7:582 et seq.**
Cuban responds to charges, **7:607**
Disclosure, trading with impunity, **7:609**
District court ruling in favor of Cuban, **7:616**
Enforcement actions, **7:578**
Family relationships, **7:587**
Federal charges filed by Commission, **7:606**
Five law professors file brief amici curiae in support of Cuban's motion, **7:615**
Lack of agreement by Cuban not to trade, **7:617**
Limitation of Rule 10b-5 to family and other personal relationships, **7:613**
Mail and wire fraud, **7:594**
Mark Cuban and Commission as players, **7:605**
Motion to dismiss, **7:610**
Pre-emptive strike against application of SEC Rule 10b5-2(b)(1), **7:612**
Private actions, **7:579, 7:603**
Reexamination of development of misappropriation theory, **7:608**
Relevancy of Cuban's opinion, **7:621**
Response by SEC to Cuban's motion, **7:614**
Response to charges by Cuban, **7:607**

INDIRECT-IMPERSONAL DEALING—Cont'd
Misappropriation by insiders —Cont'd
Rule 10b5-2, **7:585 et seq.**
Rule 10b5-2 evaluation by District Court, **7:618**
SEC v. Mark Cuban, stress test for misappropriation theory, generally, **7:604 to 7:622**
Shared confidences, **7:590**
Sufficiency of SEC allegations of misappropriation, **7:617**
Telephone calls, evaluation, **7:620**
Trading with impunity, **7:609**
Misrepresentations
Generally, **7:5, 7:46 et seq.**
See also Forward Looking Information (this index)
Analyst projections, **7:9**
Business judgment standard, **7:50**
Company projections, **7:8**
Creation of misrepresentation, **7:90**
Due diligence, **7:52**
Earnings, **7:47**
GAAP violations
Generally, **7:55 et seq.**
Auditor violation, **7:70**
Court decisions, generally, **7:62 et seq.**
Enforcement cases, **7:65, 7:71**
Financial Accounting Standards Board (FASB), **7:60**
Fraud
Fraud without GAAP violation, **7:63**
GAAP violation with fraud, **7:66 to 7:71**
GAAP violation without fraud, **7:64, 7:65**
Judicial eyes, GAAP in judicial eyes, **7:57**
Non-GAAP financial measures, **7:74**
PRO FORMAs (NGFMs), **7:72 to 7:74**
Public communications not filed with SEC, **7:73**

INDIRECT-IMPERSONAL DEALING—Cont'd
Misrepresentations—Cont'd
GAAP violations—Cont'd
Public Company Accounting Oversight Board (PCAOB), **7:61**
Red flags, **7:70**
Reg G, **7:73**
Sarbanes-Oxley restrictions on pro forma or non-GAAP financial information, **7:72**
Scienter, allegations supporting, **7:69**
SEC, **7:58, 7:59, 7:72 to 7:74**
Sources of GAAP, **7:59, 7:60, 7:61**
Statutes, GAAP in statutes, **7:56**
Generally accepted accounting principles. GAAP violations, above
Good faith, **7:53**
Guidelines for information releases, **7:54**
Information release guidelines, **7:54**
Intent, **7:53**
Negligence, **7:52**
Predictions, **7:46**
Predictions and projection disclosure obligations
Generally, **7:10 et seq.**
Capital resources, **7:15**
Liquidity, **7:14**
With MD&A requirement
Administrative enforcement, **7:13**
Private actions, **7:17**
Operation results, **7:16**
Private actions on MD&A requirements, **7:17**
Restrictions on disclosures, **7:18**
Safe harbor
Generally, **7:19 et seq.**
Background, **7:20**
Bespeaks caution doctrine, **7:22**
PSLRA
Generally, **7:23 et seq.**

INDIRECT-IMPERSONAL DEALING—Cont'd
Misrepresentations—Cont'd
Predictions and projection disclosure obligations—Cont'd
Safe harbor—Cont'd
PSLRA—Cont'd
Actual knowledge prong, **7:36**
Attacking cautionary statements, **7:29**
Caution prong, **7:26**
Corrections, **7:45**
Definition of forward looking statement, **7:25**
Discovery stays, **7:44**
Drafting cautionary statements, **7:28**
Eligible makers, **7:37**
Exclusions, **7:40**
Expandability, **7:41**
Falsity, actual knowledge of, **7:36**
Immateriality, **7:35, 7:38**
Later disclosures, **7:30**
Motion practice, **7:43**
Nonexclusiveness, **7:41**
Oral statements referencing caution, **7:31, 7:39**
Procedural aspects, **7:42**
Prohibited uses, **7:40**
Scope of Act, **7:24**
Statements with cautions, **7:27**
Update duty, **7:45**
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
SA Rule 175, **7:21**
SEA Rule 3b-6, **7:21**
SEC
Generally, **7:11**
Encouragement of, **7:12**
Traditional position, **7:18**
Reasonable investor standard, **7:51**

INDIRECT-IMPERSONAL DEALING—Cont'd
Misrepresentations—Cont'd
Scheme to defraud vs. misrepresentation, **7:88, 7:110, 7:112**
Scheme to defraud vs. misrepresentation revisited, **7:115**
Scienter, **7:53**
Standards for preparation of information, **7:49**
Violations, criteria for determining, **7:49**
Negligence, consideration of in misrepresentation claims, **7:52**
Ninth Circuit, Homestore case, **7:101**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**
Suits by, **7:504**
Organization of treatise, **4:1**
Outsider defendants, **7:103**
Painting the tape manipulations, **7:132**
Parking
Generally, **7:143 et seq.**
Capital requirements, use to avoid, **7:147**
Control fights, use in, **7:146**
Definitions, **7:144**
Margin requirements
Parking to avoid, **7:148**
Use to avoid, **7:148**
Record keeping violations, **7:149**
Tax evasion uses, **7:150**
Parmalat case, **7:111**
Participation, **7:116**
Pegging, **7:136**
Personal and impersonal dealings, **4:1**
Price, importance of, **7:3**
Primary liability vs. aiding-abetting, **7:98**
Primary violators in scheme to defraud, **7:104, 7:109, 7:110, 7:114**
Private actions for schemes to defraud, **7:105**

INDIRECT-IMPERSONAL DEALING—Cont'd
PSLRA
Application of, **7:97**
Impact of, **7:86**
Raising price manipulations, **7:124**
Reasonable investor standard, **7:51**
Regulation FD disclosure
Generally, **7:526 et seq.**
Analysts' roles, **7:528**
Antifraud provisions and, **7:546**
Avoiding selective disclosure, **7:553**
Companies covered, **7:545**
Compliance, **7:551 et seq.**
Curing violations, **7:554**
Eliminating nonpublic information, **7:552**
Enforcement, **7:549**
Exemption provisions and, **7:548**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Materiality of triggering information, **7:535**
Method of disclosure, **7:544**
Persons triggering duty, **7:537**
Policy basis, **7:527**
Prompt disclosure requirement, **7:543**
Registration provisions and, **7:547**
Regulatory gap, **7:530**
Scope of regulation, **7:545**
SEC filing, compliance by, **7:555**
Selective disclosure
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Simultaneous disclosure requirements, **7:542**
Timing requirements, **7:541 et seq.**

INDIRECT-IMPERSONAL DEALING—Cont'd
Regulation FD disclosure—Cont'd
Triggering events
Generally, **7:531 et seq.**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Materiality of triggering information, **7:535**
Nonintentional disclosures, **7:540**
Nonpublic nature of information disclosed, **7:536**
Nontriggering disclosures, **7:533**
Persons triggering duty, **7:537**
Selective disclosures, **7:532**
Unintentional disclosures, **7:540**
Unintentional disclosures, **7:540**
Validity, **7:550**
Violations, curing, **7:554**
Reliance, curtailing scheme to defraud, **7:76 to 7:78, 7:80**
Remoteness, **7:76**
Rule 10b-5 application to, **3:28**
Rule 10b-5 responsibilities generally, **12:7**
Rule 14e-3, **7:166**
Rule 15c1-2, **7:165**
Rule 144, **7:167**
SA § 17(a), **7:164**
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**
Suits by, **7:505**
Scienter
Actual knowledge, **8:172**
Misrepresentation claims, consideration of, **7:53**
Scheme to defraud, group scienter, **7:99**
Secondary actors in scheme to defraud, **7:104, 7:114**
Second Circuit, Parmalat case, **7:111**

INDIRECT-IMPERSONAL DEALING—Cont'd
Securities and Exchange Commission (SEC), **7:58, 7:59, 7:72 to 7:74, 7:77, 7:80, 7:93**
Selective disclosure and full disclosure obligations
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Short selling manipulations, **7:137**
Simultaneous FD disclosure requirements, **7:542**
SRO rules, insider trading, **7:168**
Stoneridge case, curtailing scheme to defraud
Amici, **7:83**
Impact, **7:82**
Substantial participation in scheme to defraud, **7:89**
Successive activity price manipulations, **7:133**
Supreme Court, Zandford case, **7:117**
Tender offers
Disclosures in, **7:288**
Inside information as to pending offers, **7:214**
Timing of FD disclosure requirements, **7:541 et seq.**
Tippee liabilities
Generally, **7:623**
Benefit to insider-tipper, **7:627**
Dirks background, **7:625**
Family benefit to, **7:630**
Fiduciary breach requirement, **7:626**
Friends, benefit to, **7:630**
Need for fiduciary benefit, **7:626**
Pecuniary benefit, **7:628**
Receipt in fiduciary breach, **7:623**
Relations, benefit to, **7:630**
Reputational benefit, **7:629**
Tip defined, **7:624**

INDIRECT-IMPERSONAL DEALING—Cont'd
Transaction types, **7:1**
Unintentional disclosures and Regulation FD disclosure, **7:540**
Wash sale manipulations, **7:121**
What is a Security (this index)
Zandford case, **7:117**
Zone, curtailing scheme to defraud, **7:78**

INDUCEMENT
Generally, **8:295**
Aider-Abettors (this index)
Parties (this index)

INFORMANTS
Generally, **7:445**

INFORMATION
See Release of Information (this index)
Disclosure (this index)
Insiders and Insider Trading (this index)
Original information. See Whistleblowers (this index)

INITIAL COIN OFFERINGS
Cryptocurrencies (this index)

INITIAL PUBLIC OFFERINGS (IPOs)
Foreign Corrupt Practices Act (FCPA), **19:10**
Injunctions, ancillary relief, **13:111**

INJUNCTIONS
Accounting, fraudulent accounting, **13:112**
Actual knowledge and scienter, **8:174**
Administrative enforcement of aider-abettor liability, **8:371**
Advantages and disadvantages
CFTC, **13:252**
SEC, **13:120**
Aider-abettor liability, **8:371**
Aider-abettor restraints, **8:371**
Ancillary relief
Auditors, **13:113**
CFTC, **13:250**

INJUNCTIONS—Cont'd
Ancillary relief—Cont'd
Fraudulent accounting, **13:112**
Initial public offerings (IPOs), **13:111**
Investment bankers global settlement, **13:110**
Monetary civil penalties, generally, **13:108 et seq.**
Mutual funds, **13:114**
Other violations, **13:115**
SEC, **13:107 et seq.**
Victim access to penalty, fair funds, **13:116**
WorldCom, **13:109**
Asset freezes, **13:100**
Auditors, ancillary relief, **13:113**
Balance of equities, **6:134**
Bar orders in, **13:117**
Buyer-seller requirements, **5:122**
Cease and desist orders
CFTC, **13:239**
Likelihood of future violation, **13:239**
Market impact, **13:240**
Permanent, **13:85**
Temporary, **13:86**
CFTC
Generally, **13:245 et seq.**
Advantages and disadvantages, **13:252**
Ancillary relief, **13:250**
Character of proceedings, **13:245**
Collateral effect, **13:249**
Duration, **13:251**
Evidence, **13:246**
Likelihood of future violations, **13:239, 13:248**
Market impact, **13:240**
Proof, **13:246**
Proper showing, **13:248**
Scienter, **13:247**
Standards, **13:246**
Trading privileges, denial of, **13:240**
Character of proceedings
CFTC, **13:245**
SEC, **13:96**

INJUNCTIONS—Cont'd
Civil penalties in addition to
Ancillary relief, generally, **13:108 et seq.**
Auditors, **13:113**
Fraudulent accounting, **13:112**
Initial public offerings (IPOs), **13:111**
Investment bankers global settlement, **13:110**
Mutual funds, **13:114**
Other violations, **13:115**
SEC, **13:108**
Victim access to penalty, fair funds, **13:116**
WorldCom, **13:109**
Collateral effect
CFTC, **13:249**
Disciplinary proceedings, **13:106**
SEC, **13:105, 13:106**
Conspirators, **8:312**
Constructive knowledge and scienter, **8:185**
Disciplinary proceedings, **13:106**
Duration
CFTC, **13:251**
SEC, **13:119**
Equitable relief generally, **13:118**
Evidence
CFTC, **13:246**
SEC, **13:101**
Fraudulent accounting, ancillary relief, **13:112**
Inadequacy of other remedies, **6:133**
Initial public offerings (IPOs), ancillary relief, **13:111**
Insider trading charges
Generally, **7:422 et seq.**
Disgorgement orders, **7:425 et seq.**
Hearing, right to, **7:424**
Intent and scienter, **8:195**
Investment bankers global settlement, ancillary relief, **13:110**
Irreparable injuries, **6:133**
Likelihood of future violations
CFTC, **13:239, 13:248**
SEC, **13:103**
Limitation of actions, **13:99**

INJUNCTIONS—Cont'd
Market impact, CFTC, **13:240**
Monetary civil penalties. Civil penalties in addition to, above
Mutual funds, ancillary relief, **13:114**
Parallel civil and criminal proceedings
Generally, **13:133 et seq.**
Battle over discovery, **13:135**
CFTC references, **13:263**
Civil-criminal flow of information, **13:139**
Continuation of criminal proceedings, **13:140**
Continuations of civil proceedings, **13:137, 13:138**
Criminal-civil flow of information, **13:143**
Criteria for stay of discovery, **13:136**
Discovery, **13:139, 13:142, 13:143**
Continuation of civil proceedings with, **13:138**
Failure to warn of criminal proceeding in civil proceeding, **13:142**
Reasons for concern, **13:134**
SEC references, **13:133 et seq.**
Preliminary injunctions, **6:131 et seq.**
Private suits, relation to, **13:98**
Privity considerations, **8:303**
Probability of success, **6:132**
Proof standards
CFTC, **13:246**
SEC, **13:101**
Proper showing
CFTC, **13:248**
SEC, **13:103**
Scienter
Actual knowledge, **8:174**
CFTC, **13:247**
Constructive knowledge, **8:185**
Intent, **8:195**
SEC, **13:102**
SEC
Generally, **13:96 et seq.**
Advantages and disadvantages, **13:120**

INJUNCTIONS—Cont'd
SEC—Cont'd
Ancillary relief, **13:107 et seq.**
Asset freezes, **13:100**
Bar orders in, **13:117**
Character of proceedings, **13:96**
Civil penalties in addition to, **13:108**
Collateral effect, **13:105, 13:106**
Duration, **13:119**
Equitable relief generally, **13:118**
Evidence, **13:101**
Likelihood of future violations, **13:103**
Limitation of actions, **13:99**
Private suits, relation to, **13:98**
Proof standards, **13:101**
Proper showing, **13:103**
Scienter, **13:102**
Standards, **13:101**
Undertakings, **13:97**
WorldCom, **13:109**
SROs, **13:303**
Standards
CFTC, **13:246**
SEC, **13:101**
State investigations, **13:319**
Tender offer challenges
Generally, **6:131 et seq., 6:137**
Balance of equities, **6:134**
Clean hands, **6:136**
Final relief, **6:140**
Inadequacy of other remedies, **6:133**
Irreparable injuries, **6:133**
Preliminary injunctions, **6:131 et seq.**
Probability of success, **6:132**
Proof elements, **6:132**
SEC actions, **6:138**
Time for relief, **6:139**
Types of relief, **6:135**
Trading privileges, denial of, **13:240**
Types of relief, **6:135**
Undertakings, **13:97**
Victim access to penalty, fair funds, **13:116**
WorldCom, ancillary relief, **13:109**

INNOCENT DEFENDANTS
Strict liability, **8:243**

INSIDERS AND INSIDER TRADING
Generally, **7:152 et seq.**
Access criteria, **7:560**
Acquisition plans, **7:211**
Acquisitions, **7:214**
Administrative enforcement
Generally, **7:159, 7:415 et seq.**
Ancillary relief, **7:419, 7:437**
Bounties, **7:445**
Burden of proof
Generally, **7:366**
Defenses, **7:369**
Institutions, **7:367**
Civil penalties, **7:420**
Connection with requirement
Market transactions, **7:370**
Rule 10b-5, **7:370**
Rule 14e-3, **7:371**
Tender offers, **7:371**
Control person liability
Generally, **7:451 et seq.**
All control persons, **7:453**
Amount of liability, **7:459**
Broker-dealer control persons, **7:456**
B test, **7:456**
Contribution to violation, **7:458**
Failure to act, **7:455**
Investment adviser control persons, **7:456**
Knowledge
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Penalties imposed on, **7:440**
Policy/procedure failures, **7:457**
Reckless disregard
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Requirements, **7:452**
Respondeat superior liability, **7:450**

INSIDERS AND INSIDER TRADING—Cont'd
Administrative enforcement—Cont'd
Control person liability—Cont'd
Substantial contribution to violation, **7:458**
A test, **7:453**
Defenses
Generally, **7:350**
Amount defined, **7:355**
Binding contract defense, **7:351**
Burden of proving, **7:369**
Common terms and issues, **7:355 et seq.**
Date defined, **7:357**
Delegation alternative to amount, price and date, **7:358**
Exclusiveness of defenses, **7:360**
Institutional defenses, **7:361**
Instructions defense, **7:352**
Overriding limitations, **7:359**
Price defined, **7:356**
Relation to other laws, **7:362**
Systematic plans defense, **7:353**
Tracking plans defense, **7:354**
Disgorgement, **7:418, 7:425 et seq.**
Disposition of penalties, **7:445**
Double jeopardy limitations, **7:443**
Hearing, right to, **7:424**
Informants, awards to, **7:445**
Injunctive actions
Generally, **7:422 et seq.**
Disgorgement orders, **7:425 et seq.**
Hearing, right to, **7:424**
Institutional defenses, **7:361**
Institutions
Burden of proof, **7:367**
Defenses, **7:361**
Judge or jury, **7:421**
Generally, **7:421**
Penalty actions, **7:446**
Martha Stewart case. Scienter, below in this group
Misappropriation theory, **7:578**

INSIDERS AND INSIDER TRADING—Cont'd
Administrative enforcement—Cont'd
Motion practice, **7:365**
Parties, **7:363**
Penalty actions
Generally, **7:438**
Amount of penalty
Control persons, **7:459**
Court-imposed, **7:439**
Bounties, **7:445**
Control persons, penalties imposed on, **7:440**
Court imposed penalties, **7:439**
Disposition of penalties, **7:445**
Double jeopardy limitations, **7:443**
Factors considered in imposition of penalties, **7:442**
Informants, awards to, **7:445**
Judge or jury, **7:446**
Maximum penalties imposed, **7:441**
Persons liable
Generally, **7:447**
Aider-abettors, **7:449**
Employers, **7:450**
Respondeat superior liability, **7:450**
Tippers, **7:448**
Traders, **7:448**
Respondeat superior liability, **7:450**
Settled penalties, **7:444**
Tippees, penalties imposed on, **7:439**
Traders, penalties imposed on, **7:439**
Pleading
Generally, **7:364**
Scienter, **7:398**
Procedural aspects, **7:363 et seq.**
Proof, **7:368**
Quantum of proof, **7:366, 7:367**
Reporting requirements
Generally, **7:175 et seq.**
Detection of illegal trades, **7:178**

INSIDERS AND INSIDER TRADING—Cont'd
Administrative enforcement—Cont'd
Respondeat superior liability, **7:450**
RICO, **7:414, 7:464**
Sanctions, **7:417**
Sanctions, statutory, **7:417**
Scienter
Generally, **7:372 et seq.**
Fiduciary theory
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**
Mail and wire fraud, **7:413**
Martha Stewart case
Generally, **7:403 et seq.**
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Sufficiency of evidence test, **7:408**
Misappropriation theory
Tippers, **7:382**
Trading insiders, **7:378**
Trading tippees, **7:386**
Pleading, **7:398**
Proof, **7:399 et seq.**
Rule 10b-5, **7:374 et seq.**
Rule 14e-3, **7:412**
Tippers
Generally, **7:379 et seq., 7:382**
Proof, **7:401**
Trading insiders
Generally, **7:375 et seq.**
Proof, **7:400**
Trading tippees
Generally, **7:383 et seq.**
Proof, **7:402**
SEA § 16(b), **7:159**

INSIDERS AND INSIDER TRADING—Cont'd
Administrative enforcement—Cont'd
Tippees, penalties imposed on, **7:439**
Tippers
Generally, **7:159**
Scienter, **7:379 et seq.**
Tippers, scienter, **7:379 et seq.**
Wiretap in enforcement, **13:146, 13:153**
Advisers to issuers, **7:569**
Agreed confidentiality, **7:589**
Analysts' roles in full disclosure regulations, **7:528**
Antifraud provisions and Regulation FD disclosure, **7:546**
Arguments in Rajaratnam criminal case
Closing arguments, **21:25**
Defense arguments, **21:38**
DOJ argument on nature and circumstances of offenses, **21:33**
Leadership role enhancement (U.S.S.G. § 3B1.1(a)), **21:36, 21:42**
Limitation of gain to amount actually realized by defendant, **21:40**
Obstruction enhancement under U.S.S.G § 3C1.1, **21:43**
Sentencing arguments, **21:32**
Seriousness of offense overstated under Sentencing Guidelines calculations, **21:41**
Arrest of Raj Rajaratnam, **21:4**
Asset information, **7:206**
Awareness of MNPI
Generally, **7:316, 7:349 et seq.**
Possession distinguished, **7:349**
Bail in securities prosecutions. Raj Rajaratnam and criminal insider trading, below
Benefit of tipper, transmission of information for, **7:661**
Benefit to insider-tipper, **7:627**
Blackouts, director and officer trading during, **7:161**
Bounties to informants, **7:445**

INSIDERS AND INSIDER TRADING—Cont'd
Burden of proof
Generally, **7:366**
Defenses, **7:369**
Institutions, **7:367**
Nonpublic nature of information, **7:312**
Business associates to issuers, **7:570**
Business judgment, timely disclosure, **7:241**
Calculation of sentence in Raj Rajaratnam criminal case, **21:34 et seq.**
California statutes, **App G**
Case law, **7:182**
Causation, **7:517**
Chiasson/Newman cases, **7:387 et seq.**
Chinese walls
Generally, **7:343 et seq.**
Evolution of rule, **7:344**
Operation, **7:345**
Closing arguments, Raj Rajaratnam criminal case, **21:25**
Co-conspirators, Raj Rajaratnam and criminal insider trading, **21:20 to 21:24, 21:44**
Common law, **7:153**
Compulsory disclosure. Regulation FD disclosure, below
Connection with requirement
Generally, **7:676 et seq.**
Inducing action, **7:682**
Investment decision, influencing, **7:682**
Market transactions, **7:370**
Misappropriation theory, **7:680**
Non-participation in pertinent transactions, **7:677**
Possession vs use, **7:681**
Price, affecting, **7:682**
Purchase, inducing, **7:682**
Purchaser-seller test, **7:678**
Rule 10b-5, **7:370**
Rule 14e-3, **7:371**
Tender offers, **7:371**
Touching test, **7:678**

INSIDERS AND INSIDER TRADING—Cont'd
Conspirators, insider trades
Generally, **8:308**
Raj Rajaratnam and criminal insider trading, **21:20 to 21:24, 21:44**
Control person liability
Generally, **7:451 et seq.**
All control persons, **7:453**
Amount of liability, **7:459**
Broker-dealer control persons, **7:456**
B test, **7:456**
Contribution to violation, **7:458**
Failure to act, **7:455**
Investment adviser control persons, **7:456**
Knowledge
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Penalties imposed on, **7:440**
Policy/procedure failures, **7:457**
Private actions against, **7:486, 7:512**
Reckless disregard
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Requirements, **7:452**
Respondeat superior liability, **7:450**
Substantial contribution to violation, **7:458**
A test, **7:453**
Corporate information, **7:203 et seq.**
Costs of enforcement, **7:195**
Counts One through Five, Raj Rajaratnam conspiracies, **21:20 to 21:24**
Criminal enforcement
Generally, **7:460 et seq.**
Amount of penalties, **7:466**
Disgorgement, **7:465**
Judge or jury, **7:467**
Mail and wire fraud, **7:463**
Martha Stewart case, below

INSIDERS AND INSIDER TRADING—Cont'd
Criminal enforcement—Cont'd
New York district federal prosecutions, **App J**
Penalties, **7:466**
Raj Rajaratnam case, **21:1 et seq.**
Restitution, **7:465**
RICO, **7:464**
Securities violations, **7:462**
Damages, **7:488**
Defenses
Generally, **7:350**
Amount defined, **7:355**
Binding contract defense, **7:351**
Burden of proof, **7:369**
Common terms and issues, **7:355 et seq.**
Date defined, **7:357**
Delegation alternative to amount, price and date, **7:358**
Exclusiveness of defenses, **7:360**
Institutional defenses, **7:361**
Instructions defense, **7:352**
Overriding limitations, **7:359**
Price defined, **7:356**
Rajaratnam criminal case, **21:38**
Relation to other laws, **7:362**
Systematic plans defense, **7:353**
Tracking plans defense, **7:354**
Detention, pre-trial, Raj Rajaratnam case, **21:6, 21:8**
Deteriorations in financial condition, **7:208**
Direct-impersonal dealing, tender offers, unregulated
Generally, **6:111**
Disclosure requirements, **6:114**
Disclose or abstain duty
Generally, **7:197 et seq.**
Duration of duty, **7:200**
Nature of duty, **7:198**
Regulation FD disclosure, below
Who is entitled to disclosure, **7:199**
Disproportionate liability, **7:196**
Dividend actions
Generally, **7:207**

INSIDERS AND INSIDER TRADING—Cont'd
Dividend actions—Cont'd
When disclosure required, **7:246**
DOJ argument on nature and circumstances of Rajaratnam's criminal offenses, **21:33**
Earnings information
Generally, **7:205**
Predictions, **7:204**
Employers, harm to, **7:190**
Evidence
Burden of proof, above
Trial on the merits, proof at, **21:19**
Wiretap. Raj Rajaratnam and criminal insider trading, below
Exemption provisions and Regulation FD disclosure, **7:548**
Expansion era, scope of regulations, **7:560**
Family of tippee, benefit to, **7:630**
Federal bail in securities prosecutions, **21:8**
Federal securities laws, **7:155 et seq., 7:162 et seq.**
Federal Sentencing Guidelines
Length of sentence, **21:30**
Raj Rajaratnam and criminal insider trading, **21:28 to 21:31**
Statutory maximum, **21:29**
Strategies, **21:31**
Structure of Guidelines, **21:28**
Fiduciary relationships
Breach, misappropriation theory and fiduciary breach, **7:576**
Contraction era, **7:576**
Creation
Generally, **7:567**
Advisers to issuers, **7:569**
Business associates of issuers, **7:570**
Law characterizing relation, **7:573**
Position with issuer, **7:568**
Prior dealings, creation by, **7:571**
Securities professionals, **7:572**
Criteria, **7:561 et seq.**

INSIDERS AND INSIDER TRADING—Cont'd
Fiduciary relationships—Cont'd
Expansion era, **7:574**
Issuers, **7:565**
Market insiders, **7:575**
Private actions, **7:498**
Scope of relationships, **7:562 et seq.**
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**
With whom must relationship exist, **7:562 et seq.**
Foreign accounts, use of, **7:177**
Foreign law, **7:201**
Friends of tippee, benefit to, **7:630**
Full disclosure
Duty triggered by partial disclosure, **7:536**
Regulation FD disclosure, below
Galleon conspiracy, Count One, **21:20**
Gift to relative, **7:396**
Harmless insider trading, **7:194**
Harm to employers, **7:190**
Harm to individual investors, **7:186, 7:187**
Harm to investor confidence, **7:184**
Harm to issuers, **7:188**
Harm to market integrity, **7:185**
Harm to principals, **7:190**
Hearing, bail, **21:9**
High frequency trading and front running, **7:169**
Indirect-impersonal dealing
For detailed treatment
See Indirect-Impersonal Dealing (this index)
Generally, **7:152 et seq.**
Acquisition plans, **7:211**
Administrative enforcement
Generally, **7:415 et seq., 7:416 et seq.**
Ancillary relief, **7:419, 7:437**
Civil penalties, **7:420**
Disgorgement, **7:418, 7:425 et seq.**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Administrative enforcement —Cont'd
Hearing, right to, **7:424**
Injunctive actions
Generally, **7:422 et seq.**
Disgorgement orders, **7:425 et seq.**
Hearing, right to, **7:424**
Judge or jury, **7:421**
Penalty actions, below
Sanctions, statutory, **7:417**
Antifraud provisions and Regulation FD disclosure, **7:546**
Asset information, **7:206**
Awareness of MNPI
Generally, **7:316, 7:349 et seq.**
Possession distinguished, **7:349**
On basis of inside information, trades made, **7:348**
Blackouts, director and officer trading during, **7:161**
Blue sky law, **7:154**
Burden of proof
Generally, **7:366**
Defenses, **7:369**
Institutions, **7:367**
Nonpublic nature of information, **7:312**
Case law, recent, **7:182**
Chiasson/Newman cases, **7:387 et seq.**
Common law, **7:153**
Connection with requirement
Generally, **7:676 et seq.**
Inducing action, **7:682**
Investment decision, influencing, **7:682**
Market transactions, **7:370**
Misappropriation theory, **7:680**
Non-participation in pertinent transactions, **7:677**
Possession vs use, **7:681**
Price, affecting, **7:682**
Purchase, inducing, **7:682**
Purchaser-seller test, **7:678**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Connection with requirement —Cont'd
Rule 10b-5, **7:370**
Rule 14e-3, **7:371**
Tender offers, **7:371**
Touching test, **7:678**
Corporate information, **7:203 et seq.**
Costs of enforcement, **7:195**
Criminal enforcement, **7:465**
Defendants as insiders, **7:102**
Defenses to insider trading charges
Generally, **7:350**
Amount defined, **7:355**
Binding contract defense, **7:351**
Burden of proof, **7:369**
Common terms and issues, **7:355 et seq.**
Date defined, **7:357**
Delegation alternative to amount, price and date, **7:358**
Exclusiveness of defenses, **7:360**
Institutional defenses, **7:361**
Instructions defense, **7:352**
Overriding limitations, **7:359**
Price defined, **7:356**
Relation to other laws, **7:362**
Systematic plans defense, **7:353**
Tracking plans defense, **7:354**
Deteriorations in financial condition, **7:208**
Disclose or abstain duty
Generally, **7:197 et seq.**
Duration of duty, **7:200**
Nature of duty, **7:198**
Regulation FD disclosure, below
Who is entitled to disclosure, **7:199**
Disproportionate liability, **7:196**
Dividend actions
Generally, **7:207**
When disclosure required, **7:246**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Earnings
Generally, **7:205**
Predictions, **7:204**
Employers, harm to, **7:190**
Exemption provisions and Regulation FD disclosure, **7:548**
Federal securities laws, **7:155 et seq., 7:162 et seq.**
Fiduciary breach and misappropriation theory, **7:315**
Fiduciary relationships
Contraction era, **7:576**
Creation
Generally, **7:567**
Advisers to issuers, **7:569**
Business associates of issuers, **7:570**
Law characterizing relation, **7:573**
Position with issuer, **7:568**
Prior dealings, creation by, **7:571**
Securities professionals, **7:572**
Criteria, **7:561 et seq.**
Expansion era, **7:574**
Issuers, **7:565**
Market insiders, **7:575**
Scienter, **7:381**
Scope of relationships, **7:561 et seq.**
With whom must relationship exist, **7:562 et seq.**
Foreign accounts, use of, **7:177**
Foreign law, **7:201**
Full disclosure
Duty triggered by partial disclosure of nonpublic information, **7:536**
Regulation FD disclosure, below
Gift to relative, **7:396**
Harmless insider trading, **7:194**
Harm to employers, **7:190**
Harm to individual investors, **7:186, 7:187**
Harm to investor confidence, **7:184**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Harm to issuers, **7:188**
Harm to market integrity, **7:185**
Harm to principals, **7:190**
Individual investors, harm to, **7:186, 7:187**
Information, unequal, **7:181**
Information possession criteria, **7:576**
Insider short sales, **7:157**
Institutional defenses, **7:361**
Institutions, burden of proof, **7:367**
Internal rules, **7:173**
Investor confidence, harm to, **7:184**
Issuer disclosures
Periodic reports, **7:289**
Press releases, **7:283**
Prospectuses, **7:286**
Reports, **7:289**
SEC filings, **7:285**
Shareholder communications, **7:284**
Tender offer statements, **7:288**
Issuer liability
Generally, **7:643 et seq.**
Advisers, **7:652**
Affiliated entities, **7:647**
Business associates, **7:653**
Contraction era, **7:646**
Directors, **7:649**
Employees, **7:650**
Expansion era, **7:645**
Officers, **7:648**
Shareholders, **7:651**
Tippees, **7:654**
Issuers, harm to, **7:188**
Judge or jury
Administrative enforcement, **7:421**
Penalty actions, **7:446**
Kinds of information
Generally, **7:202 et seq.**
Acquisition plans, **7:211**
Acquisitions, **7:214**
Assets, **7:206**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Kinds of information—Cont'd
Corporate information, **7:203 et seq.**
Deteriorations in financial condition, **7:208**
Dividends, **7:207**
Earnings
Generally, **7:205**
Predictions, **7:204**
Market information, **7:213 et seq.**
Operational information, **7:209**
Outside information, **7:213 et seq.**
Predictions, earning, **7:204**
Publicity, **7:216**
Recommendations, **7:215**
Share repurchase plans, **7:210**
Tender offers, **7:214**
Law and fact questions, **7:314**
Limitations period, disclosure as starting, **7:279**
Mail and wire fraud
Generally, **7:171, 7:463**
Scienter, **7:413**
Management compensation, **7:193**
Market efficiency, **7:192**
Market insiders, **7:575**
Market integrity harm to, **7:185**
Market reaction as public/nonpublic test, **7:281**
Martha Stewart case. Scienter, below in this group
Materiality
Generally, **7:218 et seq.**
Acquisitions
Negotiated, **7:262 et seq.**
Nonnegotiated, **7:270**
Actual market impact after release, **7:236**
Aggregate materiality, **7:225**
Burden of proof, **7:226**
Dividend information, **7:247**
Evidence, **7:229 et seq.**
Expectations, relation to, **7:233**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Materiality—Cont'd
Factors, **7:229 et seq.**
Graduations of materiality, **7:224**
Law or fact issue, **7:227**
Magnitude relative to company, **7:230**
Market release, actual impact of, **7:236**
Probability relative to company, **7:230**
Proof, **7:226**
Public disclosure and materiality, **7:280**
Public information, relation of inside information to, **7:234**
Readily available information compared, **7:234**
Reasonable investor test
Generally, **7:221**
Substantial market impact test compared, **7:223**
Regulation FD triggering disclosures, **7:535**
Relation to expectations, **7:233**
Reliability, **7:231**
Specificity, **7:232**
Standard of proof, **7:228**
Substantial market impact test
Generally, **7:222**
Reasonable investor test compared, **7:223**
Tests of materiality
Generally, **7:219 et seq.**
Aggregate materiality test, **7:225**
Graduations of materiality, **7:224**
Mosaic theory, **7:225**
Reasonable investor test
Generally, **7:221**
Substantial market impact test compared, **7:223**
Significant alteration of total mix, **7:221**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Materiality—Cont'd
Tests of materiality—Cont'd
Substantial market impact test
Generally, **7:222**
Reasonable investor test compared, **7:223**
Use as test of materiality, **7:235**
Materiality and public disclosure, **7:280**
Media disclosures
Generally, **7:292 et seq.**
Particular media, **7:299**
Timing, **7:297**
Method of disclosure, Regulation FD, **7:544**
Misappropriation theory
Private actions, **7:499**
Scienter, tippers, **7:382**
Misrepresentations, disclosures as curing, **7:276 et seq.**
MNPI
Defined, **7:152**
Materiality, above
Nonpublic information, below
Moral considerations, **7:189**
Motion practice, **7:365**
Nonpublic information
Generally, **7:271 et seq.**
Absorption requirement, **7:306 et seq.**
Burden of proof, **7:312**
Duty to disclose generally, **7:275**
Eliminating nonpublic information, Regulation FD, **7:552**
Full disclosure duty triggered by partial disclosure of, **7:536**
Investment community disclosure, **7:300**
Issuer disclosures
Generally, **7:282 et seq.**
Periodic reports, **7:289**
Press releases, **7:283**
Prospectuses, **7:286**
Proxy statements, **7:287**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Nonpublic information—Cont'd
Issuer disclosures—Cont'd
Reports, **7:289**
SEC filings, **7:285**
Shareholder communications, **7:284**
Tender offer statements, **7:288**
Law and fact questions, **7:314**
Limitations period, disclosure as starting, **7:279**
Market reaction as public/nonpublic test, **7:281**
Materiality and public disclosure, **7:280**
Media disclosures
Generally, **7:292 et seq.**
Particular media, **7:299**
Timing, **7:297**
Misrepresentations, public disclosure as curing, **7:276 et seq.**
Motion practice, **7:311**
Omissions, public disclosure as curing, **7:276 et seq.**
Pleading, **7:310**
Procedural aspects, **7:309 et seq.**
Proof, **7:313**
Public as affecting insider trading, **7:272 et seq.**
Quantum of proof, **7:312**
Rumors, **7:301**
Time in becoming public, **7:304 et seq.**
Tipping of, **7:272 et seq.**
Omissions, public disclosure as curing, **7:276 et seq.**
Operational information, **7:209**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**
Suits by, **7:504**
Parties, **7:363**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Penalty actions, below
Persons subject to regulation
Generally, **7:642 et seq.**
Advisers, **7:652**
Affiliated entities, **7:647**
Business associates, **7:653**
Contraction era, **7:646**
Directors, **7:649**
Employees, **7:650**
Expansion era, **7:645**
Issuers, **7:643 et seq.**
Officers, **7:648**
Shareholders, **7:651**
Tippees, **7:654**
Pervasiveness, **7:195**
Pleading
Generally, **7:364**
Nonpublic nature of information, **7:310**
Scienter, **7:398**
Policies, preventive
Generally, **7:468 et seq.**
Arguments con, **7:180 et seq.**
Arguments pro, **7:191 et seq.**
Broker-dealers, **7:470**
Control person liabilities for failure to have, **7:457**
Education, **7:473**
Information policies and procedures, **7:474**
Investment advisers, **7:470**
Nature of policies and procedures, **7:472**
Organizations, requirements for, **7:471**
Procedures, **7:476**
Sanctions for violations, **7:477**
Tipping policies, **7:475**
Trading policies, **7:475**
Possession of MNPI
Generally, **7:316**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321, 7:341**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Possession of MNPI—Cont'd
Chinese walls
Generally, **7:343 et seq.**
Evolution of rule, **7:344**
Operation, **7:345**
Connection with transaction, **7:681**
Individuals, proof for, **7:342**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Proof, **7:322 et seq.**
Rule 10b-5
Generally, **7:318 et seq.**
Access, proof of, **7:323**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321**
Contact, proof of, **7:324**
Individuals, proof as to, **7:322**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:326**
Proof, **7:322 et seq.**
Trading, proof of, **7:325**
Use inferred from possession, **7:328**
Rule 14e-3
Generally, **7:340 et seq.**
Burden of proof, **7:341**
Chinese walls, **7:343 et seq.**
Individuals, proof for, **7:342**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Standard of proof, **7:341**
Standard of proof, **7:341**
Use compared, **7:317**
Predictions, earnings, **7:204**
Principals, harm to, **7:190**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Private actions
Generally, **7:478 et seq., 7:491 et seq.**
Amount of liability, **7:488, 7:521 et seq.**
Ancillary relief, **7:490, 7:525**
Background, **7:501**
Causation, **7:517**
Contemporaneous traders, actions by, **7:503 et seq.**
Control persons, actions against, **7:486, 7:512**
Convertibles traders, suits by, **7:508**
Damages, **7:488, 7:521 et seq.**
Elements of action, **7:514 et seq.**
Express causes of action, **7:478 et seq.**
Fiduciary theory, **7:498**
Implied causes of action, **7:491 et seq., 7:493 et seq.**
Market, relation of parties to, **7:493 et seq.**
Misappropriation theory, **7:499**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**
Suits by, **7:504**
Option traders, suits by, **7:507**
Other liabilities, relation to, **7:489**
Parties defendant, **7:483, 7:509**
Parties plaintiff
Express causes of action, **7:480 et seq.**
Implied actions, **7:502 et seq.**
Relation to other liabilities, **7:489, 7:524**
Reliance, **7:516**
Rule 10b-5, **7:497 et seq.**
Rule 14e-3, **7:500**
Same class of securities, actions by traders in, **7:482, 7:506**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Private actions—Cont'd
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**
Suits by, **7:505**
Standing, **7:520**
Tippers, actions against, **7:485, 7:511**
Traders
Actions against, **7:484, 7:510**
Contemporaneous, suits by, **7:481**
Who can be sued, **7:483, 7:509**
Who can sue
Express causes of action, **7:480 et seq.**
Implied actions, **7:502 et seq.**
Procedural aspects, **7:363 et seq.**
Prompt disclosure requirement, Regulation FD, **7:543**
Proof
Generally, **7:368**
Nonpublic nature of information, **7:313**
Protection of information traders, **7:183**
Proximity of tippee, **7:673**
Public or nonpublic character of information. Nonpublic information, above
Quantum of proof, **7:366, 7:367**
Reasons
Con, **7:180 et seq.**
Pro, **7:191 et seq.**
Registration provisions and Regulation FD disclosure, **7:547**
Regulation FD disclosure
Generally, **7:526 et seq.**
Analysts' roles, **7:528**
Antifraud provisions and, **7:546**
Avoiding selective disclosure, **7:553**
Companies covered, **7:545**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Regulation FD disclosure—Cont'd
Compliance, **7:551 et seq.**
Curing violations, **7:554**
Eliminating nonpublic information, **7:552**
Enforcement, **7:549**
Exemption provisions and, **7:548**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Materiality of triggering information, **7:535**
Method of disclosure, **7:544**
Persons triggering duty, **7:537**
Policy basis, **7:527**
Prompt disclosure requirement, **7:543**
Registration provisions and, **7:547**
Regulatory gap, **7:530**
Scope of regulation, **7:545**
SEC filing, compliance by, **7:555**
Selective disclosure
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Simultaneous disclosure requirements, **7:542**
Timing requirements, **7:541 et seq.**
Triggering events
Generally, **7:531 et seq.**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Regulation FD disclosure—Cont'd
Triggering events—Cont'd
Materiality of triggering information, **7:535**
Non-intentional disclosures, **7:540**
Nonpublic nature of information disclosed, **7:536**
Nontriggering disclosures, **7:533**
Persons triggering duty, **7:537**
Selective disclosures, **7:532**
Unintentional disclosures, **7:540**
Unintentional disclosures, **7:540**
Validity, **7:550**
Violations, curing, **7:554**
Relationships subject to regulation, **7:562 et seq.**
Relative gift, **7:396**
Reliance, **7:516**
Remoteness of tippee, **7:673**
Reporting requirements
Generally, **7:175 et seq.**
Detection of illegal trades, **7:178**
Extent of activity, **7:179**
Foreign accounts, use of, **7:177**
Publication, **7:176**
RICO, **7:414, 7:464**
Rule 10b-5, **7:163**
Rule 14e-3, **7:166**
Rule 15c1-2, **7:165**
Rule 144, **7:167**
SA § 17(a), **7:164**
Scienter
Generally, **7:372 et seq.**
Fiduciary theory
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**
Knowledge that tippee will trade, **7:662**
Mail and wire fraud, **7:413**
Martha Stewart case
Generally, **7:403 et seq.**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Scienter—Cont'd
Martha Stewart case—Cont'd
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Sufficiency of evidence test, **7:408**
Misappropriation theory
Tippers, **7:382**
Trading insiders, **7:378**
Trading tippees, **7:386**
Pleading, **7:398**
Proof, **7:399 et seq.**
Rule 10b-5, **7:374 et seq.**
Rule 14e-3, **7:412**
Tippee violations, **7:672**
Tippers
Generally, **7:379 et seq.**
Proof, **7:401**
Tipping violations, **7:662**
Trading insiders
Generally, **7:375 et seq.**
Proof, **7:400**
Trading tippees
Generally, **7:383 et seq.**
Proof, **7:402**
Scope of regulations
Generally, **7:557 et seq.**
Access criteria, **7:560**
Buyers, **7:563**
Congressional intent, **7:559**
Contraction era, **7:561 et seq.**
Expansion era, **7:560**
Issuers, applicability to, **7:565**
Relationships subject to regulation, **7:562 et seq.**
SEC efforts to define, **7:559**
Sellers, **7:563**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Scope of regulations—Cont'd
Third parties, applicability to, **7:566**
Unfairness criteria, **7:560**
SEA § 16(b)
Generally, **7:156 et seq.**
Administrative enforcement, **7:159**
Blackouts, director and officer trading during, **7:161**
Civil penalties, **7:159**
Insider short sales, **7:157**
Private actions, **7:160**
Short swing trading, **7:156**
Tipping, **7:158**
SEC Rule 14e-3
Generally, **7:632 et seq.**
Duty imposed, **7:633**
Supreme Court validation, **7:636, 7:637**
Validity, **7:634 et seq.**
Selective disclosure and full disclosure obligations
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Share repurchase plans, **7:210**
Short swing trading, SEA § 16(b), **7:156**
SRO rules, **7:168**
State law, **7:153**
Timely disclosure
Generally, **7:238 et seq.**
Acquisition information
Generally, **7:248 et seq.**
Agreements
Disclosure not required, **7:261**
Disclosure required, **7:260**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Timely disclosure—Cont'd
Acquisition information—Cont'd
Company, trading by, **7:256**
Definitions, **7:250**
Disclosure document obligations, **7:259**
Leaks, **7:255**
Materiality of negotiated acquisitions, **7:262 et seq.**
Preliminary negotiations
Misleading statements, **7:253**
No statement made, **7:252**
Other situations, **7:254**
Prior statement now misleading, **7:257**
Rumors, **7:255**
Stages of negotiated acquisitions, **7:249**
Target response to tender offers, **7:258**
When disclosure of agreement required, **7:260**
When disclosure required, **7:251 et seq.**
Business judgment considerations, **7:241**
Corporate purpose considerations, **7:242**
Delays, justifications for, **7:240**
Dividend actions
Evolving information, **7:245**
Materiality, **7:247**
When disclosure required, **7:246**
Justification for delay, **7:240**
Law violations and timeliness considerations, **7:244**
Ripeness and timing, **7:243**
Tender offers
Generally, **7:267**
Materiality, **7:270**
Stages of nonnegotiated acquisitions, **7:268**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Timely disclosure—Cont'd
Tender offers—Cont'd
When disclosure required, **7:269**
Tippee's knowledge of tipper's benefit, **7:387**
Tippee violations
Generally, **7:664 et seq.**
Benefit to tipper, **7:671**
Elements of, **7:668 et seq.**
Expansion era, **7:665**
Issuer affiliated, **7:654**
Knowledge of inside source, **7:672**
Misappropriation, **7:675**
Policies, **7:666**
Possession element, **7:669**
Proof of possession element, **7:670**
Proximity of tippee, **7:673**
Reasons, **7:666**
Remoteness of tippee, **7:673**
Scienter, **7:672**
Specificity of possession element, **7:669**
Theories of, **7:667**
Tipper violation, necessity of, **7:674**
Trading as violation, **7:664 et seq., 7:675**
Tippers, scienter, **7:379 et seq.**
Tipping
Generally, **7:655 et seq.**
Benefit of tipper, transmission of information for, **7:661**
Elements of violations, **7:658 et seq.**
Expansion era, **7:656**
Knowledge that tippee will trade, **7:662**
Necessity of tippee trading, **7:663**
Nonpublic information, **7:272 et seq.**
Policies, **7:657**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Tipping—Cont'd
Private purpose, transmission of information for, **7:661**
Proof of transmission of information, **7:660**
Reasons, **7:657**
Scienter, **7:662**
SEA § 16(b), **7:158**
Transmission of information, **7:659**
Violations, elements, **7:658 et seq.**
Unequal information, **7:181**
Unfairness of activities, **7:181**
Unintentional disclosures and Regulation FD disclosure, **7:540**
Use of MNPI
Generally, **7:316**
Burden of proof, **7:331**
Connection with transaction, **7:681**
Individuals, proof for, **7:332**
Organizations, proof for, **7:339**
Possession compared, **7:317**
Rule 10b-5
Generally, **7:327 et seq.**
Burden of proof, **7:331**
Individuals, proof for, **7:332**
Inferences, **7:328**
Organizations, proof for, **7:339**
Possession, use inferred from, **7:328**
Rebuttal evidence, **7:337, 7:338**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Rule 14e-3, generally, **7:347**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**

INSIDERS AND INSIDER TRADING—Cont'd
Indirect-impersonal dealing—Cont'd
Use of MNPI—Cont'd
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Individual investors, harm to, **7:186, 7:187**
Inducement by insiders, **8:299**
Informants, awards to, **7:445**
Information, unequal, **7:181**
Information generally, **7:4**
Insider short sales, **7:157**
Insider trading law enforcement (SEC)
Generally, **7:415 et seq.**
Administrative proceedings
Generally, **7:416 et seq.**
Ancillary relief, **7:419, 7:437**
Civil penalties, **7:420**
Disgorgement, **7:418**
Judge or jury, **7:421**
Sanctions, statutory, **7:417**
Criminal proceedings, **7:465**
Disgorgement orders
Administrative proceedings, **7:425 et seq.**
Criminal proceedings, **7:465**
Hearing, right to, **7:424**
Injunctive actions
Generally, **7:422 et seq.**
Disgorgement orders, **7:425 et seq.**
Hearing, right to, **7:424**
Judge or jury
Administrative proceedings, **7:421**
Penalty actions, **7:446**
Penalty actions, 6:347 et seq.
Policies, preventive
Generally, **7:468 et seq.**
Broker-dealers, **7:470**
Control person liabilities for failure to have, **7:457**
Education, **7:473**
Information policies and procedures, **7:474**

INSIDERS AND INSIDER TRADING—Cont'd
Insider trading law enforcement (SEC)—Cont'd
Policies, preventive—Cont'd
Investment advisers, **7:470**
Nature of policies and procedures, **7:472**
Organizations, requirements for, **7:471**
Procedures, **7:476**
Sanctions for violations, **7:477**
Tipping policies, **7:475**
Trading policies, **7:475**
Scope of regulations, **7:559**
Institutional investors
Burden of proof, **7:367**
Defenses, **7:361**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Internal rules, **7:173**
Interpositioning, **7:170**
Investigations
Generally, **13:1 et seq.**
See also Investigations (this index)
SEC investigations, below
Investment community disclosure, **7:300**
Investor confidence, harm to, **7:184**
Issuer disclosures
Generally, **7:282 et seq.**
Periodic reports, **7:289**
Press releases, **7:283**
Prospectuses, **7:286**
Proxy statements, **7:287**
Reports, **7:289**
SEC filings, **7:285**
Shareholder communications, **7:284**
Tender offer statements, **7:288**
Issuers, harm to, **7:188**
Joint and several liability, **9:36**
Judge or jury
Administrative enforcement, **7:421**
Criminal proceedings, **7:467**
Penalty actions, **7:446**
Raj Rajaratnam criminal case, jury trial, **21:26**

INSIDERS AND INSIDER TRADING—Cont'd
Kinds of information
Generally, **7:202 et seq.**
Acquisitions, **7:214**
Corporate information, **7:203 et seq.**
Publicity, **7:216**
Recommendations, **7:215**
Tender offers, **7:214**
Knowledge of inside source, tippee violations, **7:672**
Knowledge that tippee will trade, **7:662**
Law and fact questions, nonpublic character of information, **7:314**
Leadership role sentencing enhancement (U.S.S.G. § 3B1.1(a)), **21:36**
Limitations period, disclosure as starting, **7:279**
Mail and wire fraud
Generally, **7:171, 7:463**
Scienter, **7:413**
Management compensation, **7:193**
Market efficiency, **7:192**
Market insiders, **7:575**
Market integrity harm to, **7:185**
Market reaction as public/nonpublic test, **7:281**
Martha Stewart case
Generally, **7:403 et seq.**
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Scienter, generally, **7:403 et seq.**
Sufficiency of evidence test, **7:408**
Materiality
Generally, **7:218 et seq.**
Acquisitions
Negotiations, **7:262 et seq.**
Nonnegotiated, **7:270**

INSIDERS AND INSIDER TRADING—Cont'd
Materiality—Cont'd
Actual market impact after release, **7:236**
Aggregate materiality, **7:225**
Burden of proof, **7:226**
Dividend information, **7:247**
Evidence, **7:229 et seq.**
Expectations, relation to, **7:233**
Factors, **7:229 et seq.**
Graduations of materiality, **7:224**
Law or fact issue, **7:227**
Magnitude relative to company, **7:230**
Market release, actual impact of, **7:236**
Probability relative to company, **7:230**
Proof, **7:226**
Public disclosure and materiality, **7:280**
Public information, relation of inside information to, **7:234**
Readily available information compared, **7:234**
Reasonable investor test
Generally, **7:221**
Substantial market impact test compared, **7:223**
Regulation FD triggering disclosures, **7:535**
Relation to expectations, **7:233**
Reliability, **7:231**
Selective disclosures, materiality of, **7:535**
Specificity, **7:232**
Standard of proof, **7:228**
Substantial market impact test
Generally, **7:222**
Reasonable investor test compared, **7:223**
Tests of materiality
Generally, **7:219 et seq.**
Aggregate materiality test, **7:225**
Graduations of materiality, **7:224**
Mosaic theory, **7:225**

INSIDERS AND INSIDER TRADING—Cont'd
Materiality—Cont'd
Tests of materiality—Cont'd
Reasonable investor test
Generally, **7:221**
Substantial market impact test compared, **7:223**
Significant alteration of total mix, **7:221**
Substantial market impact test
Generally, **7:222**
Reasonable investor test compared, **7:223**
Use as test of, **7:235**
Materiality and public disclosure, **7:280, 21:16**
Material nonpublic information (MNPI)
Defined, **7:152**
Materiality, above
Nonpublic information, below
Media disclosures
Generally, **7:292 et seq.**
Particular media, **7:299**
Timing, **7:297**
Merits, trial on, Raj Rajaratnam case, **21:19**
Method of disclosure, Regulation FD, **7:544**
Misappropriation theory of liability
Generally, **7:577**
Agreed confidentiality, **7:589**
Close family relationships, **7:587**
Connection element, **7:597**
Connection with transaction, **7:680**
Court cases, **7:582 et seq.**
Enforcement actions, **7:578**
Family relationships, **7:587**
Mail and wire fraud, **7:594**
Private actions, **7:499, 7:579, 7:603**
Rule 10b5-2, **7:585 et seq.**
Shared confidences, **7:590**
Tippers, **7:382**
Trading insiders, **7:378**
Trading tippees, **7:386**

INSIDERS AND INSIDER TRADING—Cont'd
Misrepresentations, public disclosure as curing, **7:276 et seq.**
MNPI
Defined, **7:152**
Materiality, above
Nonpublic information, below
Monitoring rules in context, **7:174**
Moral considerations, **7:189**
Motion practice
Generally, **7:365**
Nonpublic nature of information, **7:311**
Suppression of wiretap evidence, **21:12**
Mutual fund violations, **17:9**
Necessity requirement, wiretap evidence in Raj Rajaratnam case, **21:14, 21:17**
Nonpublic information
Generally, **7:271 et seq.**
Absorption requirement, **7:306 et seq.**
Burden of proof, **7:312**
Duty to disclose generally, **7:275**
Eliminating nonpublic information, Regulation FD, **7:552**
Full disclosure duty triggered by partial disclosure of, **7:536**
Investment community disclosure, **7:300**
Issuer disclosures
Generally, **7:282 et seq.**
Periodic reports, **7:289**
Press releases, **7:283**
Prospectuses, **7:286**
Proxy statements, **7:287**
Reports, **7:289**
SEC filings, **7:285**
Shareholder communications, **7:284**
Tender offer statements, **7:288**
Law and fact questions, **7:314**
Limitations period, disclosure as starting, **7:279**
Market reaction as public/nonpublic test, **7:281**

INSIDERS AND INSIDER TRADING—Cont'd
Nonpublic information—Cont'd
Materiality and public disclosure, **7:280**
Media disclosures
Generally, **7:292 et seq.**
Particular media, **7:299**
Timing, **7:297**
Misrepresentations, public disclosure as curing, **7:276 et seq.**
Motion practice, **7:311**
Omissions, public disclosure as curing, **7:276 et seq.**
Pleading, **7:310**
Procedural aspects, **7:309 et seq.**
Proof, **7:313**
Public as affecting insider trading, **7:272 et seq.**
Quantum of proof, **7:312**
Rumors, **7:301**
Time in becoming public, **7:304 et seq.**
Tipping of, **7:272 et seq.**
NYSE rules, **App F**
Obstruction sentencing enhancement under U.S.S.G § 3C1.1, **21:37, 21:43**
Omissions
Materiality of, Raj Rajaratnam case, **21:16**
Public disclosure as curing, **7:276 et seq.**
On basis of inside information, trades made, **7:348**
Operational information, **7:209**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**
Suits by, **7:504**
Opposition to motion to suppress wiretap evidence, Raj Rajaratnam case, **21:13**
Overview, **7:638 et seq.**
Parties, **7:363**
Pecuniary benefit to tippee, **7:628**

INSIDERS AND INSIDER TRADING—Cont'd
Penalty actions
Generally, **7:438**
Aider-abettors, **7:449**
Amount of penalty
Control persons, **7:459**
Court-imposed, **7:439**
Bounties, **7:445**
Control person liability
Generally, **7:451 et seq.**
All control persons, **7:453**
Amount of liability, **7:459**
Broker-dealer control persons, **7:456**
B test, **7:456**
Contribution to violation, **7:458**
Failure to act, **7:455**
Investment adviser control persons, **7:456**
Knowledge
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Policy/procedure failures, **7:457**
Reckless disregard
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Requirements, **7:452**
Respondeat superior liability, **7:450**
Substantial contribution to violation, **7:458**
A test, **7:453**
Control persons, penalties imposed on, **7:440**
Court imposed penalties, **7:439**
Disposition of penalties, **7:445**
Double jeopardy limitations, **7:443**
Factors considered in imposition of penalties, **7:442**
Informants, awards to, **7:445**
Judge or jury, **7:446**
Maximum penalties imposed, **7:441**
Persons liable
Generally, **7:447**

INSIDERS AND INSIDER TRADING—Cont'd
Penalty actions—Cont'd
Persons liable—Cont'd
Aider-abettors, **7:449**
Control person liability, above
Employers, **7:450**
Respondeat superior liability, **7:450**
Tippers, **7:448**
Traders, **7:448**
Respondeat superior liability, **7:450**
Settled penalties, **7:444**
Tippees, penalties imposed on, **7:439**
Traders, penalties imposed on, **7:439**
Persons subject to regulation
Generally, **7:642 et seq.**
Advisers, **7:652**
Affiliated entities, **7:647**
Business associates, **7:653**
Contraction era, **7:646**
Directors, **7:649**
Employees, **7:650**
Expansion era, **7:645**
Issuers, **7:643 et seq.**
Officers, **7:648**
Shareholders, **7:651**
Tippees, **7:654**
Pervasiveness, **7:195**
Pleading
Generally, **7:364**
Nonpublic nature of information, **7:310**
Scienter, **7:398**
Policies, preventive
Generally, **7:468 et seq.**
Arguments pro, **7:191 et seq.**
Broker-dealers, **7:470**
Con arguments, **7:180 et seq.**
Control person liabilities for failure to have, **7:457**
Education, **7:473**
Information policies and procedures, **7:474**
Investment advisers, **7:470**

INSIDERS AND INSIDER TRADING—Cont'd
Policies, preventive—Cont'd
Nature of policies and procedures, **7:472**
Organizations, requirements for, **7:471**
Procedures, **7:476**
Sanctions for violations, **7:477**
Tipping policies, **7:475**
Trading policies, **7:475**
Possession of MNPI
Generally, **7:316**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321, 7:341**
Chinese walls
Generally, **7:343 et seq.**
Evolution of rule, **7:344**
Operation, **7:345**
Connection with transaction, **7:681**
Individuals, proof for, **7:342**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Proof, **7:322 et seq.**
Rule 10b-5
Generally, **7:318 et seq.**
Access, proof of, **7:323**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321**
Contact, proof of, **7:324**
Individuals, proof as to, **7:322**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:326**
Proof, **7:322 et seq.**
Trading, proof of, **7:325**
Use inferred from possession, **7:328**
Rule 14e-3
Generally, **7:340 et seq.**
Burden of proof, **7:341**
Chinese walls, **7:343 et seq.**
Individuals, proof for, **7:342**

INSIDERS AND INSIDER TRADING—Cont'd
Possession of MNPI—Cont'd
Rule 14e-3—Cont'd
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Standard of proof, **7:341**
Standard of proof, **7:341**
Use compared, **7:317**
Predictions, earning, **7:204**
Pre-trial detention, Raj Rajaratnam case, **21:6, 21:8**
Principals, harm to, **7:190**
Private actions
Generally, **7:478 et seq., 7:491 et seq.**
Amount of liability, **7:488, 7:521 et seq.**
Ancillary relief, **7:490, 7:525**
Background, **7:501**
Causation, **7:517**
Contemporaneous traders, actions by, **7:503 et seq.**
Control persons, actions against, **7:486, 7:512**
Convertibles traders, suits by, **7:508**
Damages, **7:488, 7:521 et seq.**
Elements of action, **7:514 et seq.**
Express causes of action, **7:478 et seq.**
Fiduciary theory, **7:498**
Implied causes of action, **7:491 et seq., 7:493 et seq.**
Market, relation of parties to, **7:493 et seq.**
Misappropriation theory, **7:499**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**
Suits by, **7:504**
Option traders, suits by, **7:507**
Other liabilities, relation to, **7:489**
Parties defendant, **7:483, 7:509**

INSIDERS AND INSIDER TRADING—Cont'd
Private actions—Cont'd
Parties plaintiff
Express causes of action, **7:480 et seq.**
Implied actions, **7:502 et seq.**
Relation to other liabilities, **7:489, 7:524**
Reliance, **7:516**
Rule 10b-5, **7:497 et seq.**
Rule 14e-3, **7:500**
Same class of securities, actions by traders in, **7:482, 7:506**
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**
Suits by, **7:505**
SEA § 16(b), **7:160**
Standing, **7:520**
Tippers, actions against, **7:485, 7:511**
Traders
Actions against, **7:484, 7:510**
Contemporaneous, suits by, **7:481**
Who can be sued, **7:483, 7:509**
Who can sue, generally, **7:502**
Who may sue
Express causes of action, **7:480 et seq.**
Implied actions, **7:502 et seq.**
Private purpose, transmission of information for, **7:661**
Privity
Implied liability, **8:277**
SA § 12(2), **8:267**
SA § 17(a), **8:277**
Sales fraud, **8:267**
Probable cause, Raj Rajaratnam case, **21:15**
Procedural aspects, **7:363 et seq.**
Prompt disclosure requirement, Regulation FD, **7:543**
Proof
Generally, **7:368**

INSIDERS AND INSIDER TRADING—Cont'd
Proof—Cont'd
Materiality, **7:226**
Nonpublic nature of information, **7:313**
Transmission of information, **7:660**
Protection of information traders, **7:183**
Proximity of tippee, **7:673**
Publicity, **7:216**
Public or nonpublic character of information. Nonpublic information, above
Quantum of proof, **7:366, 7:367**
Rajaratnam-Chiesi conspiracy, Count Five, **21:24**
Rajaratnam-Goel conspiracy, Count Three, **21:22**
Rajaratnam-Khan conspiracy, Count Two, **21:21**
Rajaratnam-Kumar conspiracy, Count Four, **21:23**
Raj Rajaratnam and criminal insider trading
Generally, **21:1 et seq.**
Arguments in Rajaratnam criminal case, above
Arrest of Rajaratnam, **21:4**
Background of Rajaratnam, **21:2**
Bail hearing, **21:9**
Bail in securities prosecutions
Generally, **21:5**
Federal bail, **21:8**
Final word, **21:10**
Hearing, **21:9**
Calculation of gain under U.S.S.G, by Rajaratnam, **21:39, 21:40**
Calculation of sentence, **21:34 et seq.**
Closing arguments, **21:25**
Co-conspirators' sentences, **21:44**
Conclusions and observations on sentencing, **21:49**
Counts One through Five, **21:20 to 21:24**
Court decision on suppression of wiretap evidence, **21:14**

INSIDERS AND INSIDER TRADING—Cont'd
Raj Rajaratnam and criminal insider trading—Cont'd
Criminal offenses, DOJ argument on nature and circumstances, **21:33**
Defense arguments on nature and character of defendant, **21:38**
Disputes, opinion of Judge Holwell resolving sentencing disputes, **21:45**
DOJ arguments, **21:33**
Early investigation by SEC, **21:3**
Failure to establish probable cause, **21:15**
Federal bail, **21:8**
Federal Sentencing Guidelines, **21:28 to 21:31**
Gain, **21:35, 21:39, 21:40**
Galleon conspiracy
Count One, **21:20**
Gain, **21:46**
Government opposition to suppression of wiretap evidence, **21:13**
Government's technical sentencing guideline calculation, **21:34**
Hearing, bail, **21:9**
Interpretation of Sentencing Guidelines, **21:46**
Investigation by SEC, early, **21:3**
Judge Holwell's opinions, **21:45, 21:46**
Jury trial, **21:26**
Leadership role enhancement (U.S.S.G. § 3B1.1(a)), **21:36, 21:42, 21:47**
Length of sentence under Federal Sentencing Guidelines, **21:30**
Limitation of gain to amount actually realized by defendant, **21:40**
Materiality of omissions, **21:16**
Motion to suppress wiretap evidence, **21:12**
Necessity requirement, **21:14, 21:17**

INSIDERS AND INSIDER TRADING—Cont'd
Raj Rajaratnam and criminal insider trading—Cont'd
Obstruction enhancement under U.S.S.G § 3C1.1, **21:37, 21:43, 21:48**
Omissions, materiality of, **21:16**
Opposition to motion to suppress wiretap evidence, **21:13**
Overview of sentencing arguments, **21:32**
Pre-trial detention, **21:6, 21:8**
Probable cause, **21:15**
Proof at trial on the merits, **21:19**
Rajaratnam-Chiesi conspiracy, Count Five, **21:24**
Rajaratnam-Goel conspiracy, Count Three, **21:22**
Rajaratnam-Khan conspiracy, Count Two, **21:21**
Rajaratnam-Kumar conspiracy, Count Four, **21:23**
Resolution of leadership role enhancement, **21:47**
Resolution of obstruction issue, **21:48**
Sentencing phase, generally, **21:27**
Seriousness of offense, overstatement by Sentencing Guidelines, **21:41**
Share of gains of Galleon case, **21:46**
Statutory maximum, **21:29**
Strategies of Federal Sentencing Guidelines, **21:31**
Structure of Federal Sentencing Guidelines, **21:28**
Suppression of wiretap evidence, motion for, **21:12**
Trial on the merits, **21:19**
Trial preparation, **21:7**
Wiretap evidence
Conclusions regarding suppression motion, **21:18**
Court decision on suppression, **21:14**
Government opposition to suppression, **21:13**

INSIDERS AND INSIDER TRADING—Cont'd
Raj Rajaratnam and criminal insider trading—Cont'd
Wiretap evidence—Cont'd
Insider trading investigation generally, **21:11**
Materiality of omissions, **21:16**
Motion to suppress, **21:12**
Necessity doctrine, **21:13**
Necessity requirement, **21:17**
Opposition to motion to suppress, **21:13**
Probable cause, failure to establish, **21:15**
Reasons
Con, **7:180 et seq.**
Pro, **7:191 et seq.**
Recommendations, **7:215**
Registration provisions and Regulation FD disclosure, **7:547**
Regulation FD disclosure
Generally, **7:526 et seq.**
Analysts' roles, **7:528**
Antifraud provisions and, **7:546**
Avoiding selective disclosure, **7:553**
Companies covered, **7:545**
Compliance, **7:551 et seq.**
Curing violations, **7:554**
Eliminating nonpublic information, **7:552**
Enforcement, **7:549**
Exemption provisions and, **7:548**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Materiality of triggering information, **7:535**
Method of disclosure, **7:544**
Persons triggering duty, **7:537**
Policy basis, **7:527**
Prompt disclosure requirement, **7:543**
Registration provisions and, **7:547**
Regulatory gap, **7:530**
Scope of regulation, **7:545**

INSIDERS AND INSIDER TRADING—Cont'd
Regulation FD disclosure—Cont'd
SEC filing, compliance by, **7:555**
Selective disclosure
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Simultaneous disclosure requirements, **7:542**
Timing requirements, **7:541 et seq.**
Triggering events
Generally, **7:531 et seq.**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Materiality of triggering information, **7:535**
Non-intentional disclosures, **7:540**
Nonpublic nature of information disclosed, **7:536**
Nontriggering disclosures, **7:533**
Persons triggering duty, **7:537**
Selective disclosures, **7:532**
Unintentional disclosures, **7:540**
Unintentional disclosures, **7:540**
Validity, **7:550**
Violations, curing, **7:554**
Relationships subject to regulation, **7:562 et seq.**
Relations of tippee, benefit to, **7:630**
Relative, gift to, **7:396**
Reliance, private actions, **7:516**
Remoteness of tippee, **7:673**
Reporting requirements
Generally, **7:175 et seq.**
Detection of illegal trades, **7:178**
Extent of activity, **7:179**
Foreign accounts, use of, **7:177**
Publication, **7:176**

INSIDERS AND INSIDER TRADING—Cont'd
Reputational benefit to tippee, **7:629**
RICO, **7:414, 7:464**
Rule 10b-5, **4:1, 7:163, 12:4**
Rule 14e-3, **7:166**
Rule 15c1-2, **7:165**
Rule 144, **7:167**
SA § 17(a)
Generally, **7:164**
Indirect-impersonal dealing, **7:164**
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**
Suits by, **7:505**
Sarbanes-Oxley Act, inside trading reports, **8:471**
Scienter
Generally, **7:372 et seq.**
Fiduciary theory
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**
Knowledge that tippee will trade, **7:662**
Mail and wire fraud, **7:413**
Martha Stewart case
Generally, **7:403 et seq.**
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Sufficiency of evidence test, **7:408**
Misappropriation theory
Tippers, **7:382**
Trading insiders, **7:378**
Trading tippees, **7:386**
Pleading, **7:398**
Proof, **7:399 et seq.**
Rule 10b-5, **7:374 et seq.**

INSIDERS AND INSIDER TRADING—Cont'd
Scienter—Cont'd
Rule 14e-3, **7:412**
Tippee violations, **7:672**
Tippers
Generally, **7:379 et seq.**
Fiduciary theory, **7:381**
Misappropriation theory, **7:382**
Proof, **7:401**
Tipping violations, **7:662**
Trading insiders, **7:375 et seq., 7:400**
Trading tippees
Generally, **7:383 et seq.**
Proof, **7:402**
Scope of regulations
Generally, **7:557 et seq.**
Access criteria, **7:560**
Buyers, **7:563**
Congressional intent, **7:559**
Contraction era, **7:561 et seq.**
Expansion era, **7:560**
Issuers, applicability to, **7:565**
Relationships subject to regulation, **7:562 et seq.**
SEC efforts to define, **7:559**
Sellers, **7:563**
Third parties, applicability to, **7:566**
Unfairness criteria, **7:560**
SEA § 16(b)
Generally, **7:156 et seq.**
Administrative enforcement, **7:159**
Civil penalties, **7:159**
Insider short sales, **7:157**
Private actions, **7:160**
Short swing trading, **7:156**
Tipping, **7:158**
SEC investigations
Raj Rajaratnam case, early investigation, **21:3**
Wiretap in enforcement, **13:146, 13:153**
SEC Rule 14e-3
Generally, **7:632 et seq.**
Duty imposed, **7:633**

INSIDERS AND INSIDER TRADING—Cont'd
SEC Rule 14e-3—Cont'd
Supreme Court validation, **7:636, 7:637**
Validity, **7:634 et seq.**
Securities Act (SA), Mail and wire fraud, **7:172**
Securities professionals as insiders, **7:572**
Selective disclosure and full disclosure obligations
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Sentencing phase of Raj Rajaratnam criminal insider trading case, **21:27 et seq.**
Shared confidences, **7:590**
Share repurchase plans, **7:210**
Short swing trading, SEA § 16(b), **7:156**
Simultaneous FD disclosure requirements, **7:542**
SRO rules, **7:168**
State law, **7:153**
Summary of provisions, **7:638 et seq.**
Suppression of wiretap evidence, **21:12 to 21:18**
Tender offers, **6:111, 7:214**
Timely disclosure
Generally, **7:238 et seq.**
Acquisition information
Generally, **7:248 et seq.**
Agreements
Disclosure not required, **7:261**
Disclosure required, **7:260**
Company, trading by, **7:256**
Definitions, **7:250**
Disclosure document obligations, **7:259**
Leaks, **7:255**

INSIDERS AND INSIDER TRADING—Cont'd
Timely disclosure—Cont'd
Acquisition information—Cont'd
Materiality of negotiated acquisitions, **7:262 et seq.**
Preliminary negotiations
Misleading statements, **7:253**
No statement made, **7:252**
Other situations, **7:254**
Prior statement now misleading, **7:257**
Rumors, **7:255**
Stages of negotiated acquisitions, **7:249**
Target response to tender offers, **7:258**
When disclosure of agreement required, **7:260**
When disclosure required, **7:251 et seq.**
Business judgment considerations, **7:241**
Corporate purpose considerations, **7:242**
Delays, justifications for, **7:240**
Dividend actions
Evolving information, **7:245**
Materiality, **7:247**
When disclosure required, **7:246**
Evolving information. Dividend actions, above
Justification for delay, **7:240**
Law violations and timeliness considerations, **7:244**
Ripeness and timing, **7:243**
Tender offers
Generally, **7:267**
Materiality, **7:270**
Stages of nonnegotiated acquisitions, **7:268**
When disclosure required, **7:269**
Timing of FD disclosure requirements, **7:541 et seq.**
Tippee's knowledge of tipper's benefit, **7:387**
Tippee violations
Generally, **7:623, 7:664 et seq.**
Benefit to insider-tipper, **7:627**

INSIDERS AND INSIDER TRADING—Cont'd
Tippee violations—Cont'd
Benefit to tipper, **7:671**
Dirks background, **7:396, 7:625**
Elements of, **7:668 et seq.**
Expansion era, **7:665**
Family benefit to, **7:630**
Fiduciary breach requirement, **7:626**
Friends, benefit to, **7:630**
Issuers, **7:654**
Knowledge of inside source, **7:672**
Misappropriation, **7:675**
Need for fiduciary benefit, **7:626**
Pecuniary benefit, **7:628**
Penalties imposed on, **7:439**
Policies, **7:666**
Proof of possession element, **7:670**
Proximity of tippee, **7:673**
Reasons, **7:666**
Receipt in fiduciary breach, **7:623**
Relations, benefit to, **7:630**
Remoteness of tippee, **7:673**
Reputational benefit, **7:629**
Scienter, **7:672**
Theories of, **7:667**
Tip defined, **7:624**
Tipper violation, necessity of, **7:674**
Trading, **7:675**
Tipper violations
Fiduciary theory, **7:381**
Misappropriation theory, **7:382**
Scienter, **7:379 et seq.**
Tipping violations
Generally, **7:655 et seq.**
Benefit of tipper, transmission of information for, **7:661**
Elements of violations, **7:658 et seq.**
Expansion era, **7:656**
Joint and several liability, **9:36**
Knowledge that tippee will trade, **7:662**
Necessity of tippee trading, **7:663**
Nonpublic information, **7:272 et seq.**

INSIDERS AND INSIDER TRADING—Cont'd
Tipping violations—Cont'd
Policies, **7:657**
Private purpose, transmission of information for, **7:661**
Proof of transmission of information, **7:660**
Reasons, **7:657**
Scienter, **7:662**
SEA § 16(b), **7:158**
Transmission of information, **7:659**
Violations, elements, **7:658 et seq.**
Transmission of information, **7:659**
Trial on the merits, Raj Rajaratnam case, **21:19**
Trial preparation, Raj Rajaratnam case, **21:7**
Unequal information, **7:181**
Unfairness criteria, **7:560**
Unfairness of activities, **7:181**
Unintentional disclosures and Regulation FD disclosure, **7:540**
Use of MNPI
Generally, **7:316**
Burden of proof, **7:331**
Connection with transaction, **7:681**
Individuals, proof for, **7:332**
Organizations, proof for, **7:339**
Possession compared, **7:317**
Rule 10b-5
Generally, **7:327 et seq.**
Burden of proof, **7:331**
Individuals, proof for, **7:332**
Inferences, **7:328**
Organizations, proof for, **7:339**
Possession, use inferred from, **7:328**
Rebuttal evidence, **7:337, 7:338**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Rule 14e-3, generally, **7:347**

INSIDERS AND INSIDER TRADING—Cont'd
Use of MNPI—Cont'd
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Wiretap in enforcement
Raj Rajaratnam and criminal insider trading, above
SEC investigations, **13:146, 13:153**

INSIDER TRADING AND SECURITIES FRAUD ENFORCEMENT ACT
Broker-dealer liability, **14:168**

INSTITUTIONAL INVESTORS
Suitability of investments, **14:190**

INSURANCE
Generally, **9:76**
Madoff Ponzi scheme, recovery, **20:24**
SEC settlements, coverage for settling defendants, **13:183**
Uninsured products NASD risk disclosure requirements, **6:288**

INSURANCE COMPANIES
Proxy rules, applicability of
Generally, **6:201**
Antifraud provisions, federal, **6:204**
Federal and state rules, **6:202**
McCarran Act, **6:203**

INTENT
Generally, **8:58 et seq., 8:191 et seq.**
See also Knowledge (this index)
Absence of intent, effect of, **8:200**
Administrative intent, **3:19**
Common law, **8:59**
Congressional Intent (this index)
Conscious intent, **8:358**
Criminal cases, **8:197**
Defendant's intent
Blue sky laws, **8:61**

INTENT—Cont'd
Defendant's intent—Cont'd
Broker-dealer fraud, **8:143**
Common law, **8:59**
Manipulation, **8:119**
SA § 12(2), **8:68**
SA § 17(a), **8:86**
Scienter
Generally, **8:86**
Broker-dealer fraud, **8:143**
Tender offers, **8:136**
SEC, false reports to, **8:150**
Tender offers, **8:136**
Defendant's knowledge and intent, **8:79**
Foreign cubed cases, discerning intent, **11:23**
High conscious intent, **8:358**
Insufficiency, **8:199**
Manipulation, defendant's intent, **8:119**
Misrepresentation claims, consideration of, **7:53**
Presence of intent, effect of, **8:200**
Private actions, necessity of proving intent in, **8:194**
Privity determinations, **8:316**
Proxy fraud, **8:129**
Scienter
Generally, **8:58, 8:191 et seq.**
See also Scienter (this index)
Absence of intent, effect of, **8:200**
Burden of proof, **8:201**
Criminal cases, **8:197**
Injunctions, **8:195**
Insufficiency, **8:199**
Necessity, **8:193 et seq.**
Presence of intent, effect of, **8:200**
Private actions, necessity of proving intent in, **8:194**
Proof, **8:202**
Proxy fraud, **8:129**
SEC decisions, **8:196**
Sufficiency, **8:198**
Tender offers, **8:136**
SEC, false reports to, **8:150**
Sufficiency, **8:198**

INTENT—Cont'd
Versions of scienter, relations among, **8:192**

INTERFERENCE
Private actions, materiality, **8:43**

INTERMEDIARIES
Mutual fund violations, **17:18**

INTERNAL REVENUE CODE
Backdating of stock options, **18:5**

INTERNATIONAL FRAUD
Madoff Ponzi scheme, **20:1 et seq.**

INTERNATIONAL TRANSACTIONS
See Foreign and International Transactions (this index)

INTERNET
See Crowdfunding (this index)

INTERPRETATION
Congressional Intent (this index)
Disclosures, **6:236**
Flexibility to achieve remedial purpose
Contraction era, **3:88**
Expansion era, **3:66**
Implied liability
Generally, **3:64 et seq., 3:86 et seq.**
Flexibility to achieve remedial purpose
Contraction era, **3:88**
Expansion era, **3:66**
Legislative history, use of
Contraction era, **3:90 et seq.**
Expansion era, **3:68**
Literalism, statutory
Contraction era, **3:89**
Expansion era, **3:67**
Negative implication
Contraction era, **3:87**
Expansion era, **3:65**
Remedial purpose, flexibility to achieve
Contraction era, **3:88**
Expansion era, **3:66**

INTERPRETATION—Cont'd
Implied liability—Cont'd
Rule 10b-5, **3:64 et seq., 3:86 et seq.**
Statutory literalism
Contraction era, **3:89**
Expansion era, **3:67**
Legislative history, use of
Contraction era, **3:90 et seq.**
Expansion era, **3:68**
Literalism, statutory
Contraction era, **3:89**
Expansion era, **3:67**
Negative implication
Contraction era, **3:87**
Expansion era, **3:65**
Remedial purpose, flexibility to achieve
Contraction era, **3:88**
Expansion era, **3:66**
Statutory literalism
Contraction era, **3:89**
Expansion era, **3:67**

INVESTIGATIONS
Generally, **13:1 et seq.**
Administrative Enforcement (this index)
Attorney General Eric Schneiderman of New York, Martin Act suits following subprime mortgage crisis, **13:336, 13:337**
Attorneys
CFTC investigations
Counsel investigations, **13:219**
Multiple clients, **13:207**
Conflicts of interest
CFTC investigations, **13:207**
SEC investigations, **13:15**
SRO investigations, **13:277**
Counsel investigations
CFTC investigations, **13:219**
SEC investigations, **13:27**
SRO investigations, **13:281**
Early strategy, **13:3**
Foresight, need for, **13:3**
Privileges
Generally, **13:31 et seq.**

INVESTIGATIONS—Cont'd
Attorneys—Cont'd
Privileges—Cont'd
Attorney-client
Generally, **13:36**
Filip era
Changes in policy, **13:54**
Cooperation, **13:51, 13:52**
Internal investigations, **13:52**
Investor recovery, **13:55**
Joint defense, **13:54**
Relief from pressure to waive, **13:50**
Sharing agreements, **13:54**
Waiver request, **13:53**
Work product, **13:54**
Waiver
Constitutional analysis, **13:42**
Constitutional violations, **13:43**
District Court reconsideration (Stein IV), **13:46**
Fee claims, **13:45**
Filip era, **13:50**
Findings, **13:41**
Legal fee payment, **13:39**
McNulty era, **13:48**
Pressure to waive, **13:38**
Proffers under threat of nonpayment of legal fees, **13:44**
Relief from pressure to waive, **13:48 et seq.**
Second Circuit (Stein V), **13:47**
Specter Bill, **13:49**
US v. Stein, **13:39 et seq.**
Claiming, strategic considerations, **13:61 to 13:65**
Self incrimination
Generally, **13:32**
Waiver, **13:33**
Waiver, **13:33, 13:37 et seq.**
Work product, **13:59**

INVESTIGATIONS—Cont'd
Attorneys—Cont'd
Right to counsel
CFTC, **13:206**
SEC, **13:14**
SROs, **13:276**
SEC investigations
Cooperation agreements, **20:15**
Counsel investigations, **13:27**
Multiple clients, **13:15**
Waiver of attorney-client privileges, **13:37 et seq.**
SRO investigations
Counsel investigations, **13:281**
Multiple clients, **13:277**
Strategy, early, **13:3**
Auction Rate Security (ARS) litigation
Coordinated SEC-state-SRO investigations, generally, **13:322 et seq.**
Criminal aspects, **13:331**
Government regulatory suits, **13:329**
Investor recovery as objective, **13:324**
Private litigation, **13:327, 13:328**
Securities and market, **13:325**
Seller management liability, **13:330**
State law, private litigation, **13:328**
Violations, **13:326**
Audits of investigations, **13:163**
Authority to investigate
CFTC
Generally, **13:192**
CEA § 6(b), **13:194**
CEA § 8, **13:193**
CEA § 14(b), **13:196**
CEA § 16(a), **13:193**
Inspection of records, **13:195**
Interpretation, **13:198**
Publishing data, restrictions on, **13:193**
Records inspections, **13:195**
State investigations, **13:197**
SEC, **13:6**
SROs, **13:268**

INVESTIGATIONS—Cont'd
Authority to investigate—Cont'd
State agencies, **13:314**
Cause investigation, Madoff Ponzi scheme, **20:5**
CFTC
Generally, **13:190 et seq.**
Administrative Enforcement (this index)
Amicus curiae participation in private litigation, **13:234**
Authority to investigate
Generally, **13:192**
Inspection of records, **13:195**
Interpretation, **13:198**
Publishing data, restrictions on, **13:193**
Records inspections, **13:195**
State investigations, **13:197**
CEA § 6(b), **13:194**
CEA § 8, **13:193**
CEA § 16(a), **13:193**
Character of investigations, **13:191**
Collateral effects of orders, **13:241**
Conferences with staff, **13:218**
Conflicts of interest, **13:207**
Contacts, responses to, **13:205**
Counsel investigations, **13:219**
Discovery
Generally, **13:224 et seq.**
Document production, **13:217**
Document subpoenas, **13:225**
FOIA requests, **13:226**
Production requests, **13:227**
Rule 34 production requests, **13:227**
Documents
Production, **13:217**
Subpoenas, **13:225**
Third party access to, **13:224 et seq.**
Early strategy, **13:3**
Factors influencing outcome, **13:264**
FOIA requests, **13:226**
Foresight, need for, **13:3**
Formal orders of investigation
Generally, **13:208**

INVESTIGATIONS—Cont'd
CFTC—Cont'd
Formal orders of investigation—Cont'd
Access to orders, **13:210**
Content, **13:209**
Evaluation, **13:211**
Issuance, **13:208**
Validity, **13:212**
Implications of investigations, **13:2**
Informal enforcement actions, **13:233**
Informal warnings, **13:230**
Information given by agency, **13:204**
Inspection of records, **13:195**
Multiple clients, **13:207**
Negotiating an outcome, **13:266**
No further action outcomes, **13:229**
Outcomes of investigations, **13:228 et seq.**
Overview, **13:1**
Parallel civil and criminal proceedings, **13:263**
Private investigations, **13:201**
Privileges, **13:223**
Production requests, **13:227**
Public investigations, **13:201**
Public reports, **13:232**
Records inspections, **13:195**
Reports, **13:232**
Requests for information, **13:203**
Responses to contacts, **13:205**
Right to counsel, **13:206**
Rule 34 production requests, **13:227**
Rule 45(b) subpoenas, **13:225**
SROs, references to, **13:231**
Staff conferences, **13:218**
State authorities, references to, **13:231**
State investigations, **13:197**
Statistics, **13:202**
Strategy, early, **13:3**

INVESTIGATIONS—Cont'd
CFTC—Cont'd
Subpoenas
Generally, **13:203, 13:213 et seq.**
Content, **13:214**
Document production, **13:217**
Document subpoenas, **13:225**
Evaluation, **13:215**
Power to issue, **13:200**
Responses, **13:217**
Validity challenges, **13:216**
Testimony
Generally, **13:220 et seq.**
Interrogations, **13:221**
Preparing witnesses, **13:220**
Transcripts, **13:222**
Transcripts, third party access to, **13:224 et seq.**
Triggers of investigations, **13:199**
Types of investigations, **13:200 et seq.**
Warnings, **13:230**
Wells submissions, **13:265**
Character of investigations
CFTC, **13:191**
SEC, **13:5**
Collateral effects of orders
CFTC, **13:241**
SEC, **13:92**
SROs, **13:298**
Collateralized debt obligations(CDOs), subprime mortgage crisis, **13:332**
Compliance orders, SEC, **13:82**
Conflicts of interest
CFTC investigations, **13:207**
SEC investigations, **13:15**
SRO investigations, **13:277**
Contacts, responses to
CFTC, **13:205**
SEC, **13:13**
SROs, **13:275**
Cooperation by target
Assistance provided, **20:15**
Framework for evaluation of cooperation, **20:15**
Remediation, **20:15**

INVESTIGATIONS—Cont'd
Cooperation by target—Cont'd
SEC investigations, **13:154 to 13:157, 20:15**
Self-policing, **20:15**
Self-reporting, **20:15**
SROs investigations, **13:305**
Coordinated SEC-state-SRO investigations
Generally, **13:322 et seq.**
ARS seller management liability, **13:330**
ARS violations, **13:326**
Auction Rate Security (ARS), **13:323**
Criminal aspects, **13:331**
Government regulatory suits, **13:329**
Investor recovery as objective, **13:324**
Private litigation, **13:327, 13:328**
State law, private litigation, **13:328**
Subprime mortgage crisis, **13:332 to 13:339**
Corruption, DOJ suit against Standard and Poor's, **13:338**
Counsel investigations
CFTC, **13:219**
SEC, **13:27**
SROs, **13:281**
Creators of residential mortgage-backed securities, investor litigation, **13:335**
Credit Suisse Securities suit, subprime mortgage crisis, **13:337**
Dexia v. Bear Stearns case, subprime mortgage crisis, **13:335**
Discovery
CFTC
Generally, **13:224 et seq.**
Document production, **13:217**
Document subpoenas, **13:225**
FOIA requests, **13:226**
Production requests, **13:227**
SEC
Generally, **13:66 et seq.**
Document production, **13:25**
Document subpoenas, **13:67**

INVESTIGATIONS—Cont'd
Discovery—Cont'd
SEC—Cont'd
FOIA requests, **13:68**
Production requests, **13:69**
SROs, generally, **13:286**
Documents
Production
CFTC, **13:217**
SEC, **13:25**
Third party access to
CFTC, **13:224 et seq.**
SEC, **13:66 et seq.**
SROs, **13:286**
DOJ suit against Standard and Poor's, **13:338**
Enforcement actions. See Administrative Enforcement (this index)
Factors influencing outcome
CFTC, **13:264**
SEC, **13:154 to 13:157**
SROs, **13:305**
Financial Crisis Inquiry Commission report, summary, **13:333**
First Amendment rights, **13:35**
FOIA requests
CFTC, **13:226**
SEC, **13:68**
Foreseeability, subprime mortgage crisis, **13:334**
Formal investigations, SEC, **13:8**
Formal orders of investigation
Access to orders
CFTC, **13:210**
SEC, **13:18**
CFTC
Generally, **13:208**
Access to orders, **13:210**
Content, **13:209**
Evaluation, **13:211**
Validity, **13:212**
Content
CFTC, **13:209**
SEC, **13:17**
Evaluation
CFTC, **13:211**
SEC, **13:19**

INVESTIGATIONS—Cont'd
Formal orders of investigation —Cont'd
Issuance
CFTC, **13:208**
SEC, **13:16**
SEC
Generally, **13:16 et seq.**
Access to orders, **13:18**
Content, **13:17**
Evaluation, **13:19**
Validity, **13:20**
SROs, **13:278**
Validity
CFTC, **13:212**
SEC, **13:20**
Fraud, DOJ suit against Standard and Poor's, **13:338**
Informal enforcement actions
CFTC, **13:233**
SROs, **13:292**
Informal investigations, SEC, **13:8**
Informal warnings
CFTC, **13:230**
SEC, **13:72**
SROs, **13:289**
Information given by agency
CFTC, **13:204**
SEC, **13:12**
SROs, **13:274**
Injunctions (this index)
Insiders and Insider Trading (this index)
Investor litigation following subprime mortgage crisis, **13:335**
Investor recovery as objective of coordinated SEC-state-SRO investigations, **13:324**
JP Morgan/Bear Stearns action, subprime mortgage crisis, **13:336**
Jurisdiction
Generally, **11:2 et seq.**
See also Jurisdiction (this index)
Madoff Ponzi scheme, SEC investigations, **20:2, 20:6**

INVESTIGATIONS—Cont'd
Martin Act suits, subprime mortgage crisis, **13:336, 13:337**
Mortgage backed securities (MBSs), subprime mortgage crisis, **13:332**
Negotiating an outcome
CFTC, **13:266**
SEC
Generally, **13:161 et seq.**
Advantages and disadvantages, **13:163**
Authority of staff, **13:162**
Considerations, **13:165**
Objectives, **13:164**
SROs
Generally, **13:308 et seq.**
Advantages and disadvantages, **13:310**
Considerations, **13:312**
Objectives, **13:311**
No further action outcomes
CFTC, **13:229**
SEC, **13:71**
SROs, **13:288**
Orders
CFTC
Collateral effects of orders, **13:241**
Duration of orders, **13:243**
Collateral effects of orders
CFTC, **13:241**
SEC, **13:92**
SROs, **13:298**
Compliance orders, SEC, **13:82**
Duration of orders
CFTC, **13:243**
SEC, **13:94**
SROs, **13:300**
Formal orders of investigation, above
SEC
Collateral effects of orders, **13:92**
Compliance orders, **13:82**
Duration of orders, **13:94**

INVESTIGATIONS—Cont'd
Orders—Cont'd
SROs
Collateral effects of orders, **13:298**
Duration of orders, **13:300**
Outcomes of investigations
CFTC, **13:228 et seq.**
SEC, **13:70 et seq.**
SROs, **13:287 et seq.**
State agencies, **13:317**
Overview, **13:1**
Parallel civil and criminal proceedings
Generally, **13:133 et seq.**
Battle over discovery, **13:135**
CFTC references, **13:263**
Civil-criminal flow of information, **13:139**
Continuation of criminal proceedings, **13:140**
Continuations of civil proceedings, **13:137, 13:138**
Criminal-civil flow of information, **13:141, 13:142, 13:143**
Criteria for stay of discovery, **13:136**
Discovery, **13:139, 13:141, 13:143**
Failure to warn of criminal proceeding in civil proceeding, **13:142**
Reasons for concern, **13:134**
SEC references, **13:133 et seq.**
Payments to foreign government officials. Foreign Corrupt Practices Act (FCPA) (this index)
Preliminary investigations, **13:8**
Private investigations
CFTC, **13:201**
SEC, **13:9**
SROs, **13:271**
Private litigation, **13:327, 13:328**
Privileges
Attorney-client, SEC
Generally, **13:36**
Waiver, **13:37 et seq.**
CFTC investigations, generally, **13:223**

INVESTIGATIONS—Cont'd
Privileges—Cont'd
Claiming, strategic considerations, SEC, **13:61 to 13:65**
SEC
Generally, **13:31 et seq.**
Attorney-client
Generally, **13:36**
Waiver, **13:37 et seq.**
Claiming, strategic considerations, **13:61 to 13:65**
Self incrimination
Generally, **13:32**
Waiver, **13:33**
Unreasonable search and seizure, **13:34**
Waiver, **13:33**
Work product, **13:59**
Self incrimination
Generally, **13:32**
Waiver, **13:33**
SRO investigations, **13:285**
Unreasonable search and seizure, **13:34**
Waiver, **13:33, 13:37 et seq.**
Work product, **13:59**
Public investigations
CFTC, **13:201**
SEC, **13:9**
SROs, **13:271**
Reports
CFTC, **13:232**
SEC, **1:10, 13:74 et seq.**
SROs, **13:291**
Requests for information
CFTC, **13:203**
SEC, **13:11**
SROs, **13:273**
Residential mortgages, failure during subprime mortgage crisis, **13:332**
Responses to contacts
CFTC, **13:205**
SEC, **13:13**
SROs, **13:275**
Right to counsel
CFTC, **13:206**

INVESTIGATIONS—Cont'd
Right to counsel—Cont'd
SEC, **13:14**
SROs, **13:276**
Rule 45(b) subpoenas
CFTC, **13:225**
SEC, **13:67**
Sanctions, SEC, **13:81**
SEC
Generally, **13:4 et seq.**
Access, use of wiretap in enforcement, **13:150**
Administrative Enforcement (this index)
Adoption of changes, **20:11**
Amicus curiae participation in private litigation, **13:79**
Analysis of tips, complaints and referrals by Office of Market Intelligence, **20:14**
Asset Management Unit, **20:12**
Assistance provided, **20:15**
Attorney-client privilege
Generally, **13:36**
Filip era
Changes in policy, **13:54**
Cooperation, **13:51, 13:52**
Internal investigations, **13:52**
Investor recovery, **13:55**
Joint defense, **13:54**
Relief from pressure to waive, **13:50**
Sharing agreements, **13:54**
Waiver request, **13:53**
Work product, **13:54**
Waiver
Generally, **13:37 et seq.**
Constitutional analysis, **13:42**
Constitutional violations, **13:43**
District Court reconsideration (Stein IV), **13:46**
Fee claims, **13:45**
Filip era, **13:50**
Findings, **13:41**
KPMG's actions, **13:40**
Legal fee payment, **13:39**
McNulty era, **13:48**

INVESTIGATIONS—Cont'd
SEC—Cont'd
Attorney-client privilege—Cont'd
Waiver—Cont'd
Pressure to waive, **13:38**
Proffers under threat of nonpayment of legal fees, **13:44**
Relief from pressure to waive, **13:48 et seq.**
Second Circuit (Stein V), **13:47**
Specter Bill, **13:49**
US v. Stein, **13:39 et seq.**
Audits of investigations, **13:163**
Authority for wiretap, **13:145**
Authority to investigate, **13:6**
Bounties to whistleblowers, **20:15**
Changes, **20:11**
Character of investigations, **13:5**
Collateral effects of orders, **13:92**
Collateral horrors of cooperation, **20:15**
Collection of tips, complaints and referrals by Office of Market Intelligence, **20:14**
Compliance orders, **13:82**
Conferences with staff, **13:26**
Conflicts of interest, **13:15**
Contacts, responses to, **13:13**
Control of wiretap results, **13:148**
Cooperation agreements, **20:15**
Cooperation by target, **13:154 to 13:157, 20:15**
Coordinated SEC-state-SRO investigations
Generally, **13:322 et seq.**
ARS securities and market, **13:325**
ARS seller management liability, **13:330**
ARS violations, **13:326**
Auction Rate Security (ARS), **13:323**
Criminal aspects, **13:331**
Government regulatory suits, **13:329**
Investor recovery as objective, **13:324**

INVESTIGATIONS—Cont'd
SEC—Cont'd
Coordinated SEC-state-SRO investigations—Cont'd
Private litigation, **13:327, 13:328**
State law, private litigation, **13:328**
Counsel investigations, **13:27**
Deferred prosecution agreements, **20:15**
Delay of SEC investigations, **20:10**
Discovery
Generally, **13:66 et seq.**
Document production, **13:25**
Document subpoenas, **13:67**
FOIA requests, **13:68**
Production requests, **13:69**
Rule 34 production requests, **13:69**
Document production, **13:25**
Documents, third party access to, **13:66 et seq.**
Document subpoenas, **13:67**
Early strategy, **13:3**
Encouraging cooperation, **20:15**
Enforcement Manual 2010 revisions, **20:15**
Evaluation of cooperation, **20:15**
Experience level of investigative personnel, **20:10**
Expertise of investigators, **20:12**
Factors influencing outcome, **13:154 to 13:157**
First Amendment freedoms, **13:35**
Focus of SEC examinations, **20:10**
FOIA requests, **13:68**
Foreign Corrupt Practices Act Unit, **20:12**
Foresight, need for, **13:3**
Formal investigations, **13:8**
Formal orders of investigation
Generally, **13:16 et seq.**
Access to orders, **13:18**
Content, **13:17**
Evaluation, **13:19**
Issuance, **13:16**
Validity, **13:20**

INVESTIGATIONS—Cont'd
SEC—Cont'd
Fostering cooperation, **20:15**
Framework for evaluation of cooperation, **20:15**
Galleon cases, use of wiretap in enforcement, **13:146, 13:153**
Implications of investigations, **13:2**
Informal enforcement actions, **13:78**
Informal investigations, **13:8**
Informal warnings, **13:72**
Information given by agency, **13:12**
Insider trading, use of wiretap in enforcement, **13:146, 13:153**
Internal communications within investigations, **20:10**
Judicial approval of wiretap, **13:151**
Madoff Ponzi scheme, **20:2, 20:6, 20:10 to 20:24**
Market Abuse Unit, **20:12**
Monitoring of tips, complaints and referrals by Office of Market Intelligence, **20:14**
Multiple clients, **13:15**
Municipal Securities and Public Pensions Unit, **20:12**
Negotiating an outcome
Generally, **13:161 et seq.**
Advantages and disadvantages, **13:163**
Authority of staff, **13:162**
Considerations, **13:165**
Objectives, **13:164**
No further action outcomes, **13:71**
Nonprosecution agreements, **20:15**
Office of Market Intelligence, **20:14**
Outcomes of investigations, **13:70 et seq.**
Overview, **13:1**
Parallel civil and criminal proceedings, **13:133 et seq.**
Preliminary investigations, **13:8**
Privacy interests, use of wiretap in enforcement, **13:149, 13:150**

INVESTIGATIONS—Cont'd
SEC—Cont'd
Private investigations, **13:9**
Privileges
Generally, **13:31 et seq.**
Attorney-client
Generally, **13:36**
Waiver, **13:37 et seq.**
Claiming, strategic considerations, **13:61 to 13:65**
Self incrimination
Generally, **13:32**
Waiver, **13:33**
Waiver, **13:33**
Work product, **13:59**
Production requests, **13:69**
Proffer agreements, **20:15**
Public access, use of wiretap in enforcement, **13:149**
Public investigations, **13:9**
Public reports, **13:74 et seq.**
Rajaratnam case issues yet to be resolved, **13:153**
Red flags during investigations, **20:10**
Referrals, screening by Office of Market Intelligence, **20:14**
Relevancy of wiretap, **13:152**
Remediation by target, **20:15**
Reports, **1:10, 13:74 et seq.**
Requests for information, **13:11**
Resolutions of examiners, **20:10**
Responses to contacts, **13:13**
Restricted immunity offers, **20:15**
Review, use of wiretap in enforcement, **13:147**
Right to counsel, **13:14**
Risks of cooperation, **20:15**
Rule 34 production requests, **13:69**
Rule 45(b) subpoenas, **13:67**
Sanctions, **13:81**
Scope of investigations, **20:10**
SEA § 21(a) reports, **13:74 et seq.**
Seaboard Report, **20:15**
Self-policing by target, **20:15**
Self-reporting by target, **20:15**
Settlements, **13:154 to 13:157**

INVESTIGATIONS—Cont'd
SEC—Cont'd
Sharing information with other agencies, etc., **20:14**
Shortening of Wells process, **20:13**
Specialized investigation units, **20:12**
Specialized investigators, **20:12**
Specificity, **13:104**
SROs, references to, **13:73**
Staff conferences, **13:26**
Staffing of investigations, **20:10**
Staff performance evaluation, **20:13**
State authorities, references to, **13:73**
Statistics, **13:10**
Strategy, early, **13:3**
Streamlining internal investigation procedures, **20:13**
Structured and New Products Unit, **20:12**
Subpoenas
Generally, **13:11, 13:21 et seq.**
Content, **13:22**
Document production, **13:25**
Document subpoenas, **13:67**
Evaluation, **13:23**
Responses, **13:25**
Validity challenges, **13:24**
Testimony
Generally, **13:28 et seq.**
Interrogations, **13:29**
Preparing witnesses, **13:28**
Transcripts, **13:30**
Tips and connections between tips, **20:14**
Tolling requirements for investigations, **20:13**
Training of investigators, **20:12**
Transcripts, third party access to, **13:66 et seq.**
Triggers of investigations, **13:7**
Types of investigations, **13:8 et seq.**
Unreasonable search and seizure, **13:34**
Warnings, **13:72**

INVESTIGATIONS—Cont'd
SEC—Cont'd
Web site for post-Madoff reforms, **20:13**
Wells submissions
Generally, **13:158**
Advantages and disadvantages, **13:160**
Character, **13:159**
Timeframe, **20:13**
Whistleblowers, **20:14, 20:15**
Wiretap in enforcement, **13:144 et seq.**
Work product privileges, **13:59**
Self-dealing, DOJ suit against Standard and Poor's, **13:338**
Settlements
SEC, **13:154 to 13:157**
SROs, **13:305**
State agencies, **13:321**
Specificity, **13:104**
SROs
Generally, **13:267 et seq.**
Amicus curiae participation in private litigation, **13:293**
ARS securities and market, **13:325**
ARS seller management liability, **13:330**
ARS violations, **13:326**
Auction Rate Security (ARS), **13:323**
Authority
Orders, **13:278**
Subpoenas, **13:279**
Authority to investigate, **13:268**
CFTC references of investigations to, **13:231**
Collateral effects of orders, **13:298**
Conferences with staff, **13:280**
Conflicts of interest, **13:277**
Contacts, responses to, **13:275**
Cooperation by target, **13:305**
Coordinated SEC-state-SRO investigations, generally, **13:322 et seq.**
Counsel investigations, **13:281**
Criminal aspects, **13:331**

INVESTIGATIONS—Cont'd
SROs—Cont'd
Criminal enforcement references, **13:304**
Discovery, **13:286**
Documents, third party access to, **13:286**
Early strategy, **13:3**
Factors influencing outcome, **13:305**
Foresight, need for, **13:3**
Formal orders of investigation, **13:278**
Government regulatory suits, **13:329**
Implications of investigations, **13:2**
Informal enforcement actions, **13:292**
Informal warnings, **13:289**
Information given by agency, **13:274**
Information sharing by SEC Office of Market Intelligence, **20:14**
Interorganization references, **13:290**
Investor recovery as objective, **13:324**
Multiple clients, **13:277**
Negotiating an outcome
Generally, **13:308 et seq.**
Advantages and disadvantages, **13:310**
Considerations, **13:312**
Objectives, **13:311**
No further action outcomes, **13:288**
Orders, **13:278**
Outcomes of investigations, **13:287 et seq.**
Overview, **13:1**
Private investigations, **13:271**
Private litigation, **13:327, 13:328**
Privileges, **13:285**
Public investigations, **13:271**
Public reports, **13:291**
References between SROs, **13:290**
Reports, **13:291**
Requests for information, **13:273**

INVESTIGATIONS—Cont'd
SROs—Cont'd
Responses to contacts, **13:275**
Right to counsel, **13:276**
SEC references of investigations to, **13:73**
Settlements, **13:305**
Staff conferences, **13:280**
State authorities, references to, **13:290**
State law, private litigation, **13:328**
Statistics, **13:272**
Strategy, early, **13:3**
Subpoena power, **13:270**
Subpoenas, **13:279**
Summary proceedings, **13:302**
Testimony
Generally, **13:282 et seq.**
Interrogations, **13:283**
Preparing witnesses, **13:282**
Transcripts, **13:284**
Transcripts, third party access to, **13:286**
Triggers of investigations, **13:269**
Types of investigations, **13:270**
Warnings, **13:289**
Wells submission equivalents
Generally, **13:306**
Character, **13:307**
Staff conferences
CFTC, **13:218**
SEC, **13:26**
SROs, **13:280**
Standard and Poor's ratings of mortgage-backed securities, **13:338**
State agencies
Generally, **13:313 et seq.**
ARS securities and market, **13:325**
ARS seller management liability, **13:330**
ARS violations, **13:326**
Auction Rate Security (ARS), **13:323**
Authority, **13:314**
CFTC references of investigations to, **13:231**

INVESTIGATIONS—Cont'd
State agencies—Cont'd
Coordinated SEC-state-SRO investigations, generally, **13:322 et seq.**
Criminal aspects, **13:331**
Government regulatory suits, **13:329**
Information sharing by SEC Office of Market Intelligence, **20:14**
Investor recovery as objective, **13:324**
Outcomes of investigations, **13:317**
Private litigation, **13:327, 13:328**
SEC references of investigations to, **13:73**
Settlements, **13:321**
SRO references of investigations to, **13:290**
State law, private litigation, **13:328**
Subpoenas, **13:315**
Statistics
CFTC, **13:202**
SEC, **13:10**
SROs, **13:272**
Subpoenas
CFTC
Generally, **13:203, 13:213 et seq.**
Content, **13:214**
Document production, **13:217, 13:225**
Evaluation, **13:215**
Responses, **13:217**
Validity challenges, **13:216**
Content
CFTC, **13:214**
SEC, **13:22**
Document production
CFTC, **13:217**
SEC, **13:25**
Document subpoenas
CFTC, **13:225**
SEC, **13:67**
Evaluation
CFTC, **13:215**
SEC, **13:23**

INVESTIGATIONS—Cont'd
Subpoenas—Cont'd
Power to issue
CFTC, **13:200**
SROs, **13:270**
Responses
CFTC, **13:217**
SEC, **13:25**
SEC
Generally, **13:11, 13:21 et seq.**
Content, **13:22**
Document production, **13:25**
Document subpoenas, **13:67**
Evaluation, **13:23**
Responses, **13:25**
Validity challenges, **13:24**
SROs, **13:279**
State agencies, **13:315**
Validity challenges
CFTC, **13:216**
SEC, **13:24**
Subprime mortgage crisis
Attorney General Eric Schneiderman of New York, Martin Act suits, **13:336, 13:337**
Collateralized debt obligations(CDOs), **13:332**
Creators of residential mortgage-backed securities, investor litigation, **13:335**
Credit Suisse Securities suit, **13:337**
Dexia v. Bear Stearns case, **13:335**
Financial Crisis Inquiry Commission report, summary, **13:333**
Foreseeability, **13:334**
Investor litigation, **13:335**
JP Morgan/Bear Stearns suit, **13:336**
Litigation, **13:332, 13:335 to 13:339**
Martin Act suits, **13:336, 13:337**
Mortgage backed securities (MBSs), **13:332**
Residential mortgages, failure, **13:332**
Underwriters of residential mortgage-backed securities, investor litigation, **13:335**

INVESTIGATIONS—Cont'd
Summary proceedings, **13:302**
Testimony
CFTC
Generally, **13:220 et seq.**
Interrogations, **13:221**
Preparing witnesses, **13:220**
Transcripts, **13:222**
Interrogations
CFTC, **13:221**
SEC, **13:29**
SROs, **13:283**
Preparing witnesses
CFTC, **13:220**
SEC, **13:28**
SROs, **13:282**
SEC
Generally, **13:28 et seq.**
Interrogations, **13:29**
Preparing witnesses, **13:28**
Transcripts, **13:30**
SROs
Generally, **13:282 et seq.**
Interrogations, **13:283**
Preparing witnesses, **13:282**
Transcripts, **13:284**
Transcripts
CFTC, **13:222**
SEC, **13:30**
SROs, **13:284**
Third party access to
CFTC, **13:224 et seq.**
SEC, **13:66 et seq.**
SROs, **13:286**
Triggers of investigations
CFTC, **13:199**
SEC, **13:7**
SROs, **13:269**
Types of investigations
CFTC, **13:200 et seq.**
SEC, **13:8 et seq.**
SROs, **13:270**
Underwriters of residential mortgage-backed securities, investor litigation, **13:335**
Warnings
CFTC, **13:230**
SEC, **13:72**

INVESTIGATIONS—Cont'd
Warnings—Cont'd
SROs, **13:289**
Wells submissions
Generally, **13:158**
Advantages and disadvantages, **13:160**
Character, **13:159**
SROs, **13:306, 13:307**
Timeframe, **20:13**

INVESTMENT ADVISERS
Control person liability, **7:456**
Insider trading, **7:470**
Madoff Ponzi scheme, fraud, **20:6**

INVESTMENT ADVISERS ACT
Implied private actions (IPA), **3:155**

INVESTMENT BANKERS
Generally, **5:172 et seq.**
Controlled company bankers, **5:175**
Controlling company bankers, **5:177**
Dual representation bankers, **5:176**
Global settlement, ancillary relief, **13:110**
Injunctions, global settlement and ancillary relief, **13:110**
Madoff Ponzi scheme, Sonja Kohn, **20:21**
Opinions of, challenging, **5:181**
Prior relations of, **5:182**
Qualities of bankers, **5:173**
Roles of bankers, **5:174**
Successive bankers, **5:179**
Trials, bankers for, **5:180**
Unfair terms
Generally, **5:172 et seq.**
Controlled company bankers, **5:175**
Controlling company bankers, **5:177**
Dual representation bankers, **5:176**
Opinions of, challenging, **5:181**
Prior relations of, **5:182**
Qualities of bankers, **5:173**
Roles of bankers, **5:174**
Successive bankers, **5:179**
Trials, bankers for, **5:180**

INVESTMENT COMPANIES
Proxy rules, applicability of, **6:205**

INVESTMENT MANAGERS
Madoff feeder funds, dual roles, **20:19**
SEC investigations, integration of broker-dealer and investment management examinations, **20:13**

INVESTOR RECOVERY
Objective of coordinated SEC-state-SRO investigations, **13:324**

IPA
See Implied Private Actions (this index)

ISSUERS
Advisers to issuers as insiders, **7:569**
Analysts' roles in full disclosure regulations, **7:528**
Antifraud provisions and Regulation FD disclosure, **7:546**
Business associates to issuers as insiders, **7:570**
Buyer-seller requirements, **5:121**
Compulsory disclosure. Regulation FD disclosure, below
Disclosure
Generally, **7:282 et seq.**
Awareness of MNPI
Generally, **7:316, 7:349 et seq.**
Possession distinguished, **7:349**
On basis of inside information, trades made, **7:348**
Burden of proof, nonpublic nature of information, **7:312**
Full disclosure
Duty triggered by partial disclosure, **7:536**
Regulation FD disclosure, below
Law and fact questions, nonpublic character of information, **7:314**
Limitations period, disclosure as starting, **7:279**
Materiality and public disclosure, **7:280**

ISSUERS—Cont'd
Disclosure—Cont'd
Media disclosures
Generally, **7:292 et seq.**
Particular media, **7:299**
Timing, **7:297**
Misrepresentations, public disclosure as curing, **7:276 et seq.**
MNPI
Materiality, above
Nonpublic information, below
Nonpublic information
Generally, **7:271 et seq.**
Absorption requirement, **7:306 et seq.**
Burden of proof, **7:312**
Duty to disclose generally, **7:275**
Eliminating nonpublic information, Regulation FD, **7:552**
Full disclosure duty triggered by partial disclosure of, **7:536**
Law and fact questions, **7:314**
Limitations period, disclosure as starting, **7:279**
Materiality and public disclosure, **7:280**
Media disclosures
Generally, **7:292 et seq.**
Particular media, **7:299**
Timing, **7:297**
Misrepresentations, public disclosure as curing, **7:276 et seq.**
Motion practice, **7:311**
Omissions, public disclosure as curing, **7:276 et seq.**
Pleading, **7:310**
Procedural aspects, **7:309 et seq.**
Proof, **7:313**
Public as affecting insider trading, **7:272 et seq.**
Quantum of proof, **7:312**
Rumors, **7:301**
Time in becoming public, **7:304 et seq.**
Tipping of, **7:272 et seq.**

ISSUERS—Cont'd
Disclosure—Cont'd
Omissions, public disclosure as curing, **7:276 et seq.**
Periodic reports, **7:289**
Pleading nonpublic nature of information, **7:310**
Possession of MNPI
Generally, **7:316**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321, 7:341**
Chinese walls, **7:343 et seq.**
Connection with transaction, **7:681**
Individuals, proof for, **7:342**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Proof, **7:322 et seq.**
Rule 10b-5
Generally, **7:318 et seq.**
Access, proof of, **7:323**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321**
Contact, proof of, **7:324**
Individuals, proof as to, **7:322**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:326**
Proof, **7:322 et seq.**
Trading, proof of, **7:325**
Use inferred from possession, **7:328**
Rule 14e-3
Generally, **7:340 et seq.**
Burden of proof, **7:341**
Chinese walls, **7:343 et seq.**
Individuals, proof for, **7:342**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**

ISSUERS—Cont'd
Disclosure—Cont'd
Possession of MNPI—Cont'd
Rule 14e-3—Cont'd
Standard of proof, **7:341**
Standard of proof, **7:341**
Use compared, **7:317**
Press releases, **7:283**
Proof of nonpublic character of information, **7:313**
Prospectuses, **7:286**
Proxy statements, **7:287**
Reports, **7:289**
Rumors, **7:301**
SEC filings, **7:285**
Shareholder communications, **7:284**
Tender offer statements, **7:288**
Tipping nonpublic information, **7:272 et seq.**
Use of MNPI
Generally, **7:316**
Burden of proof, **7:331**
Connection with transaction, **7:681**
Individuals, proof for, **7:332**
Organizations, proof for, **7:339**
Possession compared, **7:317**
Rule 10b-5
Generally, **7:327 et seq.**
Burden of proof, **7:331**
Individuals, proof for, **7:332**
Inferences, **7:328**
Organizations, proof for, **7:339**
Possession, use inferred from, **7:328**
Rebuttal evidence, **7:337, 7:338**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Rule 14e-3, **7:347**
Size of transaction, proof value, **7:334**

ISSUERS—Cont'd
Disclosure—Cont'd
Use of MNPI—Cont'd
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Exemption provisions and Regulation FD disclosure, **7:548**
Inside trading regulation
Generally, **7:557 et seq.**
Access criteria, **7:560**
Buyers, **7:563**
Congressional intent, **7:559**
Contraction era, **7:561 et seq.**
Expansion era, **7:560**
Issuers
Generally, **7:643 et seq.**
Advisers, **7:652**
Affiliated entities, **7:647**
Applicability to, **7:565**
Business associates, **7:653**
Contraction era, **7:646**
Directors, **7:649**
Employees, **7:650**
Expansion era, **7:645**
Officers, **7:648**
Shareholders, **7:651**
Tippees, **7:654**
Relationships subject to regulation, **7:562 et seq.**
SEC efforts to define, **7:559**
Sellers, **7:563**
Third parties, applicability to, **7:566**
Unfairness criteria, **7:560**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Method of disclosure, Regulation FD, **7:544**
Periodic reports, **7:289**
Press releases, **7:283**
Privately held securities, issuer liabilities as to, **5:6**
Prompt disclosure requirement, Regulation FD, **7:543**
Prospectuses, disclosure by, **7:286**
Proxy statement disclosures, **7:287**

ISSUERS—Cont'd
Publicly held securities, issuer liabilities as to, **5:7**
Redemptions, **6:145**
Registration provisions and Regulation FD disclosure, **7:547**
Regulation FD disclosure
Generally, **7:526 et seq.**
Analysts' roles, **7:528**
Antifraud provisions and, **7:546**
Avoiding selective disclosure, **7:553**
Companies covered, **7:545**
Compliance, **7:551 et seq.**
Curing violations, **7:554**
Eliminating nonpublic information, **7:552**
Exemption provisions and, **7:548**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Materiality of triggering information, **7:535**
Method of disclosure, **7:544**
Persons triggering duty, **7:537**
Policy basis, **7:527**
Prompt disclosure requirement, **7:543**
Registration provisions and, **7:547**
Regulatory gap, **7:530**
Scope of regulation, **7:545**
SEC filing, compliance by, **7:555**
Selective disclosure
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Simultaneous disclosure requirements, **7:542**
Timing requirements, **7:541 et seq.**
Triggering events
Generally, **7:531 et seq.**

ISSUERS—Cont'd
Regulation FD disclosure—Cont'd
Triggering events—Cont'd
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Materiality of triggering information, **7:535**
Non-intentional disclosures, **7:540**
Nonpublic nature of information disclosed, **7:536**
Nontriggering disclosures, **7:533**
Persons triggering duty, **7:537**
Selective disclosures, **7:532**
Unintentional disclosures, **7:540**
Unintentional disclosures, **7:540**
Validity, **7:550**
Violations, curing, **7:554**
Reports, disclosure, **7:289**
SEC filing disclosures, **7:285**
Securities professionals as insiders, **7:572**
Selective disclosure and full disclosure obligations
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Shareholder communications, disclosure by, **7:284**
Simultaneous FD disclosure requirements, **7:542**
Tender offers
Generally, **6:141**
Disclosure requirements, **6:144**
Price, **6:142**
Redemptions, **6:145**
Standing to challenge, **6:143**
Tender offer statement disclosure, **7:288**
Timing of FD disclosure requirements, **7:541 et seq.**

ISSUERS—Cont'd
Unintentional disclosures and Regulation FD disclosure, **7:540**

JOBS ACT
See Crowdfunding (this index)

JOINDER
Arbitration proceedings, **15:18**
SLUSA restrictions, **3:206**

JOINT AND SEVERAL LIABILITY
Generally, **9:19 et seq.**
See also Contribution; Proportionate Liability (this index)
Blue sky law, **9:21**
Broker-dealer fraud, **9:31**
Commodities law, **9:46**
Common law, **9:20**
Control persons, **9:25, 9:33**
Court cases, **9:42**
Disgorgement, **9:26**
Rule 10b-5 liability, **9:39 et seq.**
Securities Exchange Act, **9:35**
Indemnification, **9:76**
Insurance, **9:76**
Knowing violators, **9:51**
Market manipulation, **9:28**
Proportionate liability compared, **9:47**
Proxy fraud, **9:29**
Registration statement fraud, **9:24**
Restitution, **9:44**
Rule 10b-5 liability
Generally, **9:37 et seq.**
Damages, **9:38**
Disgorgement, **9:39 et seq.**
SEC, false reports to, **9:32**
Securities Act
Generally, **9:22 et seq.**
Control persons, **9:25**
Disgorgement, **9:26**
Registration statement fraud, **9:24**
Section 11, **9:24**
Section 12(2), **9:23**
Section 15, **9:25**
Securities Exchange Act
Generally, **9:27 et seq.**
Broker-dealer fraud, **9:31**

JOINT AND SEVERAL LIABILITY —Cont'd
Securities Exchange Act—Cont'd
Damages, **9:34**
Disgorgement, **9:35**
Market manipulation, **9:28**
Proxy fraud, **9:29**
SEC, false reports to, **9:32**
Section 9(a), **9:28**
Section 14
Proxy fraud, **9:29**
Tender offer fraud, **9:30**
Section 15(c)(1), **9:31**
Section 18, **9:32**
Section 20(a), **9:33**
Section 20(A)(c), **9:36**
Tender offer fraud, **9:30**
Tipping, **9:36**
Self regulatory discipline, **9:45**
State law, **9:20**
Tender offer fraud, **9:30**
Tipping, **9:36**

JOINT TORTFEASORS
Common law fraud, **8:261**

JP MORGAN/BEAR STEARNS LITIGATION
Coordinated investigations following subprime mortgage crisis, **13:336**

JP MORGAN/MADOFF LITIGATION
Deferred prosecution agreements, **10:5**

JUDICIAL APPROVAL
SEC investigations, use of wiretap, **13:151**

JUDICIAL ENFORCEMENT ACTIONS
Whistleblower bounty program, **22:14**

JUDICIAL OPINIONS
See Court Decisions (this index)

JURISDICTION
Generally, **11:2 et seq., 12:10**
Adviser activities, **11:15**

JURISDICTION—Cont'd
Agent's interstate activities, **11:13**
Broker-dealer activities, **11:15**
Check clearance as interstate activity, **11:11**
Class actions, **11:42**
Cryptocurrencies, CFTC jurisdiction, **25:2**
Defenses, **11:41**
Derivative suits, **11:43**
Foreign and International Transactions (this index)
Fraud, interstate nature of, **11:9**
Implied Liability (this index)
International transactions. Foreign and International Transactions (this index)
Interstate commerce, **11:3**
Local telephone use, **11:4**
Mails, use of, **11:6**
Misconduct, relation of jurisdictional means to
Generally, **11:8 et seq.**
Agent's interstate activities, **11:13**
Check clearances, **11:11**
Fraud, **11:9**
Plaintiff's interstate activities, **11:14**
Transaction, **11:10, 11:12**
Plaintiff's interstate activities, **11:14**
Pleading, **11:38**
Procedure, **11:39 et seq.**
Process, **11:40**
Scope of commerce, **11:3**
Securities exchanges and interstate commerce, **11:7**
Service of process, **11:40**
Telephone use, **11:4**
Transaction, interstate, **11:10, 11:12**
Venue, **11:39**

JURY TRIAL
Insiders and inside trading, Raj Rajaratnam criminal case, **21:26**

KICKSTARTER
Crowdfunding, **14:211**

KINGATE
Madoff feeder funds, globalization, **20:21**

KNOWLEDGE
Generally, **8:58 et seq.**
Access to information, reliance, **8:499**
Actual knowledge
Plaintiff's knowledge, **8:244**
Scienter
Generally, **8:165 et seq.**
Burden of proof, **8:178**
Criminal prosecutions, **8:176**
Direct-impersonal transactions, **8:171**
Direct-personal transactions, **8:170**
Indirect-impersonal transactions, **8:172**
Injunctions, **8:174**
Insufficiency of, **8:177**
Necessity of, **8:167, 8:168**
Proof, **8:179**
SEC decisions, **8:175**
Sufficiency of, **8:169 et seq.**
Aider-abettor liability, knowledge of violation, **8:356 et seq.**
Broker's knowledge, **14:41**
Burden of proof, **8:66**
Common law, **8:59**
Comparative knowledge, **8:249**
Constructive knowledge
Generally, **8:250**
Burden of proof, **8:189**
Criminal prosecutions, **8:187**
Injunctions, **8:185**
Insufficiency, **8:188**
Necessity, **8:182, 8:183**
Proof, **8:190**
Scienter, **8:180 et seq.**
SEC decisions, **8:186**
Sufficiency, **8:184 et seq.**
Criminal enforcement, SEC references, **13:128**
Defendant's knowledge
Broker-dealer liability, **14:41**
Burden of proof, **8:66, 8:84**

KNOWLEDGE—Cont'd
Defendant's knowledge—Cont'd
Common law, **8:59**
Contribution, **9:70**
Criminal context, **8:65**
Joint and several liability, **9:51**
Manipulation, **8:120**
Proof, **8:67, 8:85**
Proportionate liability, **9:51, 9:60**
SA § 12(2), **8:64 et seq.**
SA § 17(a), **8:83 et seq.**
Scienter, **8:83 et seq.**
SEC, false reports to
Generally, **8:147 et seq.**
Burden of proof, **8:148**
Proof, **8:149**
Defendant's knowledge and belief
Broker-dealer fraud
Burden of proof, scienter, **8:141**
Proof, **8:142**
Scienter, **8:142**
Burden of proof, **8:141**
Proof, **8:142**
Proxy fraud
Generally, **8:126 et seq.**
Burden of proof, **8:127**
Proof, **8:128**
Scienter
Burden of proof, **8:141**
Proof, **8:142**
Tender offer fraud
Generally, **8:133 et seq.**
Burden of proof, **8:134**
Proof, **8:135**
Defendant's knowledge and intent
Blue sky laws, **8:61**
Common law, **8:59**
SA § 11, **8:79**
Expertise of plaintiff, reliance, **8:497**
Fraud on the market
Generally, **8:520 et seq.**
See also Reliance (this index)
Intent and scienter
Criminal prosecutions, **8:197**
Injunctions, **8:195**
Long-standing relationships, reliance, **8:498**

KNOWLEDGE—Cont'd
Madoff Ponzi scheme, ''knowing assistance'' in fraud, **20:4 to 20:9**
Manipulation
Defendant's knowledge, **8:120**
Plaintiff's knowledge, **8:122**
Misrepresentation, plaintiff's knowledge, **8:246**
Nondisclosure, plaintiff's knowledge, **8:245**
Plaintiff's knowledge
Generally, **8:244 et seq.**
Actual knowledge, **8:244**
Blue sky laws, **8:62**
Broker-dealer fraud
Generally, **14:40**
Scienter, **8:144**
Common law, **8:60**
Comparative knowledge, **8:249**
Constructive knowledge, **8:250**
Limitation of actions, **8:70, 8:251**
Manipulation, **8:122**
Misrepresentation, **8:246**
Nondisclosure, **8:245**
Proxy fraud, **8:130**
SA § 11, **8:80**
SA § 12(2), **8:69**
SA § 17(a), **8:87**
Scienter
Generally, **8:87**
Broker-dealer fraud, **8:144**
Manipulation, **8:122**
Proxy fraud, **8:130**
Tender offers, **8:137**
Tender offers, **8:137**
Theoretical knowledge, **8:248**
Privity determinations, **8:315**
Proxy fraud
Generally, **8:126 et seq.**
Burden of proof, **8:127**
Proof, **8:128**
Purchaser's knowledge, **14:40**
Reliance
Generally, **8:484 et seq.**
See also Reliance (this index)
Scienter
Generally, **8:58**

KNOWLEDGE—Cont'd
Scienter—Cont'd
See also Scienter (this index)
Actual knowledge
Generally, **8:165 et seq.**
Burden of proof, **8:178**
Criminal prosecutions, **8:176**
Direct-impersonal transactions, **8:171**
Direct-personal transactions, **8:170**
Indirect-impersonal transactions, **8:172**
Injunctions, **8:174**
Insufficiency of, **8:177**
Necessity of, **8:167, 8:168**
Proof, **8:179**
SEC decisions, **8:175**
Sufficiency of, **8:169 et seq.**
Constructive knowledge
Generally, **8:180 et seq.**
Burden of proof, **8:189**
Criminal prosecutions, **8:187**
Injunctions, **8:185**
Insufficiency, **8:188**
Necessity, **8:182, 8:183**
Proof, **8:190**
SEC decisions, **8:186**
Sufficiency, **8:184 et seq.**
Criminal prosecutions
Actual knowledge, **8:176**
Constructive knowledge, **8:187**
Intent, **8:197**
Intent
Criminal prosecutions, **8:197**
Injunctions, **8:195**
Plaintiff's knowledge, **8:122**
SEC, false reports to
Generally, **8:147 et seq.**
Burden of proof, **8:148**
Proof, **8:149**
Sophistication of plaintiff, reliance and, **8:497**
Tender offer fraud
Generally, **8:133 et seq.**
Burden of proof, **8:134**
Proof, **8:135**
Tender offers fraud actions, **8:137**

KNOWLEDGE—Cont'd
Theoretical knowledge, **8:248**

LATEST DEVELOPMENTS
Generally, **2:1 et seq.**
Action for alleged short swing trading by beneficial owners of 10% or more of a public company, **2:7**
Cryptocurrency
SEC enforcement actions, **2:3**
Securities class action, **2:6**
Freeze out mergers
Securities class action, minority shareholders, **2:5**
SEC enforcement actions, **2:2, 2:3**
Securities class action, **2:4, 2:6**

LAWSON v. FMR LLC
Whistleblowers, **22:18 et seq.**

LAWYERS
See Attorneys (this index)

LEGALITY OR ILLEGALITY
Whistleblower bounty program, unlawfully obtained information, **22:12**

LEGAL TRANSACTIONS
See Transaction Planning (this index)

LEGISLATIVE INTENT
See Congressional Intent (this index)

LERNOUT CASE
Indirect-impersonal dealing, **7:106**

LETTERS
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Cover letters, **6:243**
No-Action Letters (this index)
Transmittal letters, **6:243**

LIES TO INVESTORS
Madoff Ponzi scheme, **20:6**

LIMITATION OF ACTIONS
Generally, **8:251, 11:45 et seq.**
Accrual, one year period, **11:71 et seq.**

LIMITATION OF ACTIONS —Cont'd
Actual notice
One year period, **11:71 et seq.**
Sarbanes-Oxley Act, **11:93**
Administrative enforcement, **13:89, 13:90**
Arbitration, **15:9**
Broker-dealer liability
Generally, **14:17**
SA § 12(a)(1), **14:25**
SA § 12(a)(2), **14:56**
Class actions
Generally, **11:96 et seq.**
Tolling, **11:97**
Discovery rule, **8:251**
Rejected by SEC, **13:90**
Enforcement actions
Generally, **13:184 to 13:189**
Kokesh case decision, **13:184 to 13:189**
Liu v. SEC, **13:189**
Equitable estoppel, **11:52**
Equitable tolling, **11:100**
Express actions
Generally, **11:46**
Broker-dealer liability, **14:17**
Implied actions
Generally, **11:61 et seq.**
Court cases, **11:63 et seq.**
Cutoff, **11:64**
Retroactivity, **11:66, 11:70**
Rule 10b-5, **3:174**
Sarbanes-Oxley Act, **11:92**
Tolling, **11:65**
Injunctions, SEC, **13:99**
Knowledge of violation, **8:251**
Kokesh case decision, **13:184 to 13:189**
Literal application of statute, **11:48**
Misleading prospectus communications, **11:54 et seq.**
Notice, one year period, **11:71 et seq.**
One year period
Generally, **11:71 et seq.**
Accrual, **11:71 et seq.**
Actual notice, **11:71 et seq.**
Court cases, **11:72**

LIMITATION OF ACTIONS —Cont'd
One year period—Cont'd
Misleading registration statements, **11:58**
Notice, **11:71 et seq.**
Prospectus fraud, **11:48**
Registration fraud, **11:48**
SEA § 11, **11:58**
SEA § 12(1), **11:48**
SEA § 12(2), **11:55**
Trigger, **11:71 et seq.**
Oral communications, **11:54 et seq.**
Plaintiff's knowledge of fraud, **8:70**
Procedure, **11:60**
Repose statute, **11:100**
Retroactivity
Implied actions, **11:66, 11:70**
Sarbanes-Oxley Act, **11:94**
RICO, **11:103**
Rule 10b-5 implied liability, **3:174**
Sarbanes-Oxley Act
Generally, **3:161, 11:87 et seq.**
Actual notice, **11:93**
Implied actions, **11:92**
Retroactivity, **11:94**
Securities Act express actions, **11:90**
Securities Exchange Act express actions, **11:91**
Tolling, **11:93**
SEC
Administrative enforcement, **13:89, 13:90**
Discovery rule rejected for limitation of actions, **13:90**
Injunctions, **13:99**
Investigations, tolling requirements, **20:13**
Securities Act
Generally, **11:46**
Equitable estoppel, **11:52**
Equitable tolling, **11:100**
Literal application of statute, **11:48**
One year statute, **11:48**
Prospectus violations, **11:47 et seq.**

LIMITATION OF ACTIONS —Cont'd
Securities Act—Cont'd
Registration violations, **11:47 et seq.**
Section 11, **11:57 et seq.**
Section 12(1), **11:47 et seq.**
Section 12(2), **11:54 et seq.**
Three year statute, **11:53**
Tolling, **11:49 et seq.**
Three year period
Generally, **11:53, 11:82 et seq.**
Accrual, **11:83 et seq.**
Misleading registration statements, **11:59**
SEA § 11, **11:59**
Trigger, **11:83 et seq.**
Tolling
Class actions, **11:97**
Implied actions, **11:65**
One year statute, **11:49 et seq.**
Sarbanes-Oxley Act, **11:93**
Trigger, one year period, **11:71 et seq.**
Whistleblower bounty program, original information, **22:8, 22:12**

LIQUIDATIONS
Buyer-seller requirements, **5:119**

LIQUIDATION VALUE
Value indicators generally, **5:163**

LODGING EXPENSES
Foreign Corrupt Practices Act (FCPA), **19:4**

LOOMI LAMPSHADE
Crowdfunding, **14:211**

LORENZO v. SEC
Dissemination of material false information, liability for, Lorenzo v. SEC, **8:346**

LOSS CAUSATION
Causation (this index)

MADOFF PONZI SCHEME
Generally, **20:1 et seq.**
A. Ezra Merkin feeder funds, **20:18**

MADOFF PONZI SCHEME —Cont'd
Access International, globalized feeder funds, **20:21**
Accountants. Civil actions against accounts for feeder funds, below
Accounting firm, **20:9**
Ad hoc sales force, feeder funds as, **20:16**
Advertising, **20:2**
Affiliated individuals
Generally, **20:4**
Accountant, **20:9**
"Back-office" employees, **20:9**
Brother's role in fraud, **20:5**
Business associates, **20:6 to 20:8**
Director of operations, **20:8**
Director of trading, **20:8**
Family members, **20:5**
Fiduciary liability of Madoff family members, **20:5**
Former Chief Financial Officer, **20:8**
Frank DiPascali, Jr., business associate, **20:6**
Marriage of Madoff niece to SEC regulator viewed as conflict of interest, **20:5**
Niece's role in fraud, **20:5**
"Omissions" provision of federal Rule 10b-5(b), **20:5**
Perjury, **20:6**
Senior executives, **20:5**
Sons' role in fraud, **20:5**
Spouse's role in fraud, **20:5**
Supervisors of stock trading desks, **20:5**
Technology expert, **20:5**
Wife's role in fraud, **20:5**
Affinity fraud, **20:3**
Aggregate accounting, **20:6**
Aiding and abetting breach of fiduciary duty, **20:5**
Alternate account statements, **20:6**
Analysis of tips, complaints and referrals, Office of Market Intelligence, **20:14**
Appointment of third party custodian for client assets, **20:2**

MADOFF PONZI SCHEME —Cont'd
Artistic projects, **20:3**
Asset Management Unit, **20:12**
Attempt to evade federal income taxes, **20:6**
Auditor independence forfeiture, **20:9**
Average annual returns, **20:2**
"Back-office" employees, **20:9**
Banco Santander, globalized feeder funds, **20:21**
Breach of fiduciary duty, **20:5**
Business associates, **20:6**
Charitable foundations, **20:3**
Chief Financial Officer, **20:6**
Citibank, action against by Trustee Picard
Court responses, **20:41**
Loans, swaps, and instrument derivatives tied to Madoff, **20:42**
Civil actions against accountants for feeder funds
Generally, **20:25**
Claims of negligence and/or negligent misrepresentations, **20:28 to 20:31**
Claims under federal securities laws, **20:26**
Common law fraud claims, **20:27**
GAAS and GAAP violations, **20:32**
Lack of privity, **20:29**
N.Y. Martin Act preemption, **20:31**
Presence of privity, **20:30**
Privity, **20:29, 20:30**
Cohmad Securities Corporation, in-house feeder fund, **20:22**
Collection of tips, complaints and referrals, Office of Market Intelligence, **20:14**
Compensation
Accounting firm, **20:9**
Business associates, **20:6**
Certain family members, **20:5**
Computation. Investor compensation, methods of computing, below

MADOFF PONZI SCHEME —Cont'd
Complaints, screening by Office of Market Intelligence, **20:14**
Compliance counsel, **20:5**
Computer programmers, **20:7**
Computing customer payments. Investor compensation, methods of computing, above
Concealment of fraud, **20:2**
Conduct of SEC investigations and examinations, **20:10**
Conflict of interest, marriage of family member to SEC regulator, **20:5**
Consistency of returns, **20:2**
Conspiracy, **20:6**
Controlling person liability, **20:5**
Cooperation agreements, **20:15**
Cooperation by target, **20:15**
Cover-up, **20:6**
Credibility of operation, **20:2**
Criminal enforcement authorities, information sharing by Office of Market Intelligence, **20:14**
Custodian for client assets, **20:2**
Customer account statements, misrepresentations, **20:5**
''Customer'' under Securities Investor Protection Act, **20:3, 20:24**
Deferred prosecution agreements, **20:15**
JPMorgan, **10:5**
Delay of SEC investigations, **20:10**
Depository Trust Corporation BMIS account, **20:6**
Dereliction of duties
Accounting and auditing duties, **20:9**
Executive duties, **20:5**
Director of operations, **20:8**
Distribution of feeder funds losses to investors, **20:23**
Dorothy Jo account, **20:6**
DTC reports falsified, **20:6**
Dual roles, feeder funds investment manager, **20:19**
Due diligence failure, **20:17, 20:18**
Elements, **20:2**

MADOFF PONZI SCHEME —Cont'd
Enforcement Manual 2010 revisions, **20:15**
Evaluation of cooperation by individuals, **20:15**
Examinations by SEC, **20:2**
Exclusivity of funds, **20:2**
Experience of SEC investigative personnel, **20:10**
Expertise of SEC investigators, **20:12**
Fairfield Greenwich Group, feeder fund, **20:17**
Falsified books and records, **20:6**
Falsifying records, **20:6**
Family members, **20:5**
Federal agencies, information sharing by Office of Market Intelligence, **20:14**
Feeder funds
Access International, globalization, **20:21**
Ad hoc sales force, **20:16**
A.Ezra Merkin, misrepresentation to investors, **20:18**
Arbitration awards, **20:18**
Banco Santander, globalization, **20:21**
Civil actions against accountants for feeder funds, above
Cohmad Securities Corporation, **20:22**
Concealment of fraud, **20:2**
Depth of pocket, **20:20**
Dual roles of investment manager, **20:19**
Due diligence, failure, **20:17, 20:18**
Fairfield Greenwich Group, **20:17**
Financial resources, **20:20**
Globalization, **20:21**
Independent scrutiny, **20:16**
Individualized loss treatment, **20:23**
In-house feeder fund, **20:22**
Insurance policy information, **20:24**
Investigation of red flags, failure, **20:17**

MADOFF PONZI SCHEME —Cont'd
Feeder funds—Cont'd
Kingate, globalization, **20:21**
Losses, passing to investors, **20:23**
Misrepresentations to investors, **20:18**
Net investment method, distribution of losses to investors, **20:23**
Passing losses to investors, **20:23**
Picower settlement, **20:24**
Profits raising red flags, **20:19**
Protection under PSLRA, **20:18**
Protective buffer, **20:16**
Red flags, failure to investigate, **20:17**
Restatement method, distribution of losses to investors, **20:23**
SIPC, definition of customer, **20:24**
Sonja Kohn, Austrian banker, **20:21**
Stanley Chai, **20:19**
Tremont-Rye, **20:20**
Valuation method, distribution of losses to investors, **20:23**
Fees charged by feeder funds, **20:24**
Fiduciary liability of Madoff family members, **20:5**
Financial incentives, **20:2**
Focus of SEC examinations, **20:10**
Foreign Corrupt Practices Act Unit, **20:12**
Form ADV, **20:6**
Former Chief Financial Officer, **20:8**
Forms 13-F, **20:6**
Framework for evaluation of cooperation by individuals, **20:15**
Friehling & Horowitz, auditors, **20:1, 20:9**
Funding to scientific and medical projects, depletion, **20:3**
Generation of random numbers, **20:6**
Global fraud, **20:1 et seq.**
Globalized feeder funds, **20:21**

MADOFF PONZI SCHEME —Cont'd
HSBC Bank, action against by Trustee Picard, court responses, **20:40**
In-house feeder fund, **20:22**
Insurance policy information, **20:24**
Integration of broker-dealer and investment management examinations within SEC investigations, **20:13**
Internal communications within SEC investigations, **20:10**
Internal SEC investigation procedures, streamlining, **20:13**
International money laundering, **20:6**
Investment adviser fraud, generally, **20:6**
Investor compensation, methods of computing
Clawback claims against investors who withdrew more than they deposited, **20:35**
Inflation and net equity, **20:36**
Interest and net equity, **20:36**
Net losers v. net winners, **20:34**
Second Circuit decision, net losers v. net winners, **20:34**
Trustee Picard, generally, **20:33**
JP Morgan Chase & Co.
Action against Madoff's primary bank by Trustee Picard, court responses, **20:39**
Deferred prosecution agreements, **10:5**
Kingate, globalization of feeder funds, **20:21**
"Knowing assistance" in fraud, **20:4 to 20:9**
Lies to investors, **20:6**
Losses of feeder funds, passing to investors, **20:23**
Mail fraud, **20:6**
Mailings to investors, **20:6**
Market Abuse Unit, **20:12**
Marriage of family member to SEC regulator, **20:5**
Material misrepresentations, **20:9**

MADOFF PONZI SCHEME —Cont'd
Merrill, action against by Trustee Picard, court responses, **20:41**
Misrepresentations
Accounting firm, **20:9**
Customer account statements, **20:5**
Feeder funds, **20:18**
Promotional materials, **20:5**
SEC filings, **20:5**
Monitoring of tips, complaints and referrals, Office of Market Intelligence, **20:14**
Municipal Securities and Public Pensions Unit, **20:12**
Net investment method, distribution of losses to investors, **20:23**
Non-investment advisory component of BMIS, **20:8**
Office of Compliance Inspections and Examinations (OCIE), **20:2, 20:5**
Office of Market Intelligence
Analysis of tips, complaints and referrals, **20:14**
Collection of tips, complaints and referrals, **20:14**
Criminal enforcement authorities, **20:14**
Federal agencies, **20:14**
Monitoring of tips, complaints and referrals, **20:14**
Priority criteria, **20:14**
Risk criteria, **20:14**
Screening of tips, complaints and referrals, **20:14**
Self-regulatory organizations, **20:14**
State agencies, **20:14**
"Omissions" provision of federal Rule 10b-5(b), **20:5**
Perjury, **20:6**
Picower settlement, **20:24**
Priority criteria, Office of Market Intelligence, **20:14**
Proffer agreements, **20:15**
Promotional materials, misrepresentations, **20:5**

MADOFF PONZI SCHEME —Cont'd
Protective buffer, feeder funds as, **20:16**
Public pension funds, depletion, **20:3**
Random numbers generation, **20:6**
Redemptions to investors, **20:2, 20:3, 20:6**
Red Flags, **20:5, 20:17**
Listing, **20:5**
During SEC investigations, **20:10**
Referrals, screening by Office of Market Intelligence, **20:14**
Registration as investment adviser, **20:6**
Regulatory oversight failure, **20:2**
Resolutions of SEC examiners, **20:10**
Restatement method, distribution of losses to investors, **20:23**
Retirement funds, depletion, **20:3**
Risk criteria, Office of Market Intelligence, **20:14**
Scope of SEC investigations, **20:10**
SEC filings, misrepresentations, **20:5**
SEC investigations
Accounting firm, **20:9**
Adoption of changes, **20:11**
Asset Management Unit, **20:12**
Assistance provided, **20:15**
Bounties to whistleblowers, **20:15**
Business associates, **20:6**
Changes, **20:11**
Collateral horrors, **20:15**
Company cooperation, **20:15**
Concealment of fraud, **20:2**
Conduct of investigations and examinations, **20:6, 20:10**
Cooperation, **20:15**
Cooperation agreements, **20:15**
Deferred prosecution agreements, **20:15**
Delay, **20:10**
Encouraging cooperation, **20:15**
Enforcement Manual 2010 revisions, **20:15**
Experience of investigative personnel, **20:10**
Expertise of investigator, **20:12**

MADOFF PONZI SCHEME —Cont'd
SEC investigations—Cont'd
Feeder funds, **20:16 et seq.**
Focus of examinations, **20:10**
Foreign Corrupt Practices Act Unit, **20:12**
Fostering cooperation, **20:15**
Framework for evaluation of cooperation, **20:15**
Integration of broker-dealer and investment management examinations, **20:13**
Internal communications, **20:10**
Internal procedures, streamlining, **20:13**
Market Abuse Unit, **20:12**
Municipal Securities and Public Pensions Unit, **20:12**
Nonprosecution agreements, **20:15**
Office of Market Intelligence, **20:14**
Proffer agreements, **20:15**
Red flags during investigations, **20:10**
Remediation by target, **20:15**
Resolutions of examinations, **20:10**
Restricted immunity offers, **20:15**
Risks of cooperation, **20:15**
Scope of investigations, **20:10**
Seaboard Report, **20:15**
Self-policing by target, **20:15**
Self-reporting by target, **20:15**
Sharing information with other agencies, etc., **20:14**
Shortening of Wells process, **20:13**
Specialization of investigators, **20:12**
Specialized units, **20:12**
Staffing, **20:10**
Staff performance evaluation, **20:13**
Streamlining structure and procedures, **20:13**
Structured and New Products Unit, **20:12**
Tips and connections between tips, **20:14**

MADOFF PONZI SCHEME —Cont'd
SEC investigations—Cont'd
Tolling requirements, **20:13**
Training, **20:12**
Web site for post-Madoff reforms, **20:13**
Wells submissions, timeframe, **20:13**
Whistleblowers, **20:14, 20:15**
SEC staff performance evaluation, **20:13**
Section 10(b) and Rule 10b-5, **20:5**
Securities Investor Protection Act and Corporation, definition of "customer," **20:3, 20:24**
Self-regulatory organizations, information sharing by Office of Market Intelligence, **20:14**
Senior executives, **20:5**
703 slush fund, **20:6**
Shared ethnic and religious bonds, **20:3**
Shifting counterparties, **20:6**
Shortening of Wells process, **20:13**
Should have known, **20:5**
Silence as to investment with firms, **20:2**
SIPC, definition of customer, **20:24**
'Social status' of funds, **20:2**
Sonja Kohn and global feeder funds, **20:21**
Special accounts, **20:6**
Specialization of SEC investigators, **20:12**
Specialized SEC investigation units, **20:12**
Split-strike conversion, **20:6**
Spouse's role in fraud, **20:5**
Staffing of SEC investigations, **20:10**
State agencies, information sharing by Office of Market Intelligence, **20:14**
Stature in securities industry, **20:2**
Streamlining SEC investigation structure and procedures, **20:13**
Structured and New Products Unit, **20:12**
Suicide by investors, **20:3**

MADOFF PONZI SCHEME —Cont'd
Supervisors of stock trading desks, **20:5**
Tax evasion, **20:6**
Tax fraud, **20:9**
Technical support to falsify documents, **20:7**
Technology expert, **20:5**
Third party custodian for client assets, **20:2**
Third party verification of returns, **20:2**
Tips and connections between tips, Office of Market Intelligence, **20:14**
Tolling requirements for SEC investigations, **20:13**
Training of SEC investigators, **20:12**
Transhumanism project, **20:3**
Tremont-Rye feeder funds, **20:20**
Trustee Picard
Actions against banks involved with Madoff, **20:38 to 20:41**
Citibank
Action against, **20:41**
Action against banks, **20:42**
Compensation for investors, methods of computing, **20:33 to 20:37**
Court responses
Citibank, action against, **20:41**
HSBC Bank, action against, **20:40**
JP Morgan Chase & Co., action against Madoff's primary bank, **20:39**
Merrill, action against, **20:41**
HSBC Bank, action against, **20:40**
JP Morgan Chase & Co., action against Madoff's primary bank, **20:39**
Merrill, action against banks, **20:41, 20:42**
Valuation method, distribution of losses to investors, **20:23**
Verification of returns with independent third-parties, **20:2**
Victims, **20:3**

MADOFF PONZI SCHEME —Cont'd
Web site for post-Madoff reforms, **20:13**
Wells submissions, timeframe, **20:13**
Whistleblowers, **20:14, 20:15**
Wire fraud, **20:6**
Withdrawal of funds in timely manner, **20:2, 20:3**

MAIL AND WIRE FRAUD
Insider trading
Generally, **7:171, 7:463**
Misappropriation theory, **7:594**
Scienter, **7:413**
Madoff Ponzi scheme, **20:6**

MANAGEMENT
Directors, Corporate (this index)
Mismanagement (this index)
Mutual fund violations, **17:19**
Officers, Corporate (this index)

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
Administrative enforcement, **7:13**
Private actions, **7:17**

MANIPULATION
Generally, **7:118 et seq., 8:102 et seq.**
Accumulation of stock, **7:134**
Actual or apparent trading, **7:124**
Burden of proof, **8:104**
Circular trading, **7:135**
Cornering the market, **7:134**
Cross trading, **7:135**
Defendant's intent, **8:119**
Defendant's knowledge, **8:120**
Defendant's purpose
Generally, **8:103 et seq.**
Burden of proof, **8:104**
Defense of proper purpose, **8:118**
Direct evidence, **8:106**
Indirect evidence, **8:107**
Large blocks, **8:108**
Large proportion of trading, **8:109**
Painting the tape, **8:110**
Playoff of markets, **8:114**
Price action, **8:113**

MANIPULATION—Cont'd
Defendant's purpose—Cont'd
Profit, **8:115**
Proof, **8:105**
Proper purpose as defense, **8:118**
Stimulating demand, **8:110, 8:111**
Suppressing supply, **8:112**
Defendant's willfulness, **8:121**
Definition, **7:119**
Depressing prices, **7:124**
Federal securities laws, **7:120**
Front running
Generally, **7:139 et seq.**
Court cases, **7:142**
SEC interpretations
Generally, **7:140**
Decisions, **7:142**
SRO interpretations
Generally, **7:140**
Criticisms, **7:141**
Decisions, **7:142**
Insider trading, **7:168**
Indirect-impersonal dealing, **7:113**
Joint and several liability, **9:28**
Madoff Ponzi scheme, **20:6**
Margin requirements, parking to avoid, **7:148**
Matched orders, **7:121**
Materiality, **8:54**
Painting the tape, **7:132, 8:110**
Parking
Generally, **7:143 et seq.**
Capital requirements, use to avoid, **7:147**
Control fights, use in, **7:146**
Definitions, **7:144**
Margin requirements, parking to avoid, **7:148**
Record keeping violations, **7:149**
Tax evasion uses, **7:150**
Pegging, **7:136**
Plaintiff's knowledge, **8:122**
Playoff of markets, **8:114**
Price action, **8:113**
Proof, **8:105**
Raising prices, **7:124**
Rule 10b-5
Generally, **7:130 et seq.**

MANIPULATION—Cont'd
Rule 10b-5—Cont'd
Accumulation of stock, **7:134**
Capping, **7:136**
Circular trading, **7:135**
Control, **7:138**
Cornering the market, **7:134**
Cross trading, **7:135**
Domination, **7:138**
Front running, above
Marking the close, **7:131**
Painting the tape, **7:132**
Parking, above
Pegging, **7:136**
Short selling, **7:137**
Successive activity price manipulations, **7:133**
SEA § 9(a)(1), **7:121**
SEA § 9(a)(2)
Generally, **7:122 et seq.**
Actual or apparent trading, **7:124**
Depressing prices, **7:124**
Purpose, **7:125**
Raising prices, **7:124**
Series of transactions, **7:123**
SEA § 9(a)(3), **7:126**
SEA § 9(a)(4), **7:126**
SEA § 9(a)(5), **7:126**
SEA § 9(a)(6), **7:127**
SEA § 9(b), **7:128**
SEA § 9(e), **7:129**
Securities Exchange Act materiality requirement, **8:54**
Short selling, **7:137**
Stimulating demand, **8:110**
Successive activity price manipulations, **7:133**
Suppressing supply, **8:112**
Wash sales, **7:121**

MARGIN RULES
Generally, **14:59**
Arbitration, use in, **14:61**
Court cases, **14:60**
NASD risk disclosure requirements for margin trading, **6:286**
Parking to avoid, **7:148**
SEA § 7, **14:59**

MARKET ABUSE UNIT
SEC investigations, **20:12**

MARKET IMPACT
Materiality tests, **8:21**

MARKET INSIDERS
Generally, **7:575**

MARKET MANIPULATION
See Manipulation (this index)

MARKETS
See Exchanges (this index)

MARKET TIMING
See Mutual Fund Violations (this index)

MARKET TRADES
Indirect-Impersonal Dealing (this index)

MARKING THE CLOSE
Manipulation, **7:131**

MARKUPS AND MARKDOWNS
See Broker-Dealer Liability (this index)

MARTHA STEWART CASE
Generally, **7:403 et seq.**
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, generally, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Insiders and inside trading, generally, **7:403 et seq.**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Scienter, generally, **7:403 et seq.**
Sufficiency of evidence test, **7:408**

MARTIN ACT SUITS
Coordinated investigations following subprime mortgage crisis, **13:336, 13:337**

MATCHED ORDERS
Manipulation, **7:121**

MATERIALITY
Generally, **6:165 et seq., 6:248 et seq., 8:4 et seq.**
Aggregate, **6:253, 7:225**
Blue sky law, **8:7**
Broker-dealer liability, **14:82**
Burden of proof, **7:226**
Compensation, private actions, **8:43**
Component tests, **8:15**
Contingent information factor, **8:36**
Definition, **8:9**
Enron connection, **8:40**
Evidence inside information, **7:229 et seq.**
Factors
Generally, **8:33 et seq.**
Compensation, interference from, **8:43**
Contingent information, **8:36**
Enron connection, **8:40**
Federal security law, **8:33 et seq.**
GAAP, **8:42, 8:44**
Interference from compensation and profits, **8:43**
Intersection with scienter and GAAP, **8:44**
Miscellaneous factors, **8:48**
Other elements, relation to, **8:39 et seq.**
Profits, interference from, **8:43**
Public information, relation to, **8:38**
Puffery, **8:35**
Quantity, **8:47**
Related party reporting and GAAP, **8:42**
Reliability, **8:34**
Scienter, **8:44, 8:45**
Soft information, **8:37**
Specificity, **8:35**
Time factors, **8:46**
Vagueness, **8:35**
Federal security law
Factors, **8:33 et seq.**
Tests of, **8:8 et seq.**
GAAP, **8:42, 8:44**
Graduations of materiality, **7:224**

MATERIALITY—Cont'd
Inside information
Generally, **7:218 et seq.**
Acquisitions
Negotiations, **7:262 et seq.**
Nonnegotiated, **7:270**
Actual market impact after release, **7:236**
Burden of proof, **7:226**
Dividend information, **7:247**
Evidence, **7:229 et seq.**
Expectations, relation to, **7:233**
Factors, **7:229 et seq.**
Graduations of materiality, **7:224**
Law or fact issue, **7:227**
Magnitude relative to company, **7:230**
Market release, actual impact of, **7:236**
Probability relative to company, **7:230**
Proof, **7:226**
Public disclosure and materiality, **7:280**
Public information, relation of inside information to, **7:234**
Readily available information compared, **7:234**
Reasonable investor test
Generally, **7:221**
Substantial market impact test compared, **7:223**
Regulation FD triggering disclosures, **7:535**
Relation to expectations, **7:233**
Reliability, **7:231**
Specificity, **7:232**
Standard of proof, **7:228**
Substantial market impact test
Generally, **7:222**
Reasonable investor test compared, **7:223**
Tests of materiality
Generally, **7:219 et seq.**
Aggregate materiality test, **7:225**
Graduations of materiality, **7:224**

MATERIALITY—Cont'd
Inside information—Cont'd
Tests of materiality—Cont'd
Mosaic theory, **7:225**
Reasonable investor test
Generally, **7:221**
Substantial market impact test compared, **7:223**
Significant alteration of total mix, **7:221**
Substantial market impact test
Generally, **7:222**
Reasonable investor test compared, **7:223**
Use as test of materiality, **7:235**
Interference from compensation and profits, **8:43**
Intersection with scienter and GAAP, **8:44**
Law and fact questions, **8:23**
Madoff Ponzi scheme, **20:9**
Magnitude relative to company, **7:230**
Market impact test, **8:21**
Merger challenges, **6:165 et seq.**
Might, use of term, **6:249**
Might test
Mills case, **8:13**
Would test compared, **8:12**
Mosaic theory, **7:225**
Pleading and proof, **5:107**
Practical problems, **6:251**
Private actions
Generally, **8:4 et seq.**
Accumulation of information, **8:27**
Blue sky law, **8:7**
Causation, **8:31**
Class certification, **8:550**
Common law tests, **8:6**
Company publicity, **8:28**
Component tests, **8:15**
Contingent information factor, **8:36**
Court's view, **8:26**
Definition, **8:9**
Dissemination of material false information, liability for, Lorenzo v. SEC, **8:346**

MATERIALITY—Cont'd
Private actions—Cont'd
Enron connection, **8:40**
Factors
Generally, **8:33 et seq.**
Compensation, interference from, **8:43**
Contingent information, **8:36**
Enron connection, **8:40**
Federal security law, **8:33 et seq.**
GAAP, **8:42, 8:44**
Interference from compensation and profits, **8:43**
Intersection with scienter and GAAP, **8:44**
Miscellaneous factors, **8:48**
Other elements, relation to, **8:39 et seq.**
Profits, interference from, **8:43**
Public information, relation to, **8:38**
Puffery, **8:35**
Quantity, **8:47**
Related party reporting and GAAP, **8:42**
Reliability, **8:34**
Scienter, **8:44, 8:45**
Soft information, **8:37**
Specificity, **8:35**
Time factors, **8:46**
Vagueness, **8:35**
Federal security law
Factors, **8:33 et seq.**
Tests of, **8:8 et seq.**
Flexibility, **8:25**
GAAP, **8:42, 8:44**
Individual responses to information, High Court recognition, **8:29**
Intersection with scienter and GAAP, **8:44**
Law and fact questions, **8:23**
Market impact test, **8:21**
Materiality of alleged misrepresentation, **8:550**
Might test
Mills case, **8:13**

MATERIALITY—Cont'd
Private actions—Cont'd
Might test—Cont'd
Would test compared, **8:12**
Probability-magnitude test, **8:19**
Product liability suits, **8:28**
Professional views, **8:31**
Proxy fraud, **8:56**
Puffery, **8:35**
Quantitative factors, **8:47**
Reasonable investors react like professionals, **8:32**
Related party reporting and GAAP, **8:42**
Reliability factor, **8:34**
Reliance
Generally, **8:507**
Distinctions, **8:519**
Presumptive reliance and materiality of omissions, **8:509**
Substitutions of theories, **8:524**
Reviewed, **8:24**
Scienter, **8:44, 8:45**
Securities Act
Generally, **8:49 et seq.**
Registration fraud, **8:51**
Sales fraud, **8:50, 8:52**
Section 11, **8:51**
Section 12(a)(2), **8:50**
Section 17(a), **8:52**
Tests of, **8:10**
Securities Exchange Act
Generally, **8:53 et seq.**
Market manipulation, **8:54**
Proxy fraud, **8:56**
Section 9(a), **8:54**
Section 10, **8:55**
Section 14, **8:57**
Tender offer fraud, **8:57**
Tests of, **8:11**
Soft information factor, **8:37**
Specificity factor, **8:35**
State laws, **8:7**
Statistics, **8:30, 8:31**
Tests of
Generally, **8:8 et seq.**

MATERIALITY—Cont'd
Private actions—Cont'd
Tests of—Cont'd
Accumulation of information, **8:27**
Causation, **8:31**
Company publicity, **8:28**
Component tests, **8:15**
Court's view, **8:26**
Definition, **8:9**
Extension to other provisions, **8:16**
Fact vs information, **8:20**
Federal security law, **8:8 et seq.**
Flexibility, **8:25**
Individual responses to information, High Court recognition, **8:29**
Information vs fact, **8:20**
Law and fact questions, **8:23**
Market impact test, **8:21**
Might test
Mills case, **8:13**
Would test compared, **8:12**
Mills case, **8:13**
Parties, nature of, **8:17**
Probability-magnitude test, **8:19**
Product liability suits, **8:28**
Professional views, **8:31**
Reasonable investors react like professionals, **8:32**
Reviewed, **8:24**
Securities Act, **8:10**
Securities Exchange Act, **8:11**
Statistics, **8:30, 8:31**
Time of determination, **8:22**
Transaction, nature of, **8:18**
TSC cases, **8:14**
Violation, nature of, **8:17**
Would test
Might test compared, **8:12**
TSC cases, **8:14**
Zicam, **8:27, 8:28**
Time factors, **8:46**
Vagueness factor, **8:35**
Would test
Might test compared, **8:12**
TSC cases, **8:14**

MATERIALITY—Cont'd
Private actions—Cont'd
Zicam, **8:27, 8:28**
Probability-magnitude test, **8:19**
Probably would, use of term, **6:250**
Profits, private actions, **8:43**
Proxy fraud, **8:56**
Public disclosure and materiality, **7:280**
Puffery, **8:35**
Quantitative factors, **8:47**
Readily available information compared, **7:234**
Reasonable investor test
Generally, **7:221**
Substantial market impact test compared, **7:223**
Regulation FD triggering disclosures, **7:535**
Related party reporting and GAAP, **8:42**
Reliability
Generally, **8:34**
Inside information, **7:231**
Reliance
Generally, **8:507**
Distinctions, **8:519**
Presumptive reliance and materiality of omissions, **8:509**
Substitutions of theories, **8:524**
Rule 10b-5
Generally, **6:168**
Violations, materiality of, **12:2**
Rule 14a-9, **6:166**
Rule 14c-6, **6:167**
Safe harbor for predictions and projections, **7:35, 7:38**
Scienter, **8:44, 8:45**
Securities Act
Generally, **8:49 et seq.**
Registration fraud, **8:51**
Sales fraud, **8:50, 8:52**
Section 11, **8:51**
Section 12(a)(2), **8:50**
Section 17(a), **8:52, 8:442**
Tests of, **8:10**
Securities Exchange Act
Generally, **8:53 et seq.**

MATERIALITY—Cont'd
Securities Exchange Act—Cont'd
Market manipulation, **8:54**
Proxy fraud, **8:56**
Section 9(a), **8:54**
Section 10, **8:55**
Section 14, **8:57**
Tender offer fraud, **8:57**
Tests of materiality, **8:11**
Selective disclosures, materiality of, **7:535**
Soft information factor, **8:37**
Specific items, materiality of, **6:252**
Specificity
Generally, **8:35**
Inside information, **7:232**
State laws, **8:7**
Substantial market impact test
Generally, **7:222**
Reasonable investor test compared, **7:223**
Tests of
Generally, **7:219 et seq.**
Aggregate materiality test, **7:225**
Graduations of materiality, **7:224**
Mosaic theory, **7:225**
Reasonable investor test
Generally, **7:221**
Substantial market impact test compared, **7:223**
Significant alteration of total mix, **7:221**
Substantial market impact test
Generally, **7:222**
Reasonable investor test compared, **7:223**
Time factors, **8:46**
Use of inside information as test of materiality, **7:235**
Vagueness factor, **8:35**
Weiss decision, lawyers issuing improper legal opinions, **8:442**
Would test
Might test compared, **8:12**
TSC cases, **8:14**
Use of term generally, **6:249**

MATERIAL NONPUBLIC INFORMATION (MNPI)
Generally, **7:152**
See also Insiders and Insider Trading (this index)

MCAFEE, INC.
Backdating of stock options, **18:11**

MCCARRAN ACT
Generally, **6:203**

MCNULTY DECISION
SEC investigations, **13:48, 13:65**

MD&A
See Management Discussion and Analysis (this index)

MEDIATION
Generally, **15:69**

MERCURY INTERACTIVE CORP.
Backdating of stock options, **18:1, 18:10**

MERGERS
Generally, **6:146 et seq.**
See also Acquisitions (this index)
Antifraud provisions
Generally, **6:158 et seq.**
Buyer-seller requirement, **6:182**
Causation
Generally, **6:179 et seq.**
Rule 10b-5, **6:181**
Rule 14a-9, **6:179**
Rule 14c-6, **6:180**
Comparative language, **6:164**
Connection requirement
Generally, **6:183 et seq.**
Rule 10b-5, **6:185**
Rule 14a-9, **6:183**
Rule 14c-6, **6:184**
Federal laws generally, **6:151**
Jurisdictional means
Generally, **6:188 et seq.**
Rule 10b-5, **6:190**
Rule 14a-9, **6:188, 6:189**
Materiality standard
Generally, **6:165 et seq.**
Rule 10b-5, **6:168**

MERGERS—Cont'd
Antifraud provisions—Cont'd
Materiality standard—Cont'd
Rule 14a-9, **6:166**
Rule 14c-6, **6:167**
Operation, areas of, **6:163**
Private actions, **6:160 et seq.**
Privity
Generally, **6:172 et seq.**
Rule 10b-5, **6:175**
Rule 14a-9, **6:173**
Rule 14c-6, **6:174**
Reliance
Generally, **6:176 et seq.**
Rule 10b-5, **6:178**
Rule 14a-9, **6:176**
Rule 14c-6, **6:177**
Rule 10b-5
Causation, **6:181**
Jurisdictional means, **6:190**
Materiality standard, **6:168**
Private actions, **6:162**
Privity, **6:175**
Relation of proxy rules to, **6:159 et seq.**
Reliance, **6:178**
Scienter standard, **6:171**
Rule 14a-9
Causation, **6:179**
Jurisdictional means, **6:188, 6:189**
Materiality standard, **6:166**
Private actions, **6:160**
Privity, **6:173**
Reliance, **6:176**
Scienter standard, **6:169**
Rule 14c-6
Causation, **6:180**
Materiality standard, **6:167**
Private actions, **6:161**
Privity, **6:174**
Reliance, **6:177**
Scienter standard, **6:170**
Scienter standard
Generally, **6:169 et seq.**
Rule 10b-5, **6:171**
Rule 14a-9, **6:169**
Rule 14c-6, **6:170**

MERGERS—Cont'd
Antifraud provisions—Cont'd
SEA § 14(e), **6:186**
Securities Act, **6:187**
State law
Generally, **6:191 et seq.**
Appraisal rights, **6:192, 6:193**
Delaware law, **6:196**
Effect of merger or dissolution, **6:194**
Equitable approach, **6:197**
Standing approach, **6:196**
Violations covered, **6:164**
Appraisal rights, state law, **6:192, 6:193**
Background, **6:148 et seq.**
Buyer-seller requirements, **5:118**
Congressional intent
Generally, **6:154 et seq.**
Information statement rules, **6:156**
Proxy rules, **6:155**
Rule 10b-5, **6:157**
SEA § 14(a), **6:155**
SEA § 14(c), **6:156**
Cybersecurity, **26:2**
Definition, **6:147**
Federal laws
Generally, **6:149**
Antifraud provisions, **6:151**
Foreign Corrupt Practices Act (FCPA), mitigation of risks, **19:15**
Proxy rules, **6:150**
SA registration requirements, **6:152**
Foreign Corrupt Practices Act (FCPA), mitigation of risks, **19:15**
Freeze out, minority shareholders, **2:5**
Investment Bankers (this index)
Private actions
Generally, **6:160 et seq.**
Rule 10b-5, **6:162**
Rule 14a-9, **6:160**
Rule 14c-6, **6:161**

MERGERS—Cont'd
Proxy solicitations
Generally, **6:146 et seq., 6:198 et seq.**
See also Proxy Fraud (this index)
Securities covered
Generally, **6:199 et seq.**
Insurance companies
Generally, **6:201**
Antifraud provisions, federal, **6:204**
Federal and state rules, **6:202**
McCarran Act, **6:203**
Investment companies, **6:205**
Public utility holding companies, **6:206**
Roles of bankers, **5:174**
SA registration requirements, **6:152**
State laws, **6:153**
Tender Offer Fraud (this index)
Types of direct-impersonal dealings, **6:1**

MERRILL LYNCH v. CURRAN
Private actions, loss causation in Supreme Court decision, **8:562**

MILLS DECISION
Private actions, loss causation in Supreme Court decision, **8:558**

MISAPPROPRIATION
Cybersecurity (this index)
Fiduciary breach, **7:315**
Insider liabilities
Generally, **7:577**
Agreed confidentiality, **7:589**
Close family relationships, **7:587**
Connection element, **7:597**
Connection with transaction, **7:680**
Court cases, **7:582 et seq.**
Enforcement actions, **7:578**
Family relationships, **7:587**
Fiduciary breach, **7:315**
Mail and wire fraud, **7:594**
Private actions, **7:579, 7:603**
Rule 10b5-2, **7:585 et seq.**
SEC v. Mark Cuban, stress test for misappropriation theory, generally, **7:604 to 7:622**

MISAPPROPRIATION—Cont'd
Insider liabilities—Cont'd
Shared confidences, **7:590**

MISMANAGEMENT
Generally, **5:72 et seq.**
Abuse of trading process, **5:76**
Fraud as part of, **5:75**
Meaning, **5:73**
Pleading, **5:78**
Policies, **5:77**
Public, effect of trading abuse on, **5:76**
Reasons, **5:77**
Strict view, **5:74**

MISPRICING FUND SHARES
Mutual fund violations, sales practices, **17:16**

MISREPRESENTATION
Indirect-Impersonal Dealing (this index)
Madoff Ponzi Scheme (this index)

MISREPRESENTATION, COMMON LAW
See Common Law Fraud (this index)

MITIGATION
Foreign Corrupt Practices Act (FCPA), risks in mergers and acquisitions, **19:15**

MNPI
See Material Nonpublic Information (this index)

MODELS
Crowdfunding, **14:210**

MODIFICATION
Arbitration, challenging awards, **15:58**

MONETARY CIVIL PENALTIES
See Civil Penalties (this index)

MONEY LAUNDERING
Madoff Ponzi scheme, **20:6**

MONSTER WORLDWIDE INC.
Backdating of stock options, **18:7, 18:11**

MORGAN STANLEY PROCEEDING
Mutual fund violations, **17:14, 17:15**

MORRISON CASE
Jurisdiction, foreign cubed case, **11:16 to 11:37**

MORTGAGE-BACKED SECURITIES (MBSS)
Coordinated investigations following subprime mortgage crisis, **13:332**

MOTIVE
Generally, **8:203 et seq.**
Absence, effect of, **8:207**
Burden of proof, **8:208**
Pleading, **11:139**
Presence, effect of, **8:207**
Proof, **8:209**
Scienter
Generally, **8:203 et seq.**
Absence, effect of, **8:207**
Burden of proof, **8:208**
Necessity, **8:205, 8:206**
Presence, effect of, **8:207**
Proof, **8:209**
Versions of scienter, relations among, **8:204**

MUNICIPAL SECURITIES
Suitability rules, **14:193**

MUNICIPAL SECURITIES AND PUBLIC PENSIONS UNIT
SEC investigations, **20:12**

MUTUAL FUND VIOLATIONS
Generally, **17:1 et seq.**
Breakpoint discounts, sales charges, **17:15**
Broker fraud, **17:8**
Canary complaint, generally, **17:2**
Charges, sales practices, **17:15**
Directors, **17:20**
Disclosure, misleading prospectuses, **17:7**
Fund distribution payments, sales practices, **17:14**
Governance rules, SEC's, **17:20**

MUTUAL FUND VIOLATIONS —Cont'd
Hedge funds, **17:21**
Injunctions, ancillary relief, **13:114**
Inside information, trading on, **17:9**
Intermediaries, **17:18**
Late trading, **17:3, 17:4, 17:10, 17:11**
Managements, **17:19**
Market timing
Generally, **17:5 to 17:12**
Broker fraud, **17:8**
Inside information, trading on, **17:9**
Misleading prospectuses, **17:7**
Misleading prospectuses, **17:7**
Mispricing fund shares, sales practices, **17:16**
Morgan Stanley proceeding, **17:14, 17:15**
Parties' roles and responsibilities in mutual fund scandal, generally, **17:17 to 17:21**
Prospectus disclosure, misleading prospectuses, **17:7**
Responsibilities in mutual fund scandal, generally, **17:17 to 17:21**
Sales practice issues
Generally, **17:13 to 17:17**
Breakpoint discounts, sales charges, **17:15**
Charges, **17:15**
Fund distribution payments, **17:14**
Mispricing fund shares, **17:16**
SEC governance rules, **17:20**
Senior management, **17:19**
Solutions proposed by SEC, **17:11, 17:12**

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD)
See also Self Regulatory Organizations (this index)
Broker-dealer supervision requirements, **14:172**
Day trading risk disclosure requirements, **6:284**

NATIONAL ASSOCIATION OF SECURITIES DEALERS (NASD)—Cont'd
Extended hour trading, risk disclosure requirements, **6:285**
Implied liabilities under SRO rules
Generally, **14:62 et seq.**
See also Self Regulatory Organizations (this index)
Margin trading risk disclosure requirements, **6:286**
Markup and markdown practices
Generally, **14:157 et seq.**
Contemporaneous defined, **14:161**
Customers, comparative frequency of purchases from, **14:158**
Five percent policy, **14:162**
Inter-dealer trades, frequency of, **14:158**
Non dominating market makers, **14:160**
Risk disclosure requirements
Generally, **6:283 et seq.**
Day trading, **6:284**
Extended hour trading, **6:285**
Margin trading, **6:286**
Short selling, **6:287**
Uninsured products, **6:288**
Short selling risk disclosure requirements, **6:287**
Suitability rules
Generally, **14:185**
Inquiry duties of brokers, **14:189**
NASD IM-2320-3, **14:190**
Uninsured products, risk disclosure requirements, **6:288**

NATIONAL SECURITIES MARKETS IMPROVEMENT ACT (NSMIA)
Generally, **3:187 et seq.**
Administrative enforcement, **3:199**
Enactment, **3:32**
Federal preemption of registration
Generally, **3:187 et seq.**
Buyer characteristics, **3:193**
Exemptions, **3:195 et seq.**
Government enforcement, **3:199**
Mutual funds, **3:191**

NATIONAL SECURITIES MARKETS IMPROVEMENT ACT (NSMIA)—Cont'd
Federal preemption of registration —Cont'd
Nationally traded securities, **3:190**
Private rights, effects on, **3:198**
Qualified purchasers, **3:192**
Regulation preemption, **3:188**
Remaining state jurisdiction, **3:197**
Scope of act, **3:189 et seq.**
Securities characteristics, **3:194**
Securities covered, **3:189 et seq.**
Securities exemptions, **3:196**
Transaction exemptions, **3:195**
Government enforcement, **3:199**
Mutual funds registration, **3:191**
Qualified purchasers, **3:192**
Regulation preemption, **3:188**
Remaining state jurisdiction, **3:197**
Scope of act, **3:189 et seq.**
SLUSA scope compared, **3:207**

NEGATIVE IMPLICATION
Contraction era, **3:87**
Expansion era, **3:65**

NEGLIGENCE
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Misrepresentation claims, consideration of, **7:52**
Necessity, **8:231, 8:232**
Proof, **8:239**
Scienter, **8:234**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Suitability claims, **14:203**
Versions of scienter, relations among, **8:230**
Weiss decision, SEC action against bond counsel issuing improper legal opinion, **8:442**

NEGOTIATED TRANSACTIONS
See Transaction Planning (this index)

NEGOTIATIONS
See also Compromise and Settlement (this index)
Acquisition negotiation disclosures. See Acquisitions (this index)
SEC investigations
Generally, **13:161 et seq., 13:266**
Advantages and disadvantages, **13:163**
Authority of staff, **13:162**
Considerations, **13:165**
Objectives, **13:164**
SRO investigations
Generally, **13:308 et seq.**
Advantages and disadvantages, **13:310**
Considerations, **13:312**
Objectives, **13:311**
Procedures, **13:309**

NEWMAN/CHIASSON CASES
Court decisions, **7:387 et seq.**

NEW YORK STOCK EXCHANGE (NYSE)
Broker-dealer supervision requirements, **14:173**
Disclosure rules, **App F**
Implied liabilities under SRO rules
Generally, **14:62 et seq.**
See also Self Regulatory Organizations (this index)
Insider trading rules, **App F**

1933 ACT
See Securities Act (this index)

1934 ACT
See Securities Exchange Act (this index)

NO-ACTION LETTERS
SEC, **1:12**

NONDISCLOSURE LIABILITY
See Disclosure (this index)
Broker-dealer liability, **14:75 et seq.**
Concealment of fraud, **8:501**
Conspirators, **8:306**
Fact or opinion as subject of, **8:2**

NONDISCLOSURE LIABILITY —Cont'd
Fraud on the market
Generally, **8:520 et seq.**
See also Reliance (this index)
Insiders and Insider Trading (this index)
Opinion or fact as subject of, **8:2**
Pleading, **11:131**
Predictions, **8:2**
Reliance
Generally, **8:484 et seq.**
See also Reliance (this index)
Concealment of fraud, **8:501**
Rule 10b-5 elements generally, **8:2**
Rule 10b-5 liability, **14:75 et seq.**

NON-INVESTMENT ADVISORY COMPONENT
Madoff Ponzi scheme, **20:8**

NONPUBLIC INFORMATION
See Insiders and Insider Trading (this index)
Cybersecurity, **26:2, 26:3**

NOTATIONS
Generally, **1:2**

NYSE
See New York Stock Exchange (this index)

OFF-BALANCE SHEET TRANSACTIONS
Sarbanes-Oxley Act, **8:413**

OFFICE OF COMPLIANCE INSPECTIONS AND EXAMINATIONS (OCIE)
Madoff Ponzi scheme, **20:2, 20:5**

OFFICE OF MARKET INTELLIGENCE
SEC investigations, **20:14**

OFFICERS, CORPORATE
Actions in concert, **8:294**
Backdating of stock options, ramifications, **18:3, 18:7**
Bar orders against individuals, **13:87**

OFFICERS, CORPORATE—Cont'd
Blackout periods
Generally, **8:475**
Trading prohibitions, **8:472**
Collateral bar orders against individuals, **13:87, 13:88**
Conflict of interest, **8:417**
Conspiracies, **8:304 et seq.**
Control person liability, **8:373 et seq.**
Corporate governance, **8:414**
Correction of violations, responsibility for, **8:418**
Ethics codes, **8:483**
Indemnification, **9:76**
Injunctions against, **13:117**
Insider reports, **8:471**
Insider trading liability, **7:648**
Insurance, **9:76**
Internal controls, **8:466**
Loan prohibitions, **8:481**
Market, responsibilities to inform
Generally, **8:421**
Business changes, **8:422**
Grace case, **8:423**
National Telephone case, **8:422**
Second-guessing disclosure counsel, **8:423**
Parties and privity
Generally, **8:413 et seq.**
See also Private Actions (this index)
Prevention of violations, responsibility for, **8:418**
Responsibilities, **8:413**
Rule 10b-5 liability
Generally, **8:413 et seq.**
Actions in concert, **8:294**
Aider-abettor liability, **8:327 et seq.**
Backdating of stock options, **18:3, 18:10**
Concerted action, **8:294**
Conflict of interest, **8:417**
Conspiracies, **8:304 et seq.**
Control person liability, **8:373 et seq.**
Cooper case, **8:419**
Corporate governance, **8:414**

OFFICERS, CORPORATE—Cont'd
Rule 10b-5 liability—Cont'd
Correction of violations, responsibility for, **8:418**
Court cases, **8:415 et seq.**
Gould case, **8:417**
Gutfreund case, **8:420**
Inducement, **8:295**
Informed, responsibility to be, **8:415 et seq.**
Injunction suits, **8:303**
Insiders, inducement by, **8:299**
Issuers, inducement by, **8:297**
Market, responsibilities to inform
Generally, **8:421**
Business changes, **8:422**
Grace case, **8:423**
National Telephone case, **8:422**
Second-guessing disclosure counsel, **8:423**
Participants generally, **8:292**
Participants in violations generally, **8:294**
Pleading
Generally, **8:319 et seq.**
Affirmative conduct, **8:321**
Aiding-abetting, **8:324**
Choice of parties, **8:320**
Conspiracy, **8:325**
No affirmative conduct, **8:322**
Participation, **8:323**
Special elements, **8:326**
Prevention of violations, responsibility for, **8:418**
Stirling Homex case, **8:416**
Sarbanes-Oxley Act
Backdating of stock options, **18:3**
Blackout periods
Generally, **8:475**
Trading prohibitions, **8:472**
Certification, **8:462**
Ethics codes, **8:483**
Inside trading reports, **8:471**
Liabilities, **3:169**
Loan prohibitions, **8:481**
Regulation
Generally, **8:461 et seq.**
Acquisition method, **8:474**

OFFICERS, CORPORATE—Cont'd
Sarbanes-Oxley Act—Cont'd
Regulation—Cont'd
Bar from office, **8:482**
Blackout periods, **8:475**
Blackout trading prohibitions, **8:472**
Certification, **8:462**
Disclosure controls, **8:466**
Enforcement, **8:476**
Ethics codes, **8:483**
Evaluations, **8:468**
Exemptions, **8:479**
Fair presentation, **8:465**
Forfeiture on accounting restatement, **8:480**
Inside trading reports, **8:471**
Internal controls, **8:466**
Liability, **8:476**
Loan prohibitions, **8:481**
Non-financial information, **8:467**
Notice, **8:478**
Profit measure, **8:477**
Regulation BTR, **8:473**
Response to evidence of violations, **8:470**
SEC implementation, **8:464, 8:473**
Section 302 legislation, **8:463**
Section 906, **8:469**
Regulation BTR, **8:473**
Whistleblower bounty program, original information, **22:9**

OGRE
Crowdfunding, **14:211**

O'HAGAN CASE
Private actions, loss causation in Supreme Court decision, **8:568**

OMISSIONS
Accountants, **8:408**
Insiders and Insider Trading (this index)
Madoff Ponzi scheme, **20:5**

OPEN-MARKET TRADES
Indirect-Impersonal Dealing (this index)

OPINIONS
See also Court Decisions (this index)
Broker-dealer liability, **14:81**

OPPOSITE SIDE TRADERS
Damages, **7:522**
Definition, **7:494**
Elements of action, **7:518**

ORIGINAL INFORMATION
Whistleblowers (this index)

OVER THE COUNTER (OTC) MARKET
Defined, **1:2**
Direct-personal transactions distinguished, **1:2**
Doorstep sales, **1:2**

PAINTING THE TAPE
Manipulation, **7:132**

PARKING
Generally, **7:143 et seq.**
Capital requirements, use to avoid, **7:147**
Control fights, use in, **7:146**
Definitions, **7:144**
Margin requirements, use to avoid, **7:148**
Record keeping violations, **7:149**
Tax evasion uses, **7:150**

PARMALAT CASE
Indirect-impersonal dealing, **7:111**

PARTIES
Generally, **8:258 et seq.**
See also Private Actions (this index)
Accountants, liability of
Generally, **8:404 et seq.**
See also Accountants (this index)
Aider-abettors
Generally, **8:327 et seq.**
See also Aider-Abettors (this index)
Attorneys
Generally, **8:409 et seq.**

PARTIES—Cont'd
Attorneys—Cont'd
See also Attorneys (this index)
Broker-dealer supervisorial liabilities
Generally, **14:164 et seq.**
Amex requirements, **14:174**
Branch office managers, **14:178**
Chief executive officers, **14:180**
Compliance officers, **14:181**
Court cases, **14:176**
Deficiencies, **14:175**
General counsel, **14:182**
Heads of functional areas, **14:179**
Individual responsibilities, **14:177 et seq.**
Insider Trading and Securities Fraud Enforcement Act, **14:168**
NASD requirements, **14:172**
NYSE requirements, **14:173**
Rule 14e-3(b), **14:169**
Safe harbor programs, **14:175**
Sanctions, **14:175**
SEA § 15(b)(4)(D), **14:166**
SEA § 15(b)(4)(E), **14:165**
SEA § 15(b)(6), **14:165**
SEA § 19, **14:170**
SEA § 20(a), **14:167**
SRO requirements, **14:171 et seq.**
Conspirators
Generally, **8:304 et seq.**
See also Conspiracies and Conspirators (this index)
Contribution (this index)
Control persons
Generally, **8:373 et seq.**
See also Control Person Liability (this index)
Corporate officers and directors
Generally, **8:413 et seq.**
See also Directors, Corporate; Officers, Corporate (this index)
Indemnification, **9:76**
Insurance, **9:76**
Joint and Several Liability (this index)
Mutual Fund Violations (this index)

PARTIES—Cont'd
Proportionate Liability (this index)

PAYMENTS
Arbitration, disciplinary sanctions for failure to pay arbitral award, **15:64**
Foreign government officials. Foreign Corrupt Practices Act (FCPA) (this index)

PEGGING
Manipulation, **7:136**

PENALTIES
See Civil Penalties (this index)

PENNY STOCK SALES
Generally, **14:141 et seq.**
Blank check companies, **14:145**
Criticisms of Reform Act, **14:146**
Pre-quotation requirements, **14:147**
Pre-sale requirements, **14:142**
Reform Act of 1990 generally, **14:143**
Rule 3a51-1, **14:144**
Rule 15c2-11, **14:147**
Rule 15g-1, **14:144**
Rule 15g-8, **14:145**
Rule 15g-9, **14:142**
Rule 174, **14:145**
Rule 419, **14:145**
Secondary market trading, **14:144**

PENSIONS
Employee Benefit Plans (this index)
Employee interests in as securities, **5:27**

PEOPLE'S REPUBLIC OF CHINA
Foreign Corrupt Practices Act (FCPA), **19:11**

PERJURY
Madoff Ponzi scheme, **20:6**

PICOWER
Madoff feeder funds, **20:24**

PIPER CASE
Private actions, loss causation in Supreme Court decision, **8:561**

"PIPE" SCHEMES
SEC actions against attorneys, **8:443**

PLAIN ENGLISH
Generally, **6:278**
See also Disclosure (this index)

PLANNING
See Transaction Planning (this index)

PLEA BARGAINING
See Criminal Enforcement (this index)

PLEADING
Generally, **11:104 et seq., 11:133 et seq.**
See also Private Actions (this index)
Analysts' statements, **11:127**
Broker-dealer fraud, scienter, **8:145**
Buyer-seller requirements, **5:126**
Causation
Acceptance of loss causation pleading, **8:571 to 8:574**
Rejection of loss causation pleading, **8:575 to 8:577**
Circumstantial evidence of recklessness, **11:162**
Company as buyer seller, **5:126**
Connection requirement, **5:140**
Conscious behavior, **11:162**
Contents, **11:120**
Deception, **5:88**
Fact statements, **11:120 et seq.**
Failure to anticipate, **11:131**
Falsity, **11:116**
Forward looking statements, **11:132**
Fraud on the market theory (FOMT), **8:546**
Group statements, **11:123**
Hindsight cases, **11:130 et seq.**
Implied liability, **8:257**
Information and belief, **11:128**
Insider trading charges, **7:364**
Jurisdiction, **11:38**
Loss causation. Causation, above
Manipulation, **8:123**
Materiality, **5:107**
Misleading character, **11:118**
Mismanagement, **5:78**

PLEADING—Cont'd
Modified causation, **5:105 et seq.**
Motive, **11:139**
Nondisclosure, **11:131**
Opportunity, **11:139**
Particularity
Generally, **11:104 et seq., 11:115 et seq.**
Analysts' statements, **11:127**
Conflicting concerns, **11:109, 11:110**
Contents, **11:120**
Discovery stays, **11:120 et seq.**
Fact statements, **11:120 et seq., 11:122**
Failure to anticipate, **11:131**
Falsity, **11:116, 11:117**
Forward looking statements, **11:132**
FRCP Rule 9(b)
Conflicting concerns, **11:109**
Purposes, **11:107**
Tactical importance, **11:105**
Group statements, **11:123, 11:124**
Hindsight cases, **11:130 et seq.**
Implied liability, **11:114**
Information and belief, **11:128**
Misleading character, **11:118, 11:119**
Motive, **11:139**
Nondisclosure, **11:131**
Parties, **11:120**
Place, **11:120**
Predictions, **11:132**
Private Securities Litigation Reform Act, **11:104 et seq.**
Purposes of rule, **11:107, 11:108**
Registration fraud, **11:112**
Rule 10b-5 liability
Generally, **11:115 et seq.**
Analysts' statements, **11:127**
Fact statements, **11:120 et seq., 11:122**
Failure to anticipate, **11:131**
Falsity, **11:116, 11:117**
Forward looking statements, **11:132**

PLEADING—Cont'd
Particularity—Cont'd
Rule 10b-5 liability—Cont'd
Group statements, **11:123, 11:124**
Hindsight cases, **11:130 et seq.**
Information and belief, **11:128, 11:129**
Misleading character, **11:118, 11:119**
Nondisclosure, **11:131**
Predictions, **11:132**
Scienter, **11:133 et seq.**
Third party statements, **11:127**
Unattributed statements, **11:125, 11:126**
SA § 11, **11:112**
SA § 12(2), **11:111**
Sales fraud, **11:111**
Scienter
Generally, **11:133 et seq.**
Bases for inferring, **11:135**
Circumstantial evidence of recklessness, **11:162**
Conscious behavior, **11:162**
Motive, **11:139**
Opportunity, **11:139**
Recklessness
Generally, **11:141**
Circumstantial evidence, **11:162**
Securities Exchange Act, **11:134**
SEA § 21D(b)
Conflicting concerns, **11:110**
Purposes, **11:108**
Tactical importance, **11:106**
Securities Act
Registration fraud, **11:112**
Sales fraud, **11:111**
Securities Exchange Act, **11:113**
Tactical importance, **11:105, 11:106**
Third party statements, **11:127**
Time, **11:120**
Unattributed statements, **11:125, 11:126**
Parties, **11:120**
Place, **11:120**

PLEADING—Cont'd
Predictions, **11:132**
Privity
Generally, **8:319 et seq.**
Affirmative conduct, **8:321**
Aiding-abetting, **8:324**
Choice of parties, **8:320**
Conspiracy, **8:325**
No affirmative conduct, **8:322**
Participation, **8:323**
Special elements, **8:326**
Proportionate liability, **9:58**
Proxy fraud, scienter, **8:131**
Recklessness
Generally, **11:141**
Circumstantial evidence, **11:162**
SA § 11 requirements, **8:81**
Scienter
Generally, **8:81**
Bases for inferring, **11:135**
Broker-dealer fraud, **8:145**
Manipulation, **8:123**
Particularity, **11:133 et seq.**
Proxy fraud, **8:131**
SEC, false reports to, **8:152**
Tender offer fraud, **8:138**
SEA § 21D(b) requirements, **11:134**
Strict causation, **5:99 et seq.**
Tender offer fraud scienter, **8:138**
Third party statements, **11:127**
Time, **11:120**
Unattributed statements, **11:125**
Unfair terms, **5:152**

PONZI SCHEME
Madoff Ponzi Scheme (this index)

PORTALS
Crowdfunding, **14:217**
Description, **14:223**

PREDICTIONS
Generally, **7:5 et seq.**
See also Forward Looking Information (this index)
Broker-dealer liability, **14:81**
Broker predictions, **7:7**
Brokers, **7:7**

PREDICTIONS—Cont'd
Disclosure obligations
Generally, **7:10 et seq.**
Capital resources, **7:15**
Liquidity, **7:14**
With MD&A requirement
Administrative enforcement, **7:13**
Private actions, **7:17**
Operation results, **7:16**
Private actions on MD&A requirements, **7:17**
Restrictions on disclosures, **7:18**
Safe harbor
Generally, **7:19 et seq.**
Background, **7:20**
Bespeaks caution doctrine, **7:22**
PSLRA
Generally, **7:23 et seq.**
Actual knowledge prong, **7:36**
Attacking cautionary statements, **7:29**
Caution prong, **7:26**
Corrections, **7:45**
Definition of forward looking statement, **7:25**
Discovery stays, **7:44**
Drafting cautionary statements, **7:28**
Eligible makers, **7:37**
Exclusions, **7:40**
Expandability, **7:41**
Falsity, actual knowledge of, **7:36**
Later disclosures, **7:30**
Motion practice, **7:43**
Nonexclusiveness, **7:41**
Oral statements referencing caution, **7:31, 7:39**
Procedural aspects, **7:42**
Prohibited uses, **7:40**
Scope of Act, **7:24**
Statements with cautions, **7:27**
Update duty, **7:45**

PREDICTIONS—Cont'd
Disclosure obligations—Cont'd
Safe harbor—Cont'd
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
SA Rule 175, **7:21**
SEA Rule 3b-6, **7:21**
SEC, traditional position, **7:18**
With SEC encouragement, **7:12**
Without SEC rule, **7:11**
Earnings
Inherently misleading statements, **6:256**
Insider use, **7:204**
Misrepresentations, **6:255**
Nondisclosure, **6:257**
Forecasts distinguished, **7:5**
Forward looking information generally, **7:5**
Fraud, predictions and projections as, **7:6**
Inherently misleading earnings statements, **6:256**
Misrepresentations, **7:46**
Nondisclosure
Generally, **8:2**
Earnings information, **6:257**
Pleading particularity, **11:132**
Projections distinguished, **7:5**
Safe harbor
Generally, **7:19 et seq.**
Attacking cautionary statements, **7:29**
Background, **7:20**
Bespeaks caution doctrine, **7:22**
Immateriality, **7:35, 7:38**
Later disclosures, **7:30**
Motion practice, **7:43**
PSLRA
Generally, **7:23 et seq.**
Actual knowledge prong, **7:36**
Attacking cautionary statements, **7:29**
Caution prong, **7:26**
Corrections, **7:45**

PREDICTIONS—Cont'd
Safe harbor—Cont'd
PSLRA—Cont'd
Definition of forward looking statement, **7:25**
Discovery stays, **7:44**
Drafting cautionary statements, **7:28**
Eligible makers, **7:37**
Exclusions, **7:40**
Expandability, **7:41**
Falsity, actual knowledge of, **7:36**
Later disclosures, **7:30**
Motion practice, **7:43**
Nonexclusiveness, **7:41**
Oral statements referencing caution, **7:31, 7:39**
Procedural aspects, **7:42**
Prohibited uses, **7:40**
Scope of Act, **7:24**
Statements with cautions, **7:27**
Update duty, **7:45**
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
SA Rule 175, **7:21**
SEA Rule 3b-6, **7:21**

PREEMPTION
Federal
See also Securities Litigation Uniform Standards Act; State Law (this index)
Employee benefit plans, **5:43**
ERISA, **5:43**
Mutual funds registration, **3:191**
Nationally traded securities, **3:190**
NSMIA preemption of registration
Generally, **3:187 et seq.**
Buyer characteristics, **3:193**
Exemptions, **3:195 et seq.**
Government enforcement, **3:199**
Mutual funds, **3:191**
Nationally traded securities, **3:190**
Private rights, effects on, **3:198**

PREEMPTION—Cont'd
Federal—Cont'd
NSMIA preemption of registration—Cont'd
Qualified purchasers, **3:192**
Regulation preemption, **3:188**
Remaining state jurisdiction, **3:197**
Scope of act, **3:189 et seq.**
Securities characteristics, **3:194**
Securities covered, **3:189 et seq.**
Securities exemptions, **3:196**
Transaction exemptions, **3:195**

PRE-PURCHASE MODEL
Crowdfunding, **14:210**

PRESS RELEASES
Disclosures by, **7:283**

PRESUMPTIONS
Fraud on the market theory (FOMT), **8:521**
Materiality, presumptive reliance and, **8:509**
Reliance
Generally, **8:508 et seq.**
See also Reliance (this index)
Ute presumption, **8:484**

PRICE
Market based price determinations, **8:525**
Retroactive pricing of stock option grants. See Backdating of Stock Options (this index)

PRICE DROP
Private actions, correction and price drop, Proposition 2, **8:580**

PRICE INFLATION
Private actions, Proposition 1, **8:579**

PRIVACY
SEC investigations, use of wiretap in enforcement, **13:149, 13:150**

PRIVATE ACTIONS
Generally, **8:1 et seq.**
Absolute liability, **8:243**
Actions in concert, **8:294**

PRIVATE ACTIONS—Cont'd
Admission of wrongdoing, compromise and settlement, **13:176 to 13:181**
Aider-abettor liability
Generally, **8:327 et seq.**
Absence of benefit, **8:366**
Benefit, **8:364 et seq.**
Court cases, **8:328 et seq.**
Definitions, **8:349**
Dissemination of material false information, liability for, Lorenzo v. SEC, **8:346**
Elements, **8:352**
Extent of benefit, **8:367**
High conscious intent, **8:358**
Janus Capital
Federal securities laws, applicability, **8:336 to 8:345**
Impact of Janus decision, **8:337**
Insiders, liability for statements of their corporations, **8:339, 8:340**
Legal entity, liability for statements of another, **8:338**
Observations and tentative conclusions, **8:342 et seq.**
Preparation for or assistance to another, **8:336 et seq.**
Rule 10b-5(a) and (c), **8:345**
SEC enforcement actions, applicability, **8:343**
Shield function, **8:341**
State law, applicability to, **8:344**
Knowledge of violation, **8:356 et seq.**
Legal entity, liability for statements of another, Janus Capital, **8:338**
Nature of benefit, **8:367**
Origins of doctrine, **8:351**
Preparation for or assistance to another, Janus Capital, **8:336 et seq.**
Presence of benefit, **8:365**
Primary violations, **8:355**
PSLRA, **8:347**
Requirements, **8:352**

PRIVATE ACTIONS—Cont'd
Aider-abettor liability—Cont'd
Rule 10b-5(a) and (c), Janus Capital, **8:345**
SEA § 20(f), **8:348**
SEC enforcement actions, applicability, Janus Capital, **8:343**
State law, applicability to, Janus Capital, **8:344**
Substantial assistance
Generally, **8:359 et seq.**
Extraordinary actions, **8:362**
Inaction, **8:363**
Ordinary actions, **8:362**
Proximate cause, **8:360**
Silence, **8:363**
Timing, **8:361**
Amicus curiae participation by agencies
CFTC, **13:234**
SEC, **13:79**
SROs, **13:293**
Ancillary remedies, **9:17**
Arbitration compared, **15:6**
Backdating stock options, **18:10**
Basic case, loss causation in Supreme Court decision, **8:565**
Blue Chip case, loss causation in Supreme Court decision, **8:560**
Bonds, actions on, SLUSA limitations, **3:211**
Borak, loss causation in Supreme Court decision, **8:557**
Broker-dealer liability
Generally, **14:1 et seq.**
See also Broker-Dealer Liability (this index)
Attorneys' fees, express actions, **14:53**
Broker's knowledge, express actions, **14:41**
Burden of proof, SA § 12(a)(2), **14:42**
Causation, **14:91 et seq.**
Churning (this index)
Class actions
SA § 11, **14:18**
SA § 12, **14:57**

PRIVATE ACTIONS—Cont'd
Broker-dealer liability—Cont'd
Costs, express actions, **14:53**
Damages
Express actions, **14:46, 14:51**
Implied actions, **14:95 et seq.**
Debt securities markups, **14:163**
Due diligence defense
Generally, **14:5**
SEC view, **14:9**
Express actions
Generally, **14:2 et seq.**
Attorneys' fees, **14:53**
Broker's knowledge, **14:41**
Class actions
SA § 11, **14:18**
SA § 12, **14:57**
Costs, **14:53**
Damages, **14:46, 14:51**
Due diligence defense
Generally, **14:5**
SEC view, **14:9**
Integrated disclosure systems, **14:7**
Interest, **14:48**
Limitation of actions, **14:17**
SA § 12(a)(1), **14:25**
SA § 12(a)(2), **14:56**
Misrepresentations, **14:39**
Offerors, brokers as
SA § 12(a)(1), **14:22**
SA § 12(a)(2), **14:29 et seq.**
Omissions, **14:39**
In pari delicto defense, **14:21**
Privity, **14:34**
Proximate cause, **14:35**
Punitive damages, **14:54**
Purchaser, plaintiff as
SA § 12(a)(1), **14:23**
SA § 12(a)(2), **14:44**
Purchaser's knowledge, **14:40**
Recovery, **14:45 et seq.**
Rescission, **14:46, 14:50**
SA § 11
Generally, **14:2 et seq., 14:3 et seq.**
Court cases, **14:6**
Damages, **14:15**

PRIVATE ACTIONS—Cont'd
Broker-dealer liability—Cont'd
Express actions—Cont'd
SA § 11—Cont'd
Due diligence defense
Generally, **14:5**
SEC view, **14:9**
Integrated disclosure systems, **14:7**
Later filings, effect of, **14:10**
Non-managing underwriters, **14:13**
Participating underwriters, **14:13**
Policy considerations, **14:12**
Reasonable investigation defense
Generally, **14:5**
Integrated disclosure systems, **14:7**
SEC Rule 176, **14:8**
Reasonable investigation requirement, **14:11**
SEC Rule 176, **14:7**
SEC Rule 412, **14:7**
SEC view of due diligence techniques, **14:9**
Underwriters
Generally, **14:4**
Due diligence, **14:14**
SA § 12(a)(1)
Generally, **14:19 et seq.**
Broker as defendant, **14:20**
Class actions, **14:57**
Exemptions from SA § 5, **14:24**
Limitation of actions, **14:25**
Offerors, brokers as, **14:22**
In pari delicto defense, **14:21**
Purchaser, plaintiff as, **14:23**
Sellers, brokers as, **14:22**
Violations of SA § 5, **14:26**
SA § 12(a)(2)
Generally, **14:27 et seq.**
Attorneys' fees, **14:53**
Broker as defendant, **14:28**
Broker's knowledge, **14:41**
Burden of proof, **14:42**

PRIVATE ACTIONS—Cont'd
Broker-dealer liability—Cont'd
Express actions—Cont'd
SA § 12(a)(2)—Cont'd
Class actions, **14:57**
Costs, **14:53**
Damages, **14:46, 14:51**
Interest, **14:48**
Limitation of actions, **14:56**
Misrepresentations, **14:39**
Offerors, brokers as, **14:29 et seq.**
Omissions, **14:39**
Pinter case, **14:30, 14:38**
Privity, **14:34**
Proximate cause, **14:35**
Punitive damages, **14:54**
Purchaser, plaintiff as, **14:44**
Purchaser's knowledge, **14:40**
Reasonable care, **14:43**
Reasonable investigation requirement, **14:43**
Recovery, **14:45 et seq.**
Rescission, **14:46, 14:50**
SEA § 10(b) and, overlap between, **14:55**
Sellers, brokers as, **14:29 et seq.**
Substantial factor in sale, broker as, **14:35**
Tax considerations, **14:48**
Tender, **14:49**
Transactional coverage, **14:58**
Sellers, brokers as
SA § 12(a)(1), **14:22**
SA § 12(a)(2), **14:29 et seq.**
Substantial factor in sale, broker as, **14:35**
Tax considerations, **14:48**
Violations of SA § 5, **14:26**
Implied actions
Margin rules
Generally, **14:59**
Arbitration, use in, **14:61**
Court cases, **14:60**
SEA § 7, **14:59**
Rule 10b-5
Generally, **14:73 et seq.**

PRIVATE ACTIONS—Cont'd
Broker-dealer liability—Cont'd
Implied actions—Cont'd
Rule 10b-5—Cont'd
Causation, **14:91 et seq.**
Connection requirement, **14:94**
Contraction era, compensatory damages in, **14:105**
Damages, **14:95 et seq.**
Elements of action, **14:74**
Issuer misrepresentations, **14:76**
Issuer nondisclosures, **14:77**
Justifiable reliance, **14:89**
Market misrepresentations, **14:78**
Market nondisclosures, **14:79**
Materiality, **14:82**
Misrepresentation, **14:75 et seq.**
Mitigation of damages, **14:102**
Nondisclosure, **14:75 et seq.**
Opinions, **14:81**
Out-of-pocket damages, **14:103**
Predictions, **14:81**
Proximate cause, **14:92**
Punitive damages, **14:106 et seq.**
Recklessness, **14:83 et seq.**
Recommendations, **14:81**
Reliance, **14:86 et seq.**
Rescission
Chasins measure, **14:97**
Lost profits, **14:101**
Nye measure, **14:101**
Rolf measure, **14:100**
Restitution, **14:104**
Scienter, **14:83 et seq.**
SRO rules
Generally, **14:62 et seq.**
Arbitration, **14:72**
Buttrey doctrine, **14:65**
Colonial Realty doctrine, **14:64**
Contraction era, **14:71**

PRIVATE ACTIONS—Cont'd
Broker-dealer liability—Cont'd
Implied actions—Cont'd
SRO rules—Cont'd
Court cases, **14:64 et seq.**
Expansion era, **14:63 et seq.**
Insider Trading and Securities Fraud Enforcement Act, **14:168**
Integrated disclosure systems, **14:7**
Limitation of actions
Generally, **14:17**
SA § 12(a)(1), **14:25**
SA § 12(a)(2), **14:56**
Lost profits, rescission and, **14:101**
Margin rules
Generally, **14:59**
Arbitration, use in, **14:61**
Court cases, **14:60**
SEA § 7, **14:59**
Market maker status, **14:152 et seq.**
Markup and markdown practices
Generally, **14:148 et seq.**
Basis
Generally, **14:150 et seq.**
Contemporaneous defined, **14:156**
Customers, comparative frequency of purchases from, **14:158**
Dominating market makers, **14:154**
Inter-dealer prices, availability of, **14:155**
Inter-dealer trades, frequency of, **14:158**
Market-makers, retail, **14:153**
Market maker status, **14:152 et seq.**
NASD criteria, **14:157 et seq.**
Non dominating market makers, **14:160**
Non market makers
NASD criteria, **14:159**
SEC criteria, **14:152**
Retailer market makers, **14:153**
Debt securities markups, **14:163**

PRIVATE ACTIONS—Cont'd
Broker-dealer liability—Cont'd
Markup and markdown practices—Cont'd
Disclosure, **14:149**
Five percent policy, **14:162**
Inter-dealer prices, availability of, **14:155**
Inter-dealer trades, frequency of, **14:158**
Market maker status, **14:152 et seq.**
Materiality, **14:82**
Misrepresentations, **14:39**
Offerors, brokers as, express actions, **14:22, 14:29 et seq.**
Omissions, **14:39**
Opinions, **14:81**
Out-of-pocket damages, **14:103**
In pari delicto defense, **14:21**
Penny Stock Sales (this index)
Predictions, **14:81**
Privity, **14:34**
Proximate cause
Generally, **14:92**
Express actions, **14:35**
Punitive damages, **14:54**
Purchaser, plaintiff as
SA § 12(a)(1), **14:23**
SA § 12(a)(2), **14:44**
Reasonable investigation defense
Generally, **14:5**
Integrated disclosure systems, **14:7**
SEC Rule 176, **14:8**
Reasonable investigation requirement
SA § 11, **14:11**
SA § 12(a)(2), **14:43**
Recklessness, **14:83 et seq.**
Recommendations, **14:81**
Recovery, **14:45 et seq.**
Reliance, **14:86 et seq.**
Rescission
Chasins measure, **14:97**
Express actions, **14:46, 14:50**
Implied actions, **14:95 et seq.**
Lost profits, **14:101**

PRIVATE ACTIONS—Cont'd
Broker-dealer liability—Cont'd
Rescission—Cont'd
Nye measure, **14:101**
Rolf measure, **14:100**
Rule 10b-5
Generally, **14:73 et seq.**
Causation, **14:91 et seq.**
Connection requirement, **14:94**
Contraction era, compensatory damages in, **14:105**
Damages, **14:95 et seq.**
Elements of action, **14:74**
Issuer misrepresentations, **14:76**
Issuer nondisclosures, **14:77**
Justifiable reliance, **14:89**
Market misrepresentations, **14:78**
Market nondisclosures, **14:79**
Materiality, **14:82**
Misrepresentation, **14:75 et seq.**
Mitigation of damages, **14:102**
Nondisclosure, **14:75 et seq.**
Opinions, **14:81**
Out-of-pocket damages, **14:103**
Predictions, **14:81**
Proximate cause, **14:92**
Punitive damages, **14:106 et seq.**
Recklessness, **14:83 et seq.**
Recommendations, **14:81**
Reliance, **14:86 et seq.**
Rescission
Chasins measure, **14:97**
Lost profits, **14:101**
Nye measure, **14:101**
Rolf measure, **14:100**
Restitution, **14:104**
Scienter, **14:83 et seq.**
SA § 11, reasonable investigation requirement, **14:11**
SA § 12(a)(1), broker as defendant, **14:20**
SA § 12(a)(2)
Broker as defendant, **14:28**
Burden of proof, **14:42**
Reasonable investigation requirement, **14:43**

PRIVATE ACTIONS—Cont'd
Broker-dealer liability—Cont'd
Scienter, **14:83 et seq.**
Sellers, brokers as, **14:22, 14:29 et seq.**
Substantial factor in sale, broker as, express actions, **14:35**
Suitability (this index)
Supervisorial duties
Generally, **14:164 et seq.**
Amex requirements, **14:174**
Branch office managers, **14:178**
Chief executive officers, **14:180**
Compliance officers, **14:181**
Court cases, **14:176**
Deficiencies, **14:175**
General counsel, **14:182**
Heads of functional areas, **14:179**
Individual responsibilities, **14:177 et seq.**
Insider Trading and Securities Fraud Enforcement Act, **14:168**
NASD requirements, **14:172**
NYSE requirements, **14:173**
Rule 14e-3(b), **14:169**
Safe harbor programs, **14:175**
Sanctions, **14:175**
SEA § 15(b)(4)(D), **14:166**
SEA § 15(b)(4)(E), **14:165**
SEA § 15(b)(6), **14:165**
SEA § 19, **14:170**
SEA § 20(a), **14:167**
SRO requirements, **14:171 et seq.**
Burden of Proof (this index)
Causation
Generally, **8:555 et seq.**
Basic case, **8:565**
Blue Chip case, **8:560**
Borak decision, **8:557**
Correction and price drop, Proposition 2, **8:580**
Dirks case, **8:563**
Dura Pharmaceuticals case, **8:569**
8th Circuit, cases accepting loss causation pleading, **8:574**

PRIVATE ACTIONS—Cont'd
Causation—Cont'd
11th Circuit, cases rejecting loss causation pleading, **8:577**
Halliburton, **8:570**
Holmes case, **8:567**
Insider trading, **7:517**
Merrill Lynch v. Curran, **8:562**
Mills decision, **8:558**
9th Circuit, cases accepting loss causation pleading, **8:571**
O'Hagan, **8:568**
Piper case, **8:561**
Pleading
Acceptance of loss causation pleading, **8:571 to 8:574**
Rejection of loss causation pleading, **8:575 to 8:577**
Price inflation, Proposition 1, **8:579**
Procedural aspects, **8:581**
Randall case, **8:564**
Resolution of issues, **8:578 to 8:581**
2nd Circuit
Cases accepting loss causation pleading, **8:572**
Cases rejecting loss causation pleading, **8:575**
7th Circuit, cases rejecting loss causation pleading, **8:576**
Supreme Court decisions, **8:556 to 8:570**
3rd Circuit, cases accepting loss causation pleading, **8:573**
Transaction causation, **8:484**
Ute Indians, **8:484, 8:559**
Virginia bankshares, **8:566**
CFTC, amicus curiae participation, **13:234**
Churning (this index)
Class Actions (this index)
Compromise and settlement, admission of wrongdoing, **13:176 to 13:181**
Congressional intent, **3:16**
Conspirators, common law fraud, **8:261**
Constructive fraud, **8:242**

PRIVATE ACTIONS—Cont'd
Continuation of criminal proceedings, **13:140**
Contribution (this index)
Control person liability
Generally, **8:373 et seq.**
Broker-dealers, **8:394 et seq.**
Corporate policy of affairs, control over, **8:382 et seq.**
Court cases, **8:380 et seq.**
Culpable participation, **8:378, 8:388 et seq.**
Element of control, **8:379**
Good faith defense
Generally, **8:393 et seq.**
Broker-dealers, **8:394 et seq.**
SA § 15, **8:393 et seq.**
SEA § 20(a), **8:393 et seq.**
Law and fact questions, **8:381**
Legislative history, **8:375**
Participation, culpable, **8:378, 8:388 et seq.**
Standard of participation, **8:377**
Statutory language, **8:374**
Coordinated SEC-state-SRO investigations, **13:327, 13:328**
Correction and price drop, Proposition 2, **8:580**
Defenses, interrelations of fraud rules generally, **3:51**
Direct-Impersonal Dealing (this index)
Direct-Personal Dealing (this index)
Dirks case, loss causation in Supreme Court decision, **8:563**
Dura Pharmaceuticals case, loss causation in Supreme Court decision, **8:569**
8th Circuit, cases accepting loss causation pleading, **8:574**
Elements of actions under fraud rules, **3:50**
11th Circuit, cases rejecting loss causation pleading, **8:577**
Equitable fraud, **8:242**
Expert testimony, churning, **14:132**
Express actions. Implied and express actions, below

PRIVATE ACTIONS—Cont'd
Federal security law
Materiality factors, **8:33 et seq.**
Materiality tests, **8:8 et seq.**
Federal vs state private actions, relative advantages, **3:200**
Foreign Corrupt Practices Act (FCPA), allegations and settlements, **19:12, 19:13**
Fraud on the market. Reliance, below
Good faith of plaintiff, **8:254**
Halliburton, loss causation, **8:570**
Holmes case, loss causation in Supreme Court decision, **8:567**
Implied and express actions
Generally, **3:54 et seq., 8:242 et seq.**
See also Implied Liability (this index)
Absolute liability, **8:243**
Actual knowledge of plaintiff, **8:244**
Broker-dealer liability, above
Burden of proof, **8:255**
Constructive fraud, **8:242**
Contributory negligence, **8:253**
Cort v Ash, **3:95 et seq.**
Current status of 10b-5 actions, **3:146 et seq.**
Elements, **3:50**
Equitable fraud, **8:242**
Good faith of plaintiff, **8:254**
Innocent defendants, **8:243**
Insider trading, express causes of action, **7:491 et seq., 7:493 et seq.**
Interrelations of fraud rules generally, **3:50**
Limitation of actions, **11:46**
Misrepresentation, plaintiff's knowledge, **8:246**
Negligence of plaintiff, **8:253**
Nondisclosure, plaintiff's knowledge, **8:245**
Overlapping remedies in contraction era, **3:102 et seq.**
Overlapping remedies in expansion era, **3:69 et seq.**

PRIVATE ACTIONS—Cont'd
Implied and express actions—Cont'd
Plaintiff's knowledge
Generally, **8:244 et seq.**
Actual knowledge, **8:244**
Comparative knowledge, **8:249**
Constructive knowledge, **8:250**
Limitation of actions, **8:251**
Misrepresentation, **8:246**
Nondisclosure, **8:245**
Theoretical knowledge, **8:248**
Pleading, **8:257**
Proof, **8:256**
Reliance, **8:484**
Strict liability, **8:243**
Indemnification, **9:76**
Indirect-Impersonal Dealing (this index)
Injunctions, scienter requirement
Actual knowledge, **8:174**
Constructive knowledge, **8:185**
Intent, **8:195**
Innocent defendants, **8:243**
Insider trading
Generally, **7:160, 7:478 et seq., 7:491 et seq.**
Amount of liability, **7:488, 7:521 et seq.**
Ancillary relief, **7:490, 7:525**
Background, **7:501**
Burden of proof
Generally, **7:366**
Defenses, **7:369**
Institutions, **7:367**
Causation
Generally, **7:517**
Implied liability, **7:517**
Connection with requirement
Market transactions, **7:370**
Rule 10b-5, **7:370**
Rule 14e-3, **7:371**
Tender offers, **7:371**
Contemporaneous traders, actions by, **7:503 et seq.**
Control persons, actions against, **7:486, 7:512**
Convertibles traders, suits by, **7:508**

PRIVATE ACTIONS—Cont'd
Insider trading—Cont'd
Damages, **7:488, 7:521 et seq.**
Defenses
Generally, **7:350**
Amount defined, **7:355**
Binding contract defense, **7:351**
Burden of proving, **7:369**
Common terms and issues, **7:355 et seq.**
Date defined, **7:357**
Delegation alternative to amount, price and date, **7:358**
Exclusiveness of defenses, **7:360**
Institutional defenses, **7:361**
Instructions defense, **7:352**
Overriding limitations, **7:359**
Price defined, **7:356**
Relation to other laws, **7:362**
Systematic plans defense, **7:353**
Tracking plans defense, **7:354**
Elements of action, **7:514 et seq.**
Express actions
Generally, **7:478 et seq.**
Amount of liability, **7:488**
Ancillary relief, **7:490**
Control persons, actions against, **7:486**
Damages, **7:488**
Other liabilities, relation to, **7:489**
Parties defendant, **7:483**
Parties plaintiff
Express causes of action, **7:480 et seq.**
Implied actions, **7:502 et seq.**
Relation to other liabilities, **7:489**
Same class of securities, actions by traders in, **7:482, 7:506**
Tippers, actions against, **7:485**
Traders
Actions against, **7:484**
Contemporaneous, suits by, **7:481**
Who can be sued, **7:483**

PRIVATE ACTIONS—Cont'd
Insider trading—Cont'd
Express actions—Cont'd
Who may sue
Express causes of action, **7:480 et seq.**
Implied actions, **7:502 et seq.**
Fiduciary theory
Generally, **7:498**
Scienter, **7:385**
Implied liability
Generally, **7:491 et seq.**
Amount of liability, **7:521 et seq.**
Ancillary relief, **7:525**
Background, **7:501**
Causation, **7:517**
Contemporaneous traders, actions by, **7:503 et seq.**
Control persons, actions against, **7:512**
Convertibles traders, suits by, **7:508**
Damages, **7:521 et seq.**
Elements of action, **7:514 et seq.**
Fiduciary theory, **7:498**
Market, relation of parties to, **7:493 et seq.**
Misappropriation theory, **7:499**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**
Suits by, **7:504**
Option traders, suits by, **7:507**
Parties defendant, **7:509**
Relation to other liabilities, **7:524**
Reliance, **7:516**
Rule 10b-5, **7:497 et seq.**
Rule 14e-3, **7:500**
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**

PRIVATE ACTIONS—Cont'd
Insider trading—Cont'd
Implied liability—Cont'd
Same side traders—Cont'd
Suits by, **7:505**
Standing, **7:520**
Tippers, actions against, **7:511**
Traders, actions against, **7:510**
Who can be sued, **7:509**
Who can sue, **7:502**
Institutional defenses, **7:361**
Institutions, burden of proof, **7:367**
Janus Capital, liability for statements of their corporations, **8:339, 8:340**
Market, relation of parties to, **7:493 et seq.**
Misappropriation theory
Generally, **7:499**
Scienter, **7:386**
Motion practice, **7:365**
Opposite side traders
Damages, **7:522**
Elements of action, **7:518**
Relations of parties to market, **7:494**
Suits by, **7:504**
Option traders, suits by, **7:507**
Other liabilities, relation to, **7:489**
Parties, **7:363**
Parties defendant, **7:483, 7:509**
Parties plaintiff
Express causes of action, **7:480 et seq.**
Implied actions, **7:502 et seq.**
Pleading
Generally, **7:364**
Scienter, **7:398**
Procedural aspects, **7:363 et seq.**
Proof, **7:368**
Quantum of proof, **7:366, 7:367**
Relation to other liabilities, **7:489, 7:524**
Reliance
Generally, **7:516**
Implied liability, **7:516**
RICO, **7:414, 7:464**
Rule 10b-5, **7:497 et seq.**

PRIVATE ACTIONS—Cont'd
Insider trading—Cont'd
Rule 14e-3, **7:500**
Same class of securities, actions by traders in, **7:482, 7:506**
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**
Suits by, **7:505**
Scienter
Generally, **7:372 et seq.**
Fiduciary theory
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**
Mail and wire fraud, **7:413**
Misappropriation theory
Tippers, **7:382**
Trading insiders, **7:378**
Trading tippees, **7:386**
Pleading, **7:398**
Proof, **7:399 et seq.**
Rule 10b-5, **7:374 et seq.**
Rule 14e-3, **7:412**
Tippers
Generally, **7:379 et seq.**
Proof, **7:401**
Trading insiders
Generally, **7:375 et seq.**
Proof, **7:400**
Trading tippees
Generally, **7:383 et seq.**
Proof, **7:402**
Standing, **7:520**
Tippers
Actions against, **7:485, 7:511**
Scienter, **7:379 et seq.**
Traders
Actions against, **7:484, 7:510**
Contemporaneous, suits by, **7:481**
Who can be sued, **7:483, 7:509**
Who can sue
Generally, **7:502**
Express causes of action, **7:480 et seq.**

PRIVATE ACTIONS—Cont'd
Insider trading—Cont'd
Who can sue—Cont'd
Implied actions, **7:502 et seq.**
Insurance, **9:76**
Joint and Several Liability (this index)
Joint tortfeasors, common law fraud, **8:261**
Jurisdiction
Generally, **11:2 et seq.**
Adviser activities, **11:15**
Agent's interstate activities, **11:13**
Broker-dealer activities, **11:15**
Check clearance as interstate activity, **11:11**
Class actions, **11:42**
Defenses, **11:41**
Derivative suits, **11:43**
Foreign transactions, **11:16**
Fraud, interstate nature of, **11:9**
International transactions, **11:16**
Interstate commerce, **11:3**
Local telephone use, **11:4**
Mails, use of, **11:6**
Misconduct, relation of jurisdictional means to
Generally, **11:8 et seq.**
Agent's interstate activities, **11:13**
Check clearances, **11:11**
Fraud, **11:9**
Plaintiff's interstate activities, **11:14**
Transaction, **11:10, 11:12**
Plaintiff's interstate activities, **11:14**
Pleading, **11:38**
Procedure, **11:39 et seq.**
Process, **11:40**
Scope of commerce, **11:3**
Securities exchanges and interstate commerce, **11:7**
Service of process, **11:40**
Telephone use, **11:4**
Transaction, interstate nature of, **11:10, 11:12**
Venue, **11:39**

PRIVATE ACTIONS—Cont'd
Limitation of Actions (this index)
Loss causation. Causation, above
Manipulation
Generally, **8:102 et seq.**
Burden of proof, **8:104**
Defendant's purpose
Generally, **8:103 et seq.**
Burden of proof, **8:104**
Direct evidence, **8:106**
Indirect evidence, **8:107**
Large blocks, **8:108**
Large proportion of trading, **8:109**
Painting the tape, **8:110**
Playoff of markets, **8:114**
Price action, **8:113**
Profit, **8:115**
Proof, **8:105**
Stimulating demand, **8:110**
Suppressing supply, **8:112**
Indirect evidence of purpose, **8:107**
Materiality, **8:54**
Painting the tape, **8:110**
Playoff of markets, **8:114**
Price action, **8:113**
Proof, **8:105**
Martha Stewart case
Generally, **7:403 et seq.**
Acquittal, **7:411**
Background of case, **7:404**
Imclone stock sale, **7:404**
Indictment, **7:405**
Inferences from evidence, **7:409**
Insiders and insider trading, generally, **7:403 et seq.**
Intent inference test, **7:410**
Limits on argument and evidence, **7:407**
Misrepresentation, **7:406**
Scienter, generally, **7:403 et seq.**
Sufficiency of evidence test, **7:408**
MD&A predictions and projections, disclosure requirements, **7:17**
Merger challenges
Rule 10b-5, **6:162**
Rule 14a-9, **6:160**

PRIVATE ACTIONS—Cont'd
Merger challenges—Cont'd
Rule 14c-6, **6:161**
Merrill Lynch v. Curran, loss causation in Supreme Court decision, **8:562**
Mills, loss causation in Supreme Court decision, **8:558**
Misappropriation theory of insider liabilities, **7:579, 7:603**
Misrepresentations
Fact or opinion as subject of, **8:2**
Omnicare decision, fact vs. opinion standard, **8:3**
Opinion or fact as subject of, **8:2**
Plaintiff's knowledge, **8:246**
Rule 10b-5 elements generally, **8:2**
Motion practice
Fraud on the market theory (FOMT), **8:547**
Insider trading charges, **7:365**
Proportionate liability, **9:59**
Negligence of plaintiff, **8:253**
9th Circuit, cases accepting loss causation pleading, **8:571**
Nondisclosure
Fact or opinion as subject of, **8:2**
Omnicare decision, fact vs. opinion standard, **8:3**
Opinion or fact as subject of, **8:2**
Rule 10b-5 elements generally, **8:2**
NSMIA preemption, **3:198**
Observations, **13:182**
O'Hagan case, loss causation in Supreme Court decision, **8:568**
Parallel civil and criminal proceedings
Generally, **13:133 et seq.**
Battle over discovery, **13:135**
CFTC references, **13:263**
Civil-criminal flow of information, **13:139**
Continuation of criminal proceedings, **13:140**
Continuations of civil proceedings, **13:137, 13:138**
Criminal-civil flow of information, **13:141, 13:143**

PRIVATE ACTIONS—Cont'd
Parallel civil and criminal proceedings—Cont'd
Criteria for stay of discovery, **13:136**
Discovery, **13:139, 13:142, 13:143**
Continuation of civil proceedings with, **13:138**
Failure to warn of criminal proceeding in civil proceeding, **13:142**
Reasons for concern, **13:134**
SEC references, **13:133 et seq.**
Parallel criminal proceedings, **13:143**
Parties
Generally, **8:258 et seq.**
Aider-abettors
Implied liability, **8:279**
SA § 12(2), **8:269**
Blue sky law, **8:262**
Brokers
Implied liability, **8:276**
SA § 12(2), **8:266**
Buyers, **8:265**
Common law, **8:259**
Conspirators
Generally, **8:261**
Implied liability, **8:280**
SA § 12(2), **8:270**
Contribution (this index)
Control persons, **8:271**
Distinctions, **8:258**
Implied liability
Generally, **8:274 et seq.**
Aider-abettors, **8:279**
Brokers, **8:276**
Buyers, **8:275**
Conspirators, **8:280**
Control persons, **8:281**
Insiders, **8:277**
Participants, **8:278**
Indemnification, **9:76**
Insiders
Implied liability, **8:277**
SA § 12(2), **8:267**
Insurance, **9:76**
Joint and Several Liability (this index)

PRIVATE ACTIONS—Cont'd
Parties—Cont'd
Joint tortfeasors, **8:261**
Participants, **8:268**
Proportionate Liability (this index)
Proxy fraud, **8:284**
Registration fraud, **8:273**
SA § 11, **8:273**
Sales fraud
Generally, **8:263 et seq.**
Aider-abettors, **8:269**
Brokers, **8:266**
Buyers, **8:265**
Conspirators, **8:270**
Control persons, **8:271**
Implied liability, **8:274 et seq.**
Insiders, **8:267**
Others, **8:272**
Participants, **8:268**
SA § 17(a), **8:274 et seq.**
Sellers, **8:264**
SEA § 9, **8:282**
SEA § 10, **8:283**
SEA § 14
Proxy fraud, **8:284**
Tender offer fraud, **8:285**
SEA § 15(c)(1), **8:286**
SEA § 18, **8:287**
Securities Act, **8:263 et seq.**
Securities Exchange Act, **8:282 et seq.**
Sellers, **8:264**
Tender offer fraud, **8:285**
Penny Stock Sales (this index)
Piper case, loss causation in Supreme Court decision, **8:561**
Plaintiff's knowledge
Generally, **8:244 et seq.**
Actual knowledge, **8:244**
Comparative knowledge, **8:249**
Constructive knowledge, **8:250**
Limitation of actions, **8:251**
Misrepresentation, **8:246**
Nondisclosure, **8:245**
Theoretical knowledge, **8:248**
Pleading (this index)
Price drop, Proposition 2, **8:580**
Price inflation, Proposition 1, **8:579**

PRIVATE ACTIONS—Cont'd
Privity
Generally, **8:288 et seq.**
Accountants, liability of, **8:404**
Actions in concert, **8:294**
Agreement, **8:314**
Aider-abettor liability, **8:327 et seq.**
Aider-abettors, **8:327 et seq.**
Aiding and abetting generally, **8:292**
Attorneys, **8:409**
Benefit, **8:317**
Combination, **8:314**
Concerted action, **8:294**
Conspiracy generally, **8:292**
Conspirators, **8:304 et seq.**
Control person liability, **8:373 et seq.**
Distinctions, **8:258**
Extent of liability, **8:318**
Implied liability, **8:288 et seq.**
Inducement, **8:295**
Injunction suits, **8:303**
Insiders, inducement by, **8:299**
Intent, **8:316**
Issuers, inducement by, **8:297**
Knowledge, **8:315**
Liability, extent of, **8:318**
Limits, **8:291**
Officers and directors, **8:413**
Participants generally, **8:292**
Participants in violations generally, **8:294**
Participation generally, **8:292**
Pleading
Generally, **8:319 et seq.**
Affirmative conduct, **8:321**
Aiding-abetting, **8:324**
Choice of parties, **8:320**
Conspiracy, **8:325**
No affirmative conduct, **8:322**
Participation, **8:323**
Special elements, **8:326**
Policies, **8:289**
Reasons, **8:289**
Rescission, availability of, **8:290**
Rule 10b-5, **8:288 et seq.**

PRIVATE ACTIONS—Cont'd
Privity—Cont'd
Suability, meaning of generally, **8:293**
Theory of action, **8:290**
Procedural aspects, **8:581**
Process, **11:40**
Proof (this index)
Proportionate Liability (this index)
Quantum of proof
Fraud on the market theory (FOMT), **8:548**
Insider trading charges, **7:366**
Proportionate liability, **9:63**
Randall case, loss causation in Supreme Court decision, **8:564**
Reduction in price, Proposition 2, **8:580**
Reliance
Generally, **8:484 et seq.**
Access to information, **8:499**
Anti-reliance devices, **8:511 et seq.**
Blue sky law, **8:488**
Buyer-seller requirement, **8:582**
Causation as substitute for reliance, **8:524**
Class actions
Generally, **8:515 et seq.**
Desirability of class actions, **8:526**
Utility of class actions, **8:526**
Common law, **8:487**
Concealment of fraud, **8:501**
Damages
Causation, **8:553**
Fraud on the market theory (FOMT), **8:552**
Disclaimers, **8:514**
Due diligence, **8:506**
Expertise of plaintiff, **8:497**
Fiduciary relationships, **8:500**
Fraud on the market theory (FOMT)
Generally, **8:520 et seq.**
Background, **8:521**
Burden of proof, **8:548**

PRIVATE ACTIONS—Cont'd
Reliance—Cont'd
Fraud on the market theory (FOMT)—Cont'd
Causation as substitute for reliance, **8:524**
Class certification, **8:550**
Common law, **8:531**
Damages measure, **8:552**
Desirability of class actions, **8:526**
Disclosure policy and, **8:533**
Fairness, **8:527**
Indirect or presumed reliance, **8:539 et seq.**
Indirect reliance, **8:521**
Market based price determinations, **8:525**
Materiality as substitute for reliance, **8:524**
Materiality of alleged misrepresentation, **8:550**
Motion practice, **8:547**
Nature of market, **8:536 et seq.**
Novelty of theory, **8:529**
Parties, **8:545**
Pleading, **8:546**
Policies, **8:523, 8:528 et seq.**
Presumption, treatment as, **8:521**
Presumptions, **8:510**
Price determinations, market based, **8:525**
Procedural aspects of theory, **8:545 et seq.**
Proof, **8:549, 8:550**
Quantum of proof, **8:548**
Reasons, **8:523, 8:528 et seq.**
Rebuttal of theory, **8:542 et seq.**
Scope of theory, **8:522**
Statutory bases, **8:532**
Utility of class actions, **8:526**
Fraud to enter the market theory (FEMT)
Indirect or presumed reliance, **8:541**
Nature of market, **8:538**
Rebuttal of theory, **8:544**

PRIVATE ACTIONS—Cont'd
Reliance—Cont'd
Generality of misrepresentation, **8:504**
Indirect reliance, **8:521**
Insider trading, **7:516**
Integration clauses, **8:513**
Justifiable, **8:496**
Long-standing relationships, **8:498**
Materiality
Generally, **8:507**
Distinctions, **8:519**
Presumptive reliance and materiality of omissions, **8:509**
Substitutions of theories, **8:524**
No-reliance clauses, **8:512**
Opportunity to detect fraud, **8:502**
Plaintiff initiation, **8:503**
Presumptions
Generally, **8:508 et seq.**
Fraud on the market, above
Material omissions, **8:509**
Ute presumption, **8:484**
Proof of subjective reliance, **8:485**
Registration fraud, **8:491**
Rule 10b-5, **8:493 et seq.**
SA § 11, **8:491**
SA § 12(a)(2), **8:490**
SA § 17(a), **8:492**
SA generally, **8:489 et seq.**
Sales fraud
Generally, **8:489 et seq.**
Express liability, **8:490**
Implied liability, **8:492**
Sophistication of plaintiff, **8:497**
Specificity of misrepresentation, **8:504**
State law, **8:488**
Subjective reliance, **8:485**
Transaction planning, **8:511 et seq.**
Ute presumption, **8:484**
Remedies (this index)
Residue, **8:583**
Restitution to defrauded investors, SEC role in
In court, **10:3**
Out of court, **10:2**

PRIVATE ACTIONS—Cont'd
Sales fraud
Generally, **8:489 et seq.**
Aider-abettors, **8:269**
Brokers, **8:266**
Buyers, **8:265**
Conspirators, **8:270**
Control persons, **8:271**
Insiders, **8:267**
Others, **8:272**
Participants, **8:268**
Parties, **8:263 et seq.**
SA § 17(a), **8:274 et seq.**
Sellers, **8:264**
Same side traders
Damages, **7:523**
Elements of action, **7:519**
Relations of parties to market, **7:495**
Suits by, **7:505**
Sarbanes-Oxley Act liability, **8:476**
Scienter
Generally, **8:58 et seq.**
Actual knowledge
Generally, **8:165 et seq.**
Burden of proof, **8:178**
Criminal prosecutions, **8:176**
Direct-impersonal transactions, **8:171**
Direct-personal transactions, **8:170**
Indirect-impersonal transactions, **8:172**
Injunctions, **8:174**
Insufficiency of, **8:177**
Necessity of, **8:167, 8:168**
Proof, **8:179**
SEC decisions, **8:175**
Sufficiency of, **8:169 et seq.**
Bad faith
Generally, **8:210 et seq.**
Burden of proof, **8:219**
Effect of good or bad faith generally, **8:216 et seq.**
Good reputation, effect of, **8:218**
Insufficiency, **8:215**
Necessity of, **8:212, 8:213**

PRIVATE ACTIONS—Cont'd
Scienter—Cont'd
Bad faith—Cont'd
Proof, **8:220**
Sufficiency, **8:214**
Belief of defendant, **8:240**
Blue sky law
Defendant's knowledge and intent, **8:61**
Plaintiff's knowledge, **8:62**
Broker-dealer fraud
Generally, **8:139 et seq.**
Burden of proof, **8:141**
Defendant's intent, **8:143**
Defendant's knowledge and belief
Generally, **8:140 et seq.**
Burden of proof, **8:141**
Proof, **8:142**
Plaintiff's knowledge, **8:144**
Pleading, **8:145**
Proof, **8:142**
Burden of proof, **8:66**
Common law
Defendant's knowledge and intent, **8:59**
Plaintiff's knowledge, **8:60**
Constructive knowledge
Generally, **8:180 et seq.**
Burden of proof, **8:189**
Criminal prosecutions, **8:187**
Injunctions, **8:185**
Insufficiency, **8:188**
Necessity, **8:182, 8:183**
Proof, **8:190**
SEC decisions, **8:186**
Sufficiency, **8:184 et seq.**
Defendant's knowledge and intent
Blue sky laws, **8:61**
Common law, **8:59**
Defendant standards, **8:164**
Definitions, **8:155 et seq.**
Diligence, lack of
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**

PRIVATE ACTIONS—Cont'd
Scienter—Cont'd
Diligence, lack of—Cont'd
Necessity, **8:231, 8:232**
Proof, **8:239**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Intent
Generally, **8:191 et seq.**
Absence of intent, effect of, **8:200**
Burden of proof, **8:201**
Criminal cases, **8:197**
Criminal prosecutions, **8:197**
Injunctions, **8:195**
Insufficiency, **8:199**
Necessity, **8:193 et seq.**
Presence of intent, effect of, **8:200**
Proof, **8:202**
SEC decisions, **8:196**
Sufficiency, **8:198**
Limitation of actions, plaintiff's knowledge of fraud, **8:70**
Manipulation
Generally, **8:102 et seq.**
Burden of proof, **8:104**
Defendant's intent, **8:119**
Defendant's knowledge, **8:120**
Defendant's purpose
Generally, **8:103 et seq.**
Burden of proof, **8:104**
Defense of proper purpose, **8:118**
Direct evidence, **8:106**
Indirect evidence, **8:107**
Large blocks, **8:108**
Large proportion of trading, **8:109**
Painting the tape, **8:110**
Playoff of markets, **8:114**
Price action, **8:113**
Profit, **8:115**
Proof, **8:105**
Proper purpose as defense, **8:118**
Stimulating demand, **8:110, 8:111**

PRIVATE ACTIONS—Cont'd
Scienter—Cont'd
Manipulation—Cont'd
Defendant's purpose—Cont'd
Suppressing supply, **8:112**
Defendant's willfulness, **8:121**
Direct evidence, **8:106**
Indirect evidence of purpose, **8:107**
Large block trades, **8:108**
Large proportion of trading, **8:109**
Painting the tape, **8:110**
Plaintiff's knowledge, **8:122**
Playoff of markets, **8:114**
Pleading, **8:123**
Price action, **8:113**
Proof, **8:105**
Stimulating demand, **8:110**
Suppressing supply, **8:112**
Materiality, **8:44, 8:45**
Motive
Generally, **8:203 et seq.**
Absence, effect of, **8:207**
Burden of proof, **8:208**
Necessity, **8:205, 8:206**
Presence, effect of, **8:207**
Proof, **8:209**
Negligence
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Necessity, **8:231, 8:232**
Proof, **8:239**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Other elements, relation of scienter to, **8:163**
Plaintiff's knowledge
Blue sky laws, **8:62**
Common law, **8:60**
Plaintiff standards, **8:164**
Pleading
Particularity
Generally, **11:133 et seq.**
Bases for inferring, **11:135**

PRIVATE ACTIONS—Cont'd
Scienter—Cont'd
Pleading—Cont'd
Particularity—Cont'd
Circumstantial evidence of recklessness, **11:162**
Conscious behavior, **11:162**
Motive, **11:139**
Opportunity, **11:139**
Recklessness, **11:141, 11:162**
SEA § 21D(b), **11:134**
SEC, false reports to, **8:152**
Proof
Actual knowledge, **8:179**
Proxy fraud
Generally, **8:125 et seq., 8:126 et seq.**
Burden of proof, **8:127**
Intent, **8:129**
Plaintiff's knowledge, **8:130**
Pleading, **8:131**
Proof, **8:128**
Recklessness
Generally, **8:221 et seq.**
Burden of proof, **8:227**
Insufficiency, **8:226**
Necessity, **8:223, 8:224**
Proof, **8:228**
Sufficiency, **8:225**
Registration statement fraud, **8:72 et seq.**
Reputation, **8:218**
Rule 10b-5 fraud
Generally, **8:154 et seq.**
Actual knowledge
Generally, **8:165 et seq.**
Burden of proof, **8:178**
Criminal prosecutions, **8:176**
Direct-impersonal transactions, **8:171**
Direct-personal transactions, **8:170**
Indirect-impersonal transactions, **8:172**
Injunctions, **8:174**
Insufficiency of, **8:177**
Necessity of, **8:167, 8:168**
Proof, **8:179**

PRIVATE ACTIONS—Cont'd
Scienter—Cont'd
Rule 10b-5 fraud—Cont'd
Actual knowledge—Cont'd
SEC decisions, **8:175**
Sufficiency of, **8:169 et seq.**
Bad faith
Generally, **8:210 et seq.**
Burden of proof, **8:219**
Effect of good or bad faith generally, **8:216 et seq.**
Good reputation, effect of, **8:218**
Insufficiency, **8:215**
Necessity of, **8:212, 8:213**
Proof, **8:220**
Sufficiency, **8:214**
Belief of defendant, **8:240**
Breadth of rule, **8:160**
Congressional intent, **8:158**
Constructive knowledge
Generally, **8:180 et seq.**
Burden of proof, **8:189**
Criminal prosecutions, **8:187**
Injunctions, **8:185**
Insufficiency, **8:188**
Necessity, **8:182, 8:183**
Proof, **8:190**
SEC decisions, **8:186**
Sufficiency, **8:184 et seq.**
Defendant standards, **8:164**
Diligence, lack of
Generally, **8:229 et seq.**
Injunctions, **8:234**
Flexibility, need for, **8:162**
Formulations, **8:155**
Intent
Generally, **8:191 et seq.**
Absence of intent, effect of, **8:200**
Burden of proof, **8:201**
Criminal cases, **8:197**
Criminal prosecutions, **8:197**
Injunctions, **8:195**
Insufficiency, **8:199**
Necessity, **8:193 et seq.**
Presence of intent, effect of, **8:200**

PRIVATE ACTIONS—Cont'd
Scienter—Cont'd
Rule 10b-5 fraud—Cont'd
Intent—Cont'd
Proof, **8:202**
SEC decisions, **8:196**
Sufficiency, **8:198**
Motive
Generally, **8:203 et seq.**
Absence, effect of, **8:207**
Burden of proof, **8:208**
Necessity, **8:205, 8:206**
Presence, effect of, **8:207**
Proof, **8:209**
Negligence
Generally, **8:229 et seq.**
Injunctions, **8:234**
Other elements, relation of scienter to, **8:163**
Plaintiff standards, **8:164**
Policy, **8:161**
Reasons, **8:161**
Recklessness, **8:221 et seq.**
Reputation, **8:218**
Scope of rule, **8:160**
Semantic confusion, **8:156, 8:157**
Unreasonable conduct
Generally, **8:229 et seq.**
Injunctions, **8:234**
Willfulness, **8:241**
SEA § 15(c)(1), **8:139 et seq.**
SEC, false reports to
Generally, **8:146**
Defendant's intent, **8:150**
Defendant's knowledge
Generally, **8:147 et seq.**
Burden of proof, **8:148**
Proof, **8:149**
Good faith, **8:150**
Plaintiff's knowledge, **8:151**
Pleading, **8:152**
Privity, **8:287**
Quantitative factors, **8:153**
Securities Exchange Act
Generally, **8:101 et seq.**
Rule 10b-5 fraud, **8:154 et seq.**
Section 9(a), **8:102 et seq.**

PRIVATE ACTIONS—Cont'd
Scienter—Cont'd
Securities Exchange Act—Cont'd
Section 10, **8:124**
Section 14, **8:125, 8:132 et seq.**
Section 15(c)(1), **8:139 et seq.**
Section 18, **8:146 et seq.**
Stimulating demand, **8:110**
Tender offer fraud
Defendant's intent, **8:136**
Defendant's knowledge and belief
Generally, **8:133 et seq.**
Burden of proof, **8:134**
Proof, **8:135**
Intent, **8:136**
Plaintiff's knowledge, **8:137**
Pleading, **8:138**
Unreasonable conduct
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Necessity, **8:231, 8:232**
Proof, **8:239**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Versions of scienter, relations among
Actual knowledge, **8:166**
Bad faith, **8:211**
Constructive knowledge, **8:181**
Diligence, lack of, **8:230**
Intent, **8:192**
Motive, **8:204**
Negligence, **8:230**
Purpose, **8:204**
Recklessness, **8:222**
Unreasonable conduct, **8:230**
Willfulness, **8:241**
Scienter (this index)
2nd Circuit
Cases accepting loss causation pleading, **8:572**
Cases rejecting loss causation pleading, **8:575**

PRIVATE ACTIONS—Cont'd
SEC role in restitution to defrauded investors
Coordinated SEC-state-SRO investigations, **13:324**
In court, **10:3**
Out of court, **10:2**
SEC, amicus curiae participation, **13:79**
Service of process, **11:40**
7th Circuit, cases rejecting loss causation pleading, **8:576**
SROs, amicus curiae participation, **13:293**
Standing
Distinctions, **8:258**
Implied liability, **7:520**
Insider trading, **7:520**
Strict liability, **8:243**
Suitability (this index)
Supreme Court, loss causation, **8:556 to 8:570**
3rd Circuit, cases accepting loss causation pleading, **8:573**
Ute Indians, **8:484, 8:559**
Venue, **11:39**
Virginia bankshares, loss causation in Supreme Court decision, **8:566**
Whistleblowers, employers, **22:16**

PRIVATE CLASS ACTIONS
ESG, **29:3**

PRIVATE COMPANIES
Whistleblowers, employees, **22:17**

PRIVATE INFORMATION
See Insiders and Insider Trading (this index)

PRIVATE SECURITIES LITIGATION REFORM ACT (PSLRA)
Aider-abettor liability, **8:347**
Congressional intent, **3:214**
Discovery stays, **7:44**
Feeder fund protection, **20:18**
Forward looking statement defined, **7:25**
Indirect-impersonal dealing, **7:86, 7:97**

PRIVATE SECURITIES LITIGATION REFORM ACT (PSLRA)—Cont'd
Pleading (this index)
Predictions and projections
Generally, **7:23 et seq.**
Actual knowledge prong, **7:36**
Attacking cautionary statements, **7:29**
Caution prong, **7:26**
Corrections, **7:45**
Definition of forward looking statement, **7:25**
Discovery stays, **7:44**
Drafting cautionary statements, **7:28**
Eligible makers, **7:37**
Exclusions, **7:40**
Expandability, **7:41**
Falsity, actual knowledge of, **7:36**
Immateriality, **7:35, 7:38**
Later disclosures, **7:30**
Motion practice, **7:43**
Nonexclusiveness, **7:41**
Oral statements referencing caution, **7:31, 7:39**
Procedural aspects, **7:42**
Prohibited uses, **7:40**
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
Scope of Act, **7:24**
Statements with cautions, **7:27**
Update duty, **7:45**
Proportionate Liability (this index)
Rule 10b-5 and, **3:1**
Scope of Act, **7:24**
SLUSA and, **3:214**

PRIVATE TRANSACTIONS
See Direct-Personal Dealing (this index)

PRIVILEGES
Generally, **13:31 et seq.**
Attorney-client
Generally, **13:36**

PRIVILEGES—Cont'd
Attorney-client—Cont'd
Filip era
Changes in policy, **13:54**
Cooperation, **13:51, 13:52**
Internal investigations, **13:52**
Investor recovery, **13:55**
Joint defense, **13:54**
Relief from pressure to waive, **13:50**
Sharing agreements, **13:54**
Waiver request, **13:53**
Work product, **13:54**
Waiver
Generally, **13:37 et seq.**
CFTC, **13:57**
Constitutional analysis, **13:42**
Constitutional violations, **13:43**
District Court reconsideration (Stein IV), **13:46**
Fee claims, **13:45**
Filip Era, **13:50**
Findings, **13:41**
KPMG's actions, **13:40**
Legal fee payment, **13:39**
McNulty era, **13:48**
Pressure not to pay legal fees, **13:58**
Pressure to waive, **13:38**
Proffers under threat of nonpayment of legal fees, **13:44**
Relief from pressure to waive, **13:48 et seq.**
SEC, **13:56**
Second Circuit (Stein V), **13:47**
Specter Bill, **13:49**
US v. Stein, **13:39 et seq.**
CFTC investigations, **13:223**
Claiming, strategic considerations, **13:61 to 13:65**
SEC investigations, **13:31 et seq.**
Self incrimination
Generally, **13:32**
Waiver, **13:33**
SRO investigations, **13:285**
Waiver, **13:33**
Work product, **13:59**

PRIVITY
Generally, **6:172 et seq., 8:258 et seq.**
See also Private Actions (this index)
Actions in concert, **8:294**
Agreement, **8:314**
Benefit, **8:317**
Combination, **8:314**
Control person liability, **8:373 et seq.**
Extent of liability, **8:318**
Implied liability, Rule 10b-5, **3:176**
Intent, **8:316**
Knowledge, **8:315**
Liability, extent of, **8:318**
Merger challenges, **6:172 et seq.**
Participation, pleading, **8:323**
Pleading
Generally, **8:319 et seq.**
Affirmative conduct, **8:321**
Aiding-abetting, **8:324**
Choice of parties, **8:320**
Conspiracy, **8:325**
No affirmative conduct, **8:322**
Participation, **8:323**
Special elements, **8:326**
Rule 10b-5
Generally, **6:175**
Actions in concert, **8:294**
Aider-abettor liability, **8:327 et seq.**
Concerted action, **8:294**
Control person liability, **8:373 et seq.**
Implied liability, **3:176**
Inducement, **8:295**
Injunction suits, **8:303**
Insiders, inducement by, **8:299**
Issuers, inducement by, **8:297**
Participants generally, **8:292**
Participants in violations generally, **8:294**
Rule 14a-9, **6:173**
Rule 14c-6, **6:174**
Suability, meaning of generally, **8:293**

PROBABLE CAUSE
Insiders and inside trading, Raj Rajaratnam case, **21:15**

PROCESS
Generally, **11:40**

PROFITS
Madoff feeder funds, **20:19**
Private actions, materiality, **8:43**

PRO FORMA FINANCIAL INFORMATION
Sarbanes-Oxley Act liabilities based on, **3:170**

PROJECTIONS
Generally, **7:5, 7:5 et seq.**
See also Forward Looking Information (this index)
Analyst projections, **7:9**
Company projections, **7:8**
Disclosure obligations
Generally, **7:10 et seq.**
Capital resources, **7:15**
Liquidity, **7:14**
With MD&A requirement
Administrative enforcement, **7:13**
Private actions, **7:17**
Operation results, **7:16**
Private actions on MD&A requirements, **7:17**
Restrictions on disclosures, **7:18**
Safe harbor
Generally, **7:19 et seq.**
Background, **7:20**
Bespeaks caution doctrine, **7:22**
Immateriality, **7:35, 7:38**
PSLRA
Generally, **7:23 et seq.**
Actual knowledge prong, **7:36**
Attacking cautionary statements, **7:29**
Caution prong, **7:26**
Corrections, **7:45**
Definition of forward looking statement, **7:25**
Discovery stays, **7:44**

PROJECTIONS—Cont'd
Disclosure obligations—Cont'd
Safe harbor—Cont'd
PSLRA—Cont'd
Drafting cautionary statements, **7:28**
Eligible makers, **7:37**
Exclusions, **7:40**
Expandability, **7:41**
Falsity, actual knowledge of, **7:36**
Immateriality, **7:35, 7:38**
Later disclosures, **7:30**
Motion practice, **7:43**
Nonexclusiveness, **7:41**
Oral statements referencing caution, **7:31, 7:39**
Procedural aspects, **7:42**
Prohibited uses, **7:40**
Scope of Act, **7:24**
Statements with cautions, **7:27**
Update duty, **7:45**
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
SA Rule 175, **7:21**
SEA Rule 3b-6, **7:21**
SEC, traditional position, **7:18**
With SEC encouragement, **7:12**
Without SEC rule, **7:11**
Forecasts distinguished, **7:5**
Fraud, predictions and projections as, **7:6**
Predictions distinguished, **7:5**
Safe harbor
Generally, **7:19 et seq.**
Background, **7:20**
Bespeaks caution doctrine, **7:22**
Immateriality, **7:35, 7:38**
Motion practice, **7:43**
Oral statements referencing caution, **7:31, 7:39**
PSLRA
Generally, **7:23 et seq.**
Actual knowledge prong, **7:36**

PROJECTIONS—Cont'd
Safe harbor—Cont'd
PSLRA—Cont'd
Attacking cautionary statements, **7:29**
Caution prong, **7:26**
Corrections, **7:45**
Definition of forward looking statement, **7:25**
Discovery stays, **7:44**
Drafting cautionary statements, **7:28**
Eligible makers, **7:37**
Exclusions, **7:40**
Expandability, **7:41**
Falsity, actual knowledge of, **7:36**
Later disclosures, **7:30**
Motion practice, **7:43**
Nonexclusiveness, **7:41**
Oral statements referencing caution, **7:31, 7:39**
Procedural aspects, **7:42**
Prohibited uses, **7:40**
Scope of Act, **7:24**
Statements with cautions, **7:27**
Update duty, **7:45**
Readily available cautionary statements
Generally disseminated, **7:34**
SEC filings, **7:33**
Timing, **7:32**
SA Rule 175, **7:21**
SEA Rule 3b-6, **7:21**

PROMOTIONAL MATERIALS
Madoff Ponzi scheme, **20:5**

PROOF
Bad faith, scienter, **8:220**
Broker-dealer fraud
Defendant's knowledge and belief, **8:142**
Scienter, **8:142**
Churning, **14:132**
Class certification, materiality of alleged misrepresentation, **8:550**
Constructive knowledge, **8:190**

PROOF—Cont'd
Defendant's knowledge and belief, **8:142**
Diligence, lack of, **8:239**
Fraud on the market theory (FOMT), **8:549, 8:550**
Implied liability
Generally, **8:256**
Rule 10b-5, **3:177**
Insiders and Insider Trading (this index)
Intent, **8:202**
Motive, **8:209**
Negligence, **8:239**
Proportionate liability, **9:64**
Proxy fraud, **8:128**
Recklessness, **8:228**
Reliance, **8:485**
Retaliatory intent under Sarbanes-Oxley Act, UBS Securities decision, **22:24**
Rule 10b-5 implied liability, **3:177**
Scienter
Generally, **8:67**
Actual knowledge, **8:179**
Bad faith, **8:220**
Broker-dealer fraud, **8:142**
Constructive knowledge, **8:190**
Defendant's knowledge and belief, **8:142**
Diligence, lack of, **8:239**
Intent, **8:202**
Motive, **8:209**
Negligence, **8:239**
Proxies and proxy solicitations, **8:128**
Recklessness, **8:228**
SEC, false reports to, **8:149**
Tender offer fraud, **8:135**
Unreasonable conduct, **8:239**
SEC, false reports to, **8:149**
Securities Act
Scienter, **8:67**
Section 11, **8:78**
Section 17(a), **8:85**
Subjective reliance, **8:485**
Tender offer fraud, **8:135**
Unreasonable conduct, **8:239**

PROPORTIONATE LIABILITY
Generally, **9:47 et seq., 9:57**
See also Joint and Several Liability (this index)
Additions to, **9:54**
Apportionment determinations, **9:61**
Background, **9:48**
Burden of proof, **9:63**
Contribution and, **9:69**
Control persons, **9:53**
Damage limitations, effect of, **9:55**
Fair share liability, **9:52**
Indemnification, **9:76**
Insurance, **9:76**
Joint and several liability compared, **9:47**
Knowing violators
Generally, **9:51**
Determinations, **9:60**
Legislative history, **9:48**
Measure of liability, **9:49 et seq.**
Motion practice, **9:59**
Nature of liability, **9:49 et seq.**
Nondisclosures to jury, **9:62**
Nonknowing violators, **9:52**
Parties, **9:57**
Pleadings, **9:58**
Private Securities Litigation Reform Act, **9:48**
Procedural aspects, **9:56 et seq.**
Proof, **9:64**
Quantum of proof, **9:63**
Scope of liability, **9:50**
Securities Act provisions, **9:48**
Securities Exchange Act provisions, **9:48**
Settlement, effect of, **9:65**

PROSPECTUS DISCLOSURE
Mutual fund violations, misleading prospectuses, **17:7**

PROSPECTUS FRAUD
Contextual definitions, **3:43**
Disclosure by, **7:286**
Issuer disclosure by, **7:286**
Limitation of actions, **11:47 et seq.**
Meanings of, **3:41 et seq.**
Penny Stock Sales (this index)

PROSPECTUS FRAUD—Cont'd
Statutory definition, **3:42**
Suitability (this index)

PROXIMATE CAUSE
See also Causation (this index)
Aider-abettor liability, substantial assistance, **8:360**
Broker-dealer liability, **14:92**

PROXY FRAUD
Generally, **6:198 et seq.**
See also Direct-Impersonal Dealing (this index)
Antifraud provisions
Backdating of stock options, **18:3**
Causation
Generally, **6:179 et seq.**
Rule 10b-5, **6:181**
Rule 14a-9, **6:179**
Rule 14c-6, **6:180**
Connection requirement
Generally, **6:183 et seq.**
Rule 10b-5, **6:185**
Rule 14a-9, **6:183**
Rule 14c-6, **6:184**
Jurisdictional means
Generally, **6:188 et seq.**
Rule 10b-5, **6:190**
Rule 14a-9, **6:188, 6:189**
Materiality standard
Generally, **6:165 et seq.**
Rule 10b-5, **6:168**
Rule 14a-9, **6:166**
Rule 14c-6, **6:167**
Mergers
Generally, **6:158 et seq.**
Buyer-seller requirement, **6:182**
Causation
Generally, **6:179 et seq.**
Rule 10b-5, **6:181**
Rule 14a-9, **6:179**
Rule 14c-6, **6:180**
Comparative language, **6:164**
Connection requirement
Generally, **6:183 et seq.**
Rule 10b-5, **6:185**
Rule 14a-9, **6:183**
Rule 14c-6, **6:184**

PROXY FRAUD—Cont'd
Antifraud provisions—Cont'd
Mergers—Cont'd
Jurisdictional means
Generally, **6:188 et seq.**
Rule 10b-5, **6:190**
Rule 14a-9, **6:188, 6:189**
Materiality standard
Generally, **6:165 et seq.**
Rule 10b-5, **6:168**
Rule 14a-9, **6:166**
Rule 14c-6, **6:167**
Operation, areas of, **6:163**
Private actions, **6:160 et seq.**
Privity
Generally, **6:172 et seq.**
Rule 10b-5, **6:175**
Rule 14a-9, **6:173**
Rule 14c-6, **6:174**
Reliance
Generally, **6:176 et seq.**
Rule 10b-5, **6:178**
Rule 14a-9, **6:176**
Rule 14c-6, **6:177**
Rule 10b-5, relation of proxy rules to, **6:159 et seq.**
Rule 10b-5 private actions, **6:162**
Rule 14a-9 private actions, **6:160**
Rule 14c-6 private actions, **6:161**
Scienter standard
Generally, **6:169 et seq.**
Rule 10b-5, **6:171**
Rule 14a-9, **6:169**
Rule 14c-6, **6:170**
SEA § 14(e), **6:186**
Securities Act, **6:187**
State law
Generally, **6:191 et seq.**
Appraisal rights, **6:192, 6:193**
Delaware law, **6:196**
Effect of merger or dissolution, **6:194**
Equitable approach, **6:197**
Standing approach, **6:196**
Violations covered, **6:164**

PROXY FRAUD—Cont'd
Antifraud provisions—Cont'd
Privity
Generally, **6:172 et seq.**
Rule 10b-5, **6:175**
Rule 14a-9, **6:173**
Rule 14c-6, **6:174**
Proxy rules, **6:24**
Reliance
Generally, **6:176 et seq.**
Rule 10b-5, **6:178**
Rule 14a-9, **6:176**
Rule 14c-6, **6:177**
Rule 10b-5
Causation, **6:181**
Materiality standard, **6:168**
Privity, **6:175**
Proxy rules, relation to, **6:159 et seq.**
Reliance, **6:178**
Scienter standard, **6:171**
Rule 14a-9
Causation, **6:179**
Materiality standard, **6:166**
Privity, **6:173**
Reliance, **6:176**
Scienter standard, **6:169**
Rule 14c-6
Causation, **6:180**
Materiality standard, **6:167**
Privity, **6:174**
Reliance, **6:177**
Scienter standard, **6:170**
Scienter standard
Generally, **6:169 et seq.**
Rule 10b-5, **6:171**
Rule 14a-9, **6:169**
Rule 14c-6, **6:170**
SEA § 14(e), **6:186**
Securities Act, **6:187**
State law
Generally, **6:191 et seq.**
Appraisal rights, **6:192, 6:193**
Delaware law, **6:196**
Effect of merger or dissolution, **6:194**
Equitable approach, **6:197**
Standing approach, **6:196**

PROXY FRAUD—Cont'd
Antifraud provisions—Cont'd
Tender offers
Generally, **6:22 et seq.**
Connection, **6:26**
Jurisdictional means, **6:27**
Opposition, applicability to, **6:23**
Proxy rules, **6:24**
SEA § 14(e), **6:24**
Conflict of interest transactions, **5:108**
Definitions, **6:208, 6:209**
Direct-personal dealing, **5:108**
Disclosures
Generally, **6:212 et seq., 6:267**
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Aggregate materiality, **6:253**
Annual reports, **6:242**
Application of funds, **6:260**
Assets
Generally, **6:261 et seq.**
Existence of, **6:262**
Reasons, **6:273**
Value of assets, below
Balance, **6:229**
Buried facts, **6:232**
Cash flow, **6:260**
Clarity, **6:225**
Comparative tables, **6:219**
Consistency, **6:228**
Conspicuity. Prominence, below
Context, **6:235**
Corrections, **6:302**
Generally, **6:290 et seq.**
See also Supplementary communications, below
Another's statements, correction of, **6:319**
Blue sky laws, **6:292**
Broker-dealer fraud, **6:312**
Common law, **6:291**
False reports to SEC, **6:313**
Fraud in general, **6:314 et seq.**

PROXY FRAUD—Cont'd
Disclosures—Cont'd
Corrections, **6:302**—Cont'd
How long correction is necessary
Rule 14a-9, **6:304**
Rule 14c-6, **6:308**
SA § 11, **6:296**
How long is correction necessary
Generally, **6:323**
Direct-impersonal transactions, **6:325**
Direct-personal transactions, **6:324**
Indirect-impersonal transactions, **6:326**
How must correction be made
Rule 10b-5, **6:328**
Rule 14a-9, **6:306**
Rule 14c-6, **6:310**
SA § 11, **6:298**
Market manipulation, **6:300**
Proxy fraud, **6:302**
Registration fraud, **6:294 et seq.**
Rule 10b-5 requirements
Fraud in general, **6:314 et seq.**
How long is correction necessary, **6:323 et seq.**
How must correction be made, **6:328**
What makes correction necessary, **6:319 et seq.**
What must be corrected, **6:327**
Who entitled to correction, **6:328**
Rule 14a-9, **6:303 et seq.**
Rule 14c-6, **6:307 et seq.**
SA § 11, **6:294 et seq.**
SA § 12(2), **6:293**
SA § 17(a), **6:299**
Sales fraud
Express liability, **6:293**
Implied liability, **6:299**
SEA § 9(a), **6:300**
SEA § 10, **6:301**

PROXY FRAUD—Cont'd
Disclosures—Cont'd
Corrections, **6:302**—Cont'd
SEA § 14, **6:302**
State law, **6:292**
Tender offer fraud, **6:311**
What makes correction necessary
Generally, **6:319**
Direct-impersonal transactions, **6:321**
Direct-personal transactions, **6:320**
Indirect-impersonal transactions, **6:322**
Rule 14a-9, **6:303**
Rule 14c-6, **6:307**
SA § 11, **6:295**
What must be corrected
Rule 10b-5, **6:327**
Rule 14a-9, **6:305**
Rule 14c-6, **6:309**
SA § 11, **6:297**
Who entitled to correction
Rule 10b-5, **6:328**
Rule 14a-9, **6:306**
Rule 14c-6, **6:310**
SA § 11, **6:298**
Cross references, **6:233**
Detail, **6:234**
Distribution, **6:214 et seq.**
Earnings
Generally, **6:254**
Inherently misleading statements, **6:256**
Interim, **6:259**
Misrepresentations, **6:255**
Nondisclosure of, **6:257**
Predictions, **6:255**
Form and substance, **6:235**
Interim earnings, **6:259**
Interpretation, **6:236**
Level, **6:227**
Locus, **6:214 et seq.**
Materiality
Generally, **6:248 et seq.**
Aggregate, **6:253**
Might, use of term, **6:249**

PROXY FRAUD—Cont'd
Disclosures—Cont'd
Materiality—Cont'd
Practical problems, **6:251**
Probably would, use of term, **6:250**
Specific items, materiality of, **6:252**
Would, use of term, **6:249**
Misrepresentations
Earnings, **6:255**
Value of assets
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
Numerical information, **6:237**
Opposition communications, **6:247**
Organization, **6:226**
Overall effect, **6:238**
Predictions, earning, **6:255**
Presentation, **6:224 et seq.**
Prominence
Generally, **6:230 et seq.**
Buried and scattered facts, **6:232**
Similar emphasis, **6:231**
Repetition, **6:233**
Risk
Generally, **6:275 et seq.**
CFTC requirements, **6:289**
Context, **6:275**
Court cases, **6:281**
Day trading, **6:284**
Extended hour trading, **6:285**
Margin trading, **6:286**
NASD requirements, **6:283 et seq.**
Plain English requirements, **6:278**
Safe harbor, **6:282**
SA filings, **6:279**
SEA filings, **6:280**
Short selling, **6:287**
Specific requirements, **6:277**
Uninsured products, **6:288**
Rule 10b-5 requirements, **6:218**
SA § 5 requirements, **6:217**
Scattered facts, **6:232**
SEA § 14(a) requirements, **6:215**

PROXY FRAUD—Cont'd
Disclosures—Cont'd
SEA § 14(c) requirements, **6:216**
Sources of funds, **6:260**
Sources of requirements
Generally, **6:220 et seq.**
Antifraud provisions, **6:222**
Specific items, **6:221**
Timing, **6:223**
Style, **6:224 et seq.**
Supplementary communications
Generally, **6:239 et seq.**
See also Corrections, above
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Annual reports, **6:242**
Cover letters, **6:243**
Followup solicitations, **6:244**
Generally available information, **6:246**
Other communications, **6:245**
Transmittal letters, **6:243**
Timing requirements, **6:223**
Value of assets
Generally, **6:263 et seq.**
Firm offers, **6:265**
Hard data, **6:264**
Misrepresentation
Defenses, **6:271**
Precautions, **6:272**
Misrepresentations, generally, **6:270**
Modified view
Disposition plans, **6:266**
Hard data, **6:264**
Other situations, **6:268**
Policies, **6:269**
Reasons, **6:269**
Replacement costs, **6:267**
Traditional view, **6:263**
Disclosures of nonpublic information through, **7:287**
Federal laws generally, **6:150**
Joint and several liability, **9:29**
Materiality, private actions, **8:56**

PROXY FRAUD—Cont'd
Mergers
Generally, **6:146 et seq., 6:198 et seq.**
See also Mergers (this index)
Disclosures
Generally, **6:212 et seq., 6:267**
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Aggregate materiality, **6:253**
Annual reports, **6:242**
Application of funds, **6:260**
Assets
Generally, **6:261 et seq.**
Existence of, **6:262**
Reasons, **6:273**
Balance, **6:229**
Buried facts, **6:232**
Cash flow, **6:260**
Clarity, **6:225**
Comparative tables, **6:219**
Consistency, **6:228**
Conspicuity. Prominence, below
Context, **6:235**
Cross references, **6:233**
Detail, **6:234**
Distribution, **6:214 et seq.**
Earnings
Generally, **6:254**
Inherently misleading statements, **6:256**
Interim, **6:259**
Misrepresentations, **6:255**
Nondisclosure of, **6:257**
Predictions, **6:255**
Form and substance, **6:235**
Interim earnings, **6:259**
Interpretation, **6:236**
Level, **6:227**
Locus, **6:214 et seq.**
Materiality
Generally, **6:248 et seq.**
Aggregate, **6:253**
Might, use of term, **6:249**
Practical problems, **6:251**
Probably would, use of term, **6:250**

PROXY FRAUD—Cont'd
Mergers—Cont'd
Disclosures—Cont'd
Materiality—Cont'd
Specific items, materiality of, **6:252**
Would, use of term, **6:249**
Misrepresentations
Earnings, **6:255**
Value of assets
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
Numerical information, **6:237**
Opposition communications, **6:247**
Organization, **6:226**
Overall effect, **6:238**
Predictions, earning, **6:255**
Presentation, **6:224 et seq.**
Prominence
Generally, **6:230 et seq.**
Buried and scattered facts, **6:232**
Similar emphasis, **6:231**
Repetition, **6:233**
Rule 10b-5 requirements, **6:218**
SA § 5 requirements, **6:217**
Scattered facts, **6:232**
SEA § 14(a) requirements, **6:215**
SEA § 14(c) requirements, **6:216**
Sources of funds, **6:260**
Sources of requirements
Generally, **6:220 et seq.**
Antifraud provisions, **6:222**
Specific items, **6:221**
Timing, **6:223**
Style, **6:224 et seq.**
Supplementary communications
Generally, **6:239 et seq.**
Advance letters
Proxy rules, **6:240**
Registration under SA, **6:241**
Annual reports, **6:242**
Cover letters, **6:243**

PROXY FRAUD—Cont'd
Mergers—Cont'd
Disclosures—Cont'd
Supplementary communications—Cont'd
Followup solicitations, **6:244**
Generally available information, **6:246**
Other communications, **6:245**
Transmittal letters, **6:243**
Timing requirements, **6:223**
Value of assets
Generally, **6:263 et seq.**
Firm offers, **6:265**
Hard data, **6:264**
Misrepresentations
Generally, **6:270**
Defenses, **6:271**
Precautions, **6:272**
Modified view
Disposition plans, **6:266**
Hard data, **6:264**
Other situations, **6:268**
Policies, **6:269**
Reasons, **6:269**
Replacement costs, **6:267**
Traditional view, **6:263**
Private actions, **6:160 et seq.**
Scope of regulations
Generally, **6:207 et seq.**
Annual reports, **6:211**
Excluded solicitations, **6:210**
Proxy defined, **6:208**
Solicitation defined, **6:209**
Securities covered
Generally, **6:199 et seq.**
Insurance companies
Generally, **6:201**
Antifraud provisions, federal, **6:204**
Federal and state rules, **6:202**
McCarran Act, **6:203**
Investment companies, **6:205**
Public utility holding companies, **6:206**
Nonmerger solicitations, **6:274**
Nonpublic information disclosures through, **7:287**

PROXY FRAUD—Cont'd
Private actions
Materiality, **8:56**
Merger challenges, **6:160 et seq.**
Scienter
Generally, **8:125 et seq., 8:126 et seq.**
Burden of proof, **8:127**
Intent, **8:129**
Plaintiff's knowledge, **8:130**
Pleading, **8:131**
Proof, **8:128**
Privity, **8:284**
Risk disclosures. Disclosures, above
Rule 10b-5, relation of proxy rules to, **6:159 et seq.**
Scienter
Generally, **8:125 et seq., 8:126 et seq.**
Burden of proof, **8:127**
Intent, **8:129**
Plaintiff's knowledge, **8:130**
Pleading, **8:131**
Proof, **8:128**
Scope of regulations
Generally, **6:207 et seq.**
Annual reports, **6:211**
Excluded solicitations, **6:210**
Proxy defined, **6:208**
Solicitation defined, **6:209**
SEA § 14(e)
Generally, **6:186**
Proxy rules, relation to, **6:24**
SEC rules, Congressional intent, **6:155**
Securities covered
Generally, **6:199 et seq.**
Insurance companies
Generally, **6:201**
Antifraud provisions, federal, **6:204**
Federal and state rules, **6:202**
McCarran Act, **6:203**
Investment companies, **6:205**
Public utility holding companies, **6:206**
Tender Offer Fraud (this index)

PROXY FRAUD—Cont'd
Types of direct-impersonal dealings, **6:1**

PUBLIC ACCESS
SEC investigations, use of wiretap in enforcement, **13:149**

PUBLIC ACCOUNTING FIRM
Whistleblower bounty program, original information from employees, **22:10**

PUBLIC COMPANIES
Whistleblowers, employees, **22:17**

PUBLIC COMPANY ACCOUNTING OVERSIGHT BOARD (PCAOB)
Indirect-impersonal dealing, GAAP violations, **7:61**

PUBLIC INFORMATION
See Insiders and Insider Trading (this index)

PUBLIC PENSION FUNDS
Madoff Ponzi scheme, **20:3**

PUBLIC SALES
See also Direct-Impersonal Dealing (this index)
Disclosure, **6:12**
Interrelations of fraud rules, **3:40**
Types of direct-impersonal dealings, **6:1**

PUBLIC UTILITY HOLDING COMPANIES
Proxy rules, applicability to, **6:206**

PUFFERY
Materiality factors, **8:35**

"PUMP-AND-DUMP" SCHEMES
SEC actions against attorneys, **8:443**

PUNITIVE DAMAGES
Generally, **9:12**
Arbitration
Generally, **15:36, 15:37, 15:74**
Broker-dealer liability, **14:111**
Broker-dealer liability
Generally, **14:106 et seq., 15:74**

PUNITIVE DAMAGES—Cont'd
Broker-dealer liability—Cont'd
Arbitration, **14:111**
Federal securities law, **14:106**
State law, **14:107 et seq.**
State law, **14:107 et seq.**

PURPOSE
Generally, **8:203**
Defense of proper purpose, **8:118**
Intent (this index)
Knowledge (this index)
Manipulation, defendant's purpose
Generally, **8:103 et seq.**
Burden of proof, **8:104**
Defense of proper purpose, **8:118**
Direct evidence, **8:106**
Indirect evidence, **8:107**
Large blocks, **8:108**
Large proportion of trading, **8:109**
Painting the tape, **8:110**
Playoff of markets, **8:114**
Price action, **8:113**
Profit, **8:115**
Proof, **8:105**
Proper purpose as defense, **8:118**
Stimulating demand, **8:110, 8:111**
Suppressing supply, **8:112**
Motive (this index)
Proper purpose as defense, **8:118**
Scienter (this index)
Versions of scienter, relations among, **8:204**

RANDALL CASE
Private actions, loss causation in Supreme Court decision, **8:564**

REASONABLE INVESTIGATION DEFENSE
SA § 11
Generally, **14:5**
Integrated disclosure systems, **14:7**
SEC Rule 176, **14:8**

REASONABLE INVESTOR STANDARD
Misrepresentation claims, consideration of, **7:51**

REASONABLENESS OF CONDUCT
See Unreasonable Conduct (this index)

RECKLESSNESS
Generally, **8:221 et seq., 11:141**
Broker-dealer liability, **14:83 et seq.**
Burden of proof, **8:227**
Circumstantial evidence, **11:162**
Court cases, **11:141 et seq., 11:162 et seq., 14:83 et seq.**
Insufficiency, **8:226**
Necessity, **8:223, 8:224**
Pleading
Generally, **11:141**
Circumstantial evidence, **11:162**
Proof, **8:228**
Securities Litigation Uniform Standards Act (SLUSA), **3:214**
Sufficiency, **8:225**
Versions of scienter, relations among, **8:222**

RECORDS AND RECORD KEEPING
CFTC inspection of records, **13:195**
Parking rule violations, **7:149**
Sarbanes-Oxley Act actions, **3:171**

REDEMPTIONS
Issuer tender offers, **6:145**
Madoff Ponzi scheme, **20:2, 20:3, 20:6**

RED FLAGS
Madoff Ponzi scheme, **20:5, 20:17**

REDUCTION IN PRICE
Private actions, correction and price drop, Proposition 2, **8:580**

REFERENCES
Jurisdiction, foreign cubed cases, **11:28**

REFORM ACT
See Private Securities Litigation Reform Act (this index)

REGISTRATION AS INVESTMENT ADVISER
Madoff Ponzi scheme, **20:6**

REGISTRATION OF SECURITIES
Crowdfunding, **14:216**
Fraud rules applicable to registered offerings generally, **3:39, 3:45**
Limitation of actions, **11:47 et seq.**
Mutual funds, **3:191**
Nationally traded securities, **3:190**
NSMIA preemption
Generally, **3:187 et seq.**
Buyer characteristics, **3:193**
Exemptions, **3:195 et seq.**
Government enforcement, **3:199**
Mutual funds, **3:191**
Nationally traded securities, **3:190**
Private rights, effects on, **3:198**
Qualified purchasers, **3:192**
Regulation preemption, **3:188**
Remaining state jurisdiction, **3:197**
Scope of act, **3:189 et seq.**
Securities characteristics, **3:194**
Securities covered, **3:189 et seq.**
Securities exemptions, **3:196**
Transaction exemptions, **3:195**
Regulation FD disclosures, **7:547**
Regulation preemption, NSMIA, **3:188**

REGULATION A
Crowdfunding, application of law, **14:215**

REGULATION D
Crowdfunding, application of law, **14:215**

REGULATION G
Indirect-impersonal dealing, GAAP violations, **7:73**
Sarbanes-Oxley Act liabilities, **3:170**

REGULATION S-P
Cybersecurity, **26:4, 26:5**

RELEASE OF INFORMATION
See also Disclosure (this index)
Dividend actions, materiality, **7:247**

RELEASE OF INFORMATION —Cont'd
Inside information, timely disclosure
Generally, **7:238 et seq.**
Acquisition information
Generally, **7:248 et seq.**
Agreements
Disclosure not required, **7:261**
Disclosure required, **7:260**
Company, trading by, **7:256**
Definitions, **7:250**
Disclosure document obligations, **7:259**
Leaks, **7:255**
Materiality of negotiated acquisitions, **7:262 et seq.**
Preliminary negotiations
Misleading statements, **7:253**
No statement made, **7:252**
Other situations, **7:254**
Prior statement now misleading, **7:257**
Rumors, **7:255**
Stages of negotiated acquisitions, **7:249**
Target response to tender offers, **7:258**
When disclosure of agreement required, **7:260**
When disclosure required, **7:251 et seq.**
Business judgment considerations, **7:241**
Corporate purpose considerations, **7:242**
Delays, justifications for, **7:240**
Dividend actions
Evolving information, **7:245**
Materiality, **7:247**
When disclosure required, **7:246**
Justification for delay, **7:240**
Law violations and timeliness considerations, **7:244**
Ripeness and timing, **7:243**
Tender offers
Generally, **7:267**
Materiality, **7:270**

RELEASE OF INFORMATION —Cont'd
Inside information, timely disclosure —Cont'd
Tender offers—Cont'd
Stages of nonnegotiated acquisitions, **7:268**
When disclosure required, **7:269**
Ripeness and timely disclosure, **7:243**

RELEVANCY
SEC investigations, use of wiretap, **13:152**

RELIANCE
Generally, **6:176 et seq., 8:484 et seq.**
Access to information, **8:499**
Administrative enforcement actions, **10:1**
Anti-reliance devices, **8:511 et seq.**
Blue sky law, **8:488**
Broker-dealer liability
Generally, **14:86 et seq.**
Justifiable reliance, **14:89**
Buyer-seller requirement, **8:582**
Causation as substitute for reliance, **8:524**
Class actions
Desirability of class actions, **8:526**
Utility of class actions, **8:526**
Common law, **8:487**
Concealment of fraud, **8:501**
Damages
Causation, **8:553**
Fraud on the market theory (FOMT), **8:552**
Disclaimers, **8:514**
Due diligence, **8:506**
Expertise of plaintiff, **8:497**
Fiduciary relationships, **8:500**
Fraud on the market theory (FOMT)
Generally, **8:520 et seq.**
Background, **8:521**
Causation as substitute for reliance, **8:524**
Common law, **8:531**
Damages measure, **8:552**

RELIANCE—Cont'd
Fraud on the market theory (FOMT) —Cont'd
Desirability of class actions, **8:526**
Disclosure policy and, **8:533**
Fairness, **8:527**
Indirect or presumed reliance, **8:539 et seq.**
Indirect reliance, **8:521**
Market based price determinations, **8:525**
Materiality as substitute for reliance, **8:524**
Nature of market, **8:536 et seq.**
Novelty of theory, **8:529**
Parties, **8:545**
Policies, **8:523, 8:528 et seq.**
Presumptions, **8:510**
Treatment as, **8:521**
Price determinations, market based, **8:525**
Procedural aspects of theory, **8:545 et seq.**
Reasons, **8:523, 8:528 et seq.**
Rebuttal of theory, **8:542 et seq.**
Scope of theory, **8:522**
Statutory bases, **8:532**
Utility of class actions, **8:526**
Fraud to enter the market theory (FEMT)
Indirect or presumed reliance, **8:541**
Nature of market, **8:538**
Rebuttal of theory, **8:544**
Generality of misrepresentation, **8:504**
Indirect-impersonal dealing, curtailing scheme to defraud, **7:76 to 7:78, 7:80**
Indirect reliance, **8:521**
Integration clauses, **8:513**
Justifiable
Generally, **14:89**
Rule 10b-5, **8:496**
Long-standing relationships, **8:498**
Materiality
Generally, **8:507**
Distinctions, **8:519**

RELIANCE—Cont'd
Materiality—Cont'd
Presumptive reliance and materiality of omissions, **8:509**
Substitutions of theories, **8:524**
Merger challenges, **6:176 et seq.**
No-reliance clauses, **8:512**
Opportunity to detect fraud, **8:502**
Overview, **8:486**
Plaintiff initiation, **8:503**
Presumptions
Generally, **8:508 et seq.**
Fraud on the market, **8:510**
Material omissions, **8:509**
Ute presumption, **8:484**
Proof, subjective reliance, **8:485**
Registration fraud, **8:491**
SA § 11, **8:491**
SA § 12(a)(2), **8:490**
SA § 17(a), **8:492**
SA generally, **8:489 et seq.**
Sales fraud, **8:489 et seq.**
Sophistication of plaintiff, **8:497**
Specificity of misrepresentation, **8:504**
State law, **8:488**
Subjective reliance, **8:485**
Transaction planning, **8:511 et seq.**
Ute presumption, **8:484**

RELIEF IN PRIVATE ACTIONS
See Remedies (this index)

REMEDIES
Generally, **9:1 et seq.**
Ancillary relief
Generally, **9:17**
Insider trading, **7:419, 7:437, 7:490**
Attorneys' fees, **9:18**
Contribution (this index)
Damages (this index)
Disgorgement (this index)
Fraud on the market
Generally, **8:520 et seq.**
See also Reliance (this index)
Implied liability, **3:178**
Indemnification, **9:76**
Injunctions (this index)

REMEDIES—Cont'd
Insider trading charges
Ancillary relief, **7:419, 7:437**
Disgorgement, **7:418, 7:425 et seq., 7:465**
Insurance, **9:76**
Interest, prejudgment, **9:16**
Interpretation, flexibility to achieve remedial purpose
Contraction era, **3:88**
Expansion era, **3:66**
Joint and Several Liability (this index)
Multiple recoveries, **9:15**
Penalty actions
Generally, **7:438 et seq.**
See also Civil Penalties (this index)
Prejudgment interest, **9:16**
Proportionate Liability (this index)
Reliance
Generally, **8:484 et seq.**
See also Reliance (this index)
Rescission (this index)
Restitution (this index)
Rule 10b-5 implied liability, **3:178**
Sanctions. See Administrative Enforcement (this index)

REMOTENESS
Indirect-impersonal dealing, curtailing scheme to defraud, **7:76**

REPORTING
See also Securities and Exchange Commission (this index)
Foreign accounts, use of, **7:177**
Insider and Insider Trading (this index)
Whistleblowers, preservation of employee's right to report, **22:33**

REPUTATION
Scienter, aspects of, **8:218**

RESCISSION
Broker-dealer liability
Express actions, **14:46, 14:50**
Implied actions, **14:95 et seq.**

RESCISSION—Cont'd
Chasins measure, **14:97**
Damages, rescissional, **14:51**
Lost profits, **14:101**
Nye measure, **14:101**
Privity, **8:290**
Rolf measure, **14:100**

RESIDENTIAL MORTGAGE-BACKED SECURITIES
Coordinated investigations, investor litigation against creators, **13:335**

RESIDENTIAL MORTGAGES FAILURES
Coordinated investigations following subprime mortgage crisis, **13:332**

RESIDUE
Private actions, **8:583**

RESPONDEAT SUPERIOR
See also Control Person Liability (this index)
Insider trading, **7:450**

RESTITUTION
Broker-dealer liability, **14:104**
Criminal prosecutions, **7:465**
Insiders, **7:465**
Joint and several liability, **9:44**

RETALIATORY INTENT
UBS Securities decision, Sarbanes-Oxley Act, **22:24**

RETIREMENT ACCOUNTS
Suitability and fiduciary duty, **14:206**

RETIREMENT FUNDS
Madoff Ponzi scheme, **20:3**

RETROACTIVE PRICING OF STOCK OPTION GRANTS
Generally, **18:1 et seq.**
See also Backdating of Stock Options (this index)

REVIEW
SEC investigations, use of wiretap in enforcement, **13:147**

REWARD MODEL
Crowdfunding, **14:210**

RICO VIOLATIONS
Arbitration of RICO claims, **15:66**
Insider trading violations, **7:414, 7:464**
Limitation of actions, **11:103**

RIGHT TO COUNSEL
See Attorneys (this index)

RISK DISCLOSURES
Generally, **6:275 et seq.**
See also Disclosure (this index)

RISK MANAGEMENT
Final rule, cybersecurity, **26:9**

RISK MITIGATION
Foreign Corrupt Practices Act (FCPA), mergers and acquisitions, **19:15**

SA
See Securities Act (this index)

SAFECAST GEIGER COUNTER
Crowdfunding, **14:211**

SALE-LEASEBACKS FOR FIXED RETURNS
SEC v. Edwards case, **5:31**

SALES OF ASSETS
See Mergers (this index)

SALES PRACTICES
Feeder funds in Madoff Ponzi scheme, **20:2, 20:16**
Mutual Fund Violations (this index)

SAME SIDE TRADERS
Generally, **7:519**
Damages, **7:523**
Definition, **7:495**

SANCTIONS
See also Administrative Enforcement (this index)
Arbitration (this index)
Collateral bars against individuals
Generally, **13:87**
Corporate office orders, **13:88**

SANCTIONS—Cont'd
Collateral bars against individuals —Cont'd
Injunctions including, **13:117**
Criminal Enforcement (this index)
SEC, **13:81**

SARBANES-OXLEY ACT
Generally, **3:156 et seq.**
Analysts' certifications, IPA based on, **3:168**
Attorneys
Generally, **8:424 et seq.**
Follow-up reporting obligations, **8:427**
Implied private actions against, **3:165**
Reporting obligations, **8:426**
SEC, reporting to, **8:432 et seq.**
SEC actions against
Generally, **8:436 et seq.**
Auditors, furnishing false information to, **8:440**
Financial or accounting fraud, **8:440**
Form 8-K, **8:439**
Form 10, **8:439**
Form 10-K, **8:439**
Form 10-Q, **8:439**
Form 13D, **8:439**
Form ADV, **8:439**
Form BD, **8:439**
Forms 12b-25, **8:445**
Manipulating stock option exercise dates, **8:444**
Offering circulars, **8:439**
Participating in preparation and filing of false and misleading forms, **8:439**
"PIPE" schemes, **8:443**
Prospectuses, **8:439**
Proxy statements, **8:439**
"Pump-and-dump" schemes, **8:443**
Reflections, **8:448**
Trading on inside information, **8:447**
Unethical and obstructive professional conduct, **8:446**

SARBANES-OXLEY ACT—Cont'd
Attorneys—Cont'd
SEC actions against—Cont'd
Unregistered distributions of securities, activities in connection with, **8:441**
Audit committee financial experts, **3:166**
Audit committee standards
Generally, **8:450 et seq.**
Administrative implementation, **8:451**
Advisers, **8:455**
Auditor, oversight of, **8:453**
Complaint procedures, **8:454**
Enforcement, **8:458**
Exemptions, **8:457**
Financial experts, **8:459**
Funding, **8:456**
Independence requirements, **8:452**
Auditor, oversight of, **8:453**
Audit records, actions based on, **3:171**
Backdating of stock options, violations of federal securities laws, **18:2, 18:3**
Blackout periods
Generally, **8:475**
Trading prohibitions, **8:472**
Certification, **8:462**
Director and officer regulation
Generally, **8:461 et seq.**
Acquisition method, **8:474**
Backdating of stock options, **18:2, 18:3**
Bar from office, **8:482**
Blackout periods, **8:475**
Blackout trading prohibitions, **8:472**
Certification, **8:462**
Disclosure controls, **8:466**
Enforcement, **8:476**
Ethics codes, **8:483**
Evaluations, **8:468**
Exemptions, **8:479**
Fair presentation, **8:465**
Forfeiture on accounting restatement, **8:480**

SARBANES-OXLEY ACT—Cont'd
Director and officer regulation —Cont'd
Inside trading reports, **8:471**
Internal controls, **8:466**
Liability, **8:476**
Loan prohibitions, **8:481**
Non-financial information, **8:467**
Notice, **8:478**
Option grant reporting, **18:1**
Profit measure, **8:477**
Regulation BTR, **8:473**
Response to evidence of violations, **8:470**
SEC implementation, **8:464, 8:473**
Section 302 legislation, **8:463**
Section 906, **8:469**
Disclosure controls, **8:466**
Enforcement, **8:476**
Ethics codes, **8:483**
Exemptions, **8:479**
Financial experts, **3:166, 8:459**
Financial report certifications, **3:169**
History of enactment, **3:159**
Implied private actions (IPA)
Generally, **3:156 et seq.**
Analysts' certifications, actions based on, **3:168**
Attorneys, implied private actions against, **3:165**
Audit committee financial experts, **3:166**
Audit records, actions based on, **3:171**
Express actions negating, **3:162**
Financial report certifications, **3:169**
History of enactment, **3:159**
Legislative intent, **3:158**
Limitation of actions, **3:161**
Off-balance sheet transactions, **3:167**
Officers' certifications of financial reports, **3:169**
Overview, **3:157**
Pro forma financial information, liabilities based on, **3:170**

SARBANES-OXLEY ACT—Cont'd
Implied private actions (IPA) —Cont'd
Provisions adversely impacting, **3:163**
Regulation G liabilities, **3:170**
Rejection of, **3:161**
SEC rules and releases, **3:164 et seq.**
Indirect-impersonal dealing, restrictions on pro forma or non-GAAP financial information, **7:72**
Inside general counsel, backdating of stock options, **18:11**
Inside trading reports, **8:471**
Internal controls, **8:466**
Legislative intent, **3:158**
Liability, **8:476**
Limitation of actions
Generally, **3:161, 11:87 et seq.**
Actual notice, **11:93**
Retroactivity, **11:94**
Securities Act express actions, **11:90**
Securities Exchange Act express actions, **11:91**
Tolling, **11:93**
Loan prohibitions, **8:481**
Notice, **8:478**
Off-balance sheet transactions, **3:167**
Officers' certifications of financial reports, **3:169**
Pro forma financial information, liabilities based on, **3:170**
Regulation BTR, **8:473**
Regulation G liabilities, **3:170**
Rule 10b-5 IPA compared, **3:172**
Whistleblowers (this index)

SARS-COV-2
Covid-19 Pandemic (this index)

SCALPING
Generally, **12:3**

SCIENTER
Generally, **6:169 et seq., 8:58 et seq.**
Actual knowledge
Generally, **8:165 et seq.**

SCIENTER—Cont'd
Actual knowledge—Cont'd
Burden of proof, **8:178**
Criminal prosecutions, **8:176**
Direct-impersonal transactions, **8:171**
Direct-personal transactions, **8:170**
Indirect-impersonal transactions, **8:172**
Injunctions, **8:174**
Insufficiency of, **8:177**
Necessity of, **8:167, 8:168**
Proof, **8:179**
SEC decisions, **8:175**
Sufficiency of, **8:169 et seq.**
Bad faith
Generally, **8:210 et seq.**
Burden of proof, **8:219**
Effect of good or bad faith generally, **8:216 et seq.**
Good reputation, effect of, **8:218**
Insufficiency, **8:215**
Necessity of, **8:212, 8:213**
Proof, **8:220**
Sufficiency, **8:214**
Belief of defendant, **8:240**
Blue sky laws
Defendant's knowledge and intent, **8:61**
Plaintiff's knowledge, **8:62**
Broker-dealer fraud
Generally, **8:139 et seq., 14:83 et seq.**
Burden of proof, **8:141**
Churning, **14:129**
Defendant's intent, **8:143**
Defendant's knowledge and belief
Generally, **8:140 et seq.**
Burden of proof, **8:141**
Proof, **8:142**
Implied liability
Generally, **8:139 et seq.**
Defendant's intent, **8:143**
Defendant's knowledge and belief
Generally, **8:140 et seq.**
Burden of proof, **8:141**
Proof, **8:142**

SCIENTER—Cont'd
Broker-dealer fraud—Cont'd
Implied liability—Cont'd
Plaintiff's knowledge, **8:144**
Pleading, **8:145**
Plaintiff's knowledge, **8:144**
Pleading, **8:145**
Proof, **8:142**
SEA § 15(c)(1), **8:139 et seq.**
Burden of proof, **8:74, 8:77**
CFTC
Enforcement actions, **13:237**
Injunctions, **13:247**
Churning, **14:129**
Common law
Defendant's knowledge and intent, **8:59**
Plaintiff's knowledge, **8:60**
Constructive knowledge
Generally, **8:180 et seq.**
Burden of proof, **8:189**
Criminal prosecutions, **8:187**
Injunctions, **8:185**
Insufficiency, **8:188**
Necessity, **8:182, 8:183**
Proof, **8:190**
SEC decisions, **8:186**
Sufficiency, **8:184 et seq.**
Court cases, **14:83 et seq.**
Criminal enforcement
Actual knowledge, **8:176**
Constructive knowledge, **8:187**
Intent, **8:197**
SEC references, **13:127**
Defendant's knowledge and intent
Blue sky laws, **8:61**
Common law, **8:59**
SA § 11, **8:79**
Defendant standards, **8:164**
Definitions, **8:155 et seq.**
Diligence, lack of
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Necessity, **8:231, 8:232**
Proof, **8:239**

SCIENTER—Cont'd
Diligence, lack of—Cont'd
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Fiduciary theory, insider trading charges
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**
Indirect-impersonal dealing, **7:69, 7:99**
Injunctions
Actual knowledge, **8:174**
CFTC, **13:247**
Constructive knowledge, **8:185**
Intent, **8:195**
SEC, **13:102**
Insiders, tippee violations, **7:672**
Insider trading charges
Generally, **7:372 et seq.**
Fiduciary theory
Tippers, **7:381**
Trading insiders, **7:377**
Trading tippees, **7:385**
Misappropriation theory
Tippers, **7:382**
Trading insiders, **7:378**
Trading tippees, **7:386**
Rule 10b-5, **7:374 et seq.**
Rule 14e-3, **7:412**
Tippers
Generally, **7:379 et seq.**
Fiduciary theory, **7:381**
Misappropriation theory, **7:382**
Trading insiders, **7:375 et seq.**
Trading tippees, **7:383 et seq.**
Intent
Generally, **8:191 et seq.**
See also Intent (this index)
Absence of intent, effect of, **8:200**
Burden of proof, **8:201**
Criminal cases, **8:197**
Criminal prosecutions, **8:197**
Injunctions, **8:195**
Insufficiency, **8:199**
Necessity, **8:193 et seq.**
Presence of intent, effect of, **8:200**

SCIENTER—Cont'd
Intent—Cont'd
Private actions, necessity of proving intent in, **8:194**
Proof, **8:202**
SEC decisions, **8:196**
Sufficiency, **8:198**
Knowledge
See also Knowledge (this index)
Manipulation
Generally, **8:102 et seq.**
Burden of proof, **8:104**
Defendant's intent, **8:119**
Defendant's knowledge, **8:120**
Defendant's purpose
Generally, **8:103 et seq.**
Burden of proof, **8:104**
Defense of proper purpose, **8:118**
Direct evidence, **8:106**
Indirect evidence, **8:107**
Large blocks, **8:108**
Large proportion of trading, **8:109**
Painting the tape, **8:110**
Playoff of markets, **8:114**
Price action, **8:113**
Profit, **8:115**
Proof, **8:105**
Proper purpose as defense, **8:118**
Stimulating demand, **8:110, 8:111**
Suppressing supply, **8:112**
Defendant's willfulness, **8:121**
Plaintiff's knowledge, **8:122**
Proof, **8:105**
Merger challenges, **6:169 et seq.**
Misappropriation theory insider trading charges
Tippers, **7:382**
Trading insiders, **7:378**
Trading tippees, **7:386**
Misrepresentation claims, consideration of, **7:53**
Motive
Generally, **8:203 et seq.**
Absence, effect of, **8:207**

SCIENTER—Cont'd
Motive—Cont'd
Burden of proof, **8:208**
Necessity, **8:205, 8:206**
Pleading, **11:139**
Presence, effect of, **8:207**
Proof, **8:209**
Negligence
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Necessity, **8:231, 8:232**
Proof, **8:239**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Opportunity, **11:139**
Plaintiff's knowledge
Blue sky laws, **8:62**
Common law, **8:60**
SA § 11, **8:80**
Plaintiff standards, **8:164**
Pleading
Motive, **11:139**
Opportunity, **11:139**
Particularity
Generally, **11:133 et seq.**
Bases for inferring, **11:135**
Circumstantial evidence of recklessness, **11:162**
Conscious behavior, **11:162**
Motive, **11:139**
Opportunity, **11:139**
Recklessness
Generally, **11:141**
Circumstantial evidence, **11:162**
SEA § 21D(b), **11:134**
Recklessness
Generally, **11:141**
Circumstantial evidence, **11:162**
Proof, **8:75, 8:78**
Proxy fraud
Generally, **8:125 et seq., 8:126 et seq.**
Burden of proof, **8:127**
Intent, **8:129**

SCIENTER—Cont'd
Proxy fraud—Cont'd
Plaintiff's knowledge, **8:130**
Pleading, **8:131**
Proof, **8:128**
PSLRA and section 21D(b), Recklessness, **11:44.10**
Recklessness
Generally, **8:221 et seq.**
Burden of proof, **8:227**
Insufficiency, **8:226**
Necessity, **8:223, 8:224**
Pleading
Generally, **11:141**
Circumstantial evidence, **11:162**
Proof, **8:228**
PSLRA and section 21D(b), **11:44.10**
Sufficiency, **8:225**
Registration statement fraud, **8:72 et seq.**
Reputation, **8:218**
Rule 10b-5
Generally, **6:171, 8:154 et seq.**
Actual knowledge
Generally, **8:165 et seq.**
Burden of proof, **8:178**
Criminal prosecutions, **8:176**
Direct-impersonal transactions, **8:171**
Direct-personal transactions, **8:170**
Indirect-impersonal transactions, **8:172**
Injunctions, **8:174**
Insufficiency of, **8:177**
Necessity of, **8:167, 8:168**
Proof, **8:179**
SEC decisions, **8:175**
Sufficiency of, **8:169 et seq.**
Bad faith
Generally, **8:210 et seq.**
Burden of proof, **8:219**
Effect of good or bad faith generally, **8:216 et seq.**
Good reputation, effect of, **8:218**
Insufficiency, **8:215**

SCIENTER—Cont'd
Rule 10b-5—Cont'd
Bad faith—Cont'd
Necessity of, **8:212, 8:213**
Proof, **8:220**
Sufficiency, **8:214**
Belief of defendant, **8:240**
Breadth of rule, **8:160**
Congressional intent, **8:158**
Constructive knowledge
Generally, **8:180 et seq.**
Burden of proof, **8:189**
Criminal prosecutions, **8:187**
Injunctions, **8:185**
Insufficiency, **8:188**
Necessity, **8:182, 8:183**
Proof, **8:190**
SEC decisions, **8:186**
Sufficiency, **8:184 et seq.**
Criminal prosecutions
Actual knowledge, **8:176**
Constructive knowledge, **8:187**
Intent, **8:197**
Defendant standards, **8:164**
Diligence, lack of
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Necessity, **8:231, 8:232**
Proof, **8:239**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Flexibility, need for, **8:162**
Formulations, **8:155**
Intent
Generally, **8:191 et seq.**
Absence of intent, effect of, **8:200**
Burden of proof, **8:201**
Criminal cases, **8:197**
Criminal prosecutions, **8:197**
Injunctions, **8:195**
Insufficiency, **8:199**
Necessity, **8:193 et seq.**
Presence of intent, effect of, **8:200**

SCIENTER—Cont'd
Rule 10b-5—Cont'd
Intent—Cont'd
Private actions, necessity of proving intent in, **8:194**
Proof, **8:202**
SEC decisions, **8:196**
Sufficiency, **8:198**
Motive
Generally, **8:203 et seq.**
Absence, effect of, **8:207**
Burden of proof, **8:208**
Necessity, **8:205, 8:206**
Presence, effect of, **8:207**
Proof, **8:209**
Negligence
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Necessity, **8:231, 8:232**
Proof, **8:239**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Other elements, relation of scienter to, **8:163**
Plaintiff standards, **8:164**
Policy, **8:161**
Reasons, **8:161**
Recklessness
Generally, **8:221 et seq.**
Burden of proof, **8:227**
Insufficiency, **8:226**
Necessity, **8:223, 8:224**
Proof, **8:228**
Sufficiency, **8:225**
Reputation, **8:218**
Scope of rule, **8:160**
Semantic confusion, **8:156, 8:157**
Touting, SA § 17(b), **8:95**
Unreasonable conduct
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Necessity, **8:231, 8:232**

SCIENTER—Cont'd
Rule 10b-5—Cont'd
Unreasonable conduct—Cont'd
Proof, **8:239**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Willfulness, **8:241**
Rule 14a-9, **6:169**
Rule 14c-6, **6:170**
SEC
False reports to
Generally, **8:146**
Defendant's intent, **8:150**
Defendant's knowledge
Generally, **8:147 et seq.**
Burden of proof, **8:148**
Proof, **8:149**
Good faith, **8:150**
Plaintiff's knowledge, **8:151**
Pleading, **8:152**
Privity, **8:287**
Quantitative factors, **8:153**
Injunctions, **13:102**
Securities Act
Burden of proof, **8:66**
Registration statement fraud, **8:72 et seq.**
Sales fraud, **8:63 et seq., 8:82 et seq.**
Section 11
Generally, **8:72 et seq.**
Burden of proof, **8:74 et seq.**
Defendant's knowledge and intent, **8:79**
Expert parts, **8:76 et seq.**
Nonexpert parts, **8:73 et seq.**
Plaintiff's knowledge, **8:80**
Pleading, **8:81**
Proof, **8:75, 8:78**
Section 12(2)
Generally, **8:63 et seq.**
Burden of proof, **8:66**
Defendant's intent, **8:68**
Defendant's knowledge
Generally, **8:64 et seq.**
Burden of proof, **8:66**
Criminal context, **8:65**
Proof, **8:67**

SCIENTER—Cont'd
Securities Act—Cont'd
Section 12(2)—Cont'd
Limitation of actions, plaintiff's knowledge of fraud, **8:70**
Plaintiff's knowledge, **8:69, 8:70**
Pleading, **8:71**
Proof, **8:67**
Section 17(a)
Generally, **8:82**
Bond counsel issuing improper legal opinion, **8:442**
Burden of proof, **8:84**
Defendant's intent, **8:86**
Defendant's knowledge, **8:83 et seq.**
Plaintiff's knowledge, **8:87**
Pleading, **8:88**
Proof, **8:85**
Section 17(b), touting
Generally, **8:89 to 8:71.22**
Class action complaints, undisclosed touting, **8:90**
Criminal context, **8:99**
Dismissal motions, legal standard, **8:91**
Janus case, **8:94**
Loss causation, **8:93**
Requirements, **8:92, 8:96**
Rule 10b-5, **8:95**
Scheme liability, reliance on, **8:97**
SEC enforcement, **8:98**
Securities Exchange Act
Generally, **8:101 et seq.**
Rule 10b-5 fraud, **8:154 et seq.**
Section 9(a), **8:102 et seq.**
Section 10, **8:124**
Section 14, **8:125, 8:132 et seq.**
Section 18, **8:146 et seq.**
Securities Litigation Uniform Standards Act (SLUSA), **3:214**
Semantic confusion, **8:156, 8:157**
Strong inference, **11:136.10**
Tellabs, **11:137, 11:138**
Tender offer fraud
Defendant's intent, **8:136**

SCIENTER—Cont'd
Tender offer fraud—Cont'd
Defendant's knowledge and belief
Generally, **8:133 et seq.**
Burden of proof, **8:134**
Proof, **8:135**
Intent, **8:136**
Plaintiff's knowledge, **8:137**
Pleading, **8:138**
Tippers, insider trading charges, **7:379 et seq.**
Unreasonable conduct
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Necessity, **8:231, 8:232**
Proof, **8:239**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Versions of scienter, relations among
Actual knowledge, **8:166**
Bad faith, **8:211**
Constructive knowledge, **8:181**
Diligence, lack of, **8:230**
Intent, **8:192**
Motive, **8:204**
Negligence, **8:230**
Purpose, **8:204**
Recklessness, **8:222**
Unreasonable conduct, **8:230**
Willfulness, **8:241**

SEA
See Securities Exchange Act (this index)

SEARCH AND SEIZURE
SEC investigations, **13:34**

SEC
See Securities and Exchange Commission (this index)

SECONDARY LIABILITY
Parties (this index)
Proportionate Liability (this index)
Vicarious Liability (this index)

SEC RULES AND REGULATIONS
Generally, **1:14**
Administrative intent, **3:19**
Antifraud provisions and Regulation FD disclosure, **7:546**
Authority of SEC
Generally, **3:5**
Regulation FD, **7:550**
Caption changes, 10b-5, **3:22**
Comparative language, **3:1**
Connection requirement
10b-5, **6:185**
14c-6, **6:184**
Crowdfunding, **14:215**
Depression rules, **3:24**
Integration proposals, **3:52**
Interrelations of fraud rules
Generally, **3:37 et seq.**
Birnbaum rule, **3:50**
Breadth of proscriptions, **3:52**
Causation, **3:48**
Defenses to private actions, **3:51**
Displacing provisions, **3:53**
Elements of private cause of action, **3:50**
Exempt offerings, **3:46**
Implied and express private actions, **3:50**
Implied Liability (this index)
Integration proposals, **3:52**
Joint use of multiple provisions, **3:53**
Overlapping provisions, **3:53 et seq.**
Parties subject to rule, **3:49**
Place of transaction as factor, **3:38**
Prospectus fraud, **3:41 et seq.**
Public offerings, **3:40**
Registered offerings, **3:39, 3:45**
Relationship of conduct to transaction, **3:48**
Transactions covered, **3:38**
Types of violations proscribed, **3:47**
Unregistered offerings, **3:46**
Mergers, 14a-9 connection requirement, **6:183**

SEC RULES AND REGULATIONS —Cont'd
Numbering
10b-5 changes, **3:21**
Generally, **1:2**
Organization, **1:2**
Parties subject to rules
10b-5, **3:49**
15c1-2, **3:49**
Private transactions, application of 10b-5 to
Generally, **3:26**
Broker-dealer transactions, **3:27**
Proposed ESG regulations, **29:4**
Prosperity rules, **3:24**
Proxy rules
10b-5, relation to, **6:159 et seq.**
14a-9
Privity, **6:173**
Scienter standard, **6:169**
14c-6, causation, **6:180**
Congressional intent, **6:155**
SEA § 14(e), relation to, **6:24**
Registered offerings, fraud rules applicable to, **3:39, 3:45**
Registration provisions and Regulation FD disclosure, **7:547**
Regulation BTR, **8:473**
Regulation FD disclosure
Generally, **7:526 et seq.**
Analysts' roles, **7:528**
Antifraud provisions and, **7:546**
Avoiding selective disclosure, **7:553**
Companies covered, **7:545**
Compliance, **7:551 et seq.**
Curing violations, **7:554**
Eliminating nonpublic information, **7:552**
Enforcement, **7:549**
Exemption provisions and, **7:548**
Filing with SEC, compliance by, **7:555**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**

SEC RULES AND REGULATIONS —Cont'd
Regulation FD disclosure—Cont'd
Materiality of triggering information, **7:535**
Method of disclosure, **7:544**
Persons triggering duty, **7:537**
Policy basis, **7:527**
Prompt disclosure requirement, **7:543**
Registration provisions and, **7:547**
Regulatory gap, **7:530**
Scope of regulation, **7:545**
Selective disclosure
Generally, **7:529**
Avoiding, **7:553**
Curing violations, **7:554**
Materiality, **7:535**
Nonpublic nature of information disclosed, **7:536**
Triggering full disclosure obligation, **7:532**
Unintentional disclosures, **7:540**
Simultaneous disclosure requirements, **7:542**
Timing requirements, **7:541 et seq.**
Triggering events
Generally, **7:531 et seq.**
Information, triggering, **7:534**
Intentional and nonintentional partial disclosures, **7:538 et seq.**
Materiality of triggering information, **7:535**
Non-intentional disclosures, **7:540**
Nonpublic nature of information disclosed, **7:536**
Nontriggering disclosures, **7:533**
Persons triggering duty, **7:537**
Selective disclosures, **7:532**
Unintentional disclosures, **7:540**
Validity, **7:550**
Violations, curing, **7:554**
Rifle rules and shotgun rules, **3:36**
Rule 3a51-1, **14:144**
Rule 3b-6, **7:21**
Rule 10b-1 through 17, **3:34**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5
Generally, **1:18 et seq.**
Absolute liability, **8:243**
Absorption principle, **3:173**
Access to investment rewards, equalization of, **4:5**
Actions in concert, **8:294**
Administrative intent, **3:19**
Adoption, validity of, **3:3**
Antiwaivers, **12:11**
Arbitration of claimed violations, **12:11**
Attitudes and unintentional violations, **12:14**
Avoiding liability, **12:10**
Backdating stock options, **18:3, 18:10**
Bargaining positions, equalization of, **4:4**
Breadth of fraud proscriptions, **3:52**
Broker-dealer transactions, application to, **3:27**
Caption changes, **3:22**
Causation
Generally, **3:48**
Proxies and proxy solicitations, **6:181**
Changes
Generally, **3:20 et seq.**
Caption changes, **3:22**
Legislation, **3:23**
Numbering changes, **3:21**
Proposals for, **12:9**
Clause 3, primacy of, **3:182**
Comparative language, **3:1**
Congressional intent
Generally, **3:14 et seq.**
Deceptive devices, **3:17**
Manipulative devices, **3:17**
Merger regulation, **6:157**
Private enforcement rights, **3:16**
SA, **3:10**
Scope of coverage, **3:15**
Semiofficial evidence, **3:15**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Connection requirement, mergers, **6:185**
Construction, **1:18 et seq.**
Contraction era, **3:31**
Criminal enforcement, **10:4**
Curing violations, **12:15**
Direct-Impersonal Dealing (this index)
Direct-Personal Dealing (this index)
Disclosure corrections, **6:314 et seq.**
Disclosure requirements, **6:218**
Disclosure rule, treatment as, **12:3**
Displacements within 10b-5, **3:181**
Economic background, **3:24**
Elements of private cause of action, **3:50**
Enactment, **3:18**
Equalization of access to investment rewards, **4:5**
Equalization of bargaining positions, **4:4**
Equalization of information, **4:5**
Equalization rule, treatment as, **12:2**
Ethical standards, **3:60, 3:80**
Evolution of, **12:1**
Expanding scope of, **12:8**
Expansion era
Generally, **3:30**
New expansion era, **3:32**
Expenses, security for, **3:175**
Fairness rule, treatment as, **12:5, 12:13**
Federal vs state private actions, relative advantages, **3:200**
Fragmented text, **1:19**
Front running, **7:139 et seq.**
Gap-filling purpose, **3:19**
Good faith of plaintiff, **8:254**
Growth of, **12:1**
History
Generally, **3:6 et seq.**
Economic background, **3:24**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Implied civil recovery, Rule 10b-5 without, **3:180**
Implied liability, **3:175**
Generally, **8:242 et seq.**
Absolute liability, **8:243**
Burden of proof, **8:255**
Clause 3, primacy of, **3:182**
Constructive fraud, **8:242**
Contraction era
Generally, **3:74 et seq.**
Administrative enforcement, supplement to, **3:81**
Administrative interpretation, **3:82**
Congressional intent, **3:76**
Cort v Ash, **3:95**
Flexibility to achieve remedial purpose, **3:88**
Judicial restraint, **3:85**
Legislative history, uses of, **3:90 et seq.**
Modes of interpretation, **3:86 et seq.**
Negative implication, **3:87**
Policies, **3:75**
Policy effectuation, **3:80**
Practicality, **3:83**
Reasons, **3:75**
Statutory jurisdictional grant, **3:79**
Statutory literalism, **3:89**
Statutory tort, **3:77**
Vexatiousness, **3:84, 3:85**
Voidability, statutory, **3:78**
Contributory negligence, **8:253**
Displacements within 10b-5, **3:181**
Equitable fraud, **8:242**
Expenses, security for, **3:175**
Good faith of plaintiff, **8:254**
Implied civil recovery, Rule 10b-5 without, **3:180**
Innocent defendants, **8:243**
Limitations of actions, **3:174**
Negligence of plaintiff, **8:253**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Implied liability, **3:175**—Cont'd
Overlaps within 10b-5, **3:181**
Plaintiff's knowledge
Generally, **8:244 et seq.**
Actual knowledge, **8:244**
Comparative knowledge, **8:249**
Constructive knowledge, **8:250**
Limitation of actions, **8:251**
Misrepresentation, **8:246**
Nondisclosure, **8:245**
Theoretical knowledge, **8:248**
Pleading, **8:257**
Prevalence of rule, **3:179**
Privity requirements, **3:176**
Proof, **8:256**
Proof requirements, **3:177**
Remedies, **3:178**
Security for expenses, **3:175**
Silent conduct, **3:182**
Strict liability, **8:243**
Indirect-impersonal dealing
Generally, **3:28**
Insiders, **7:163**
Information, equalization of, **4:5**
Innocent defendants, **8:243**
Insider rule, treatment as, **4:1, 12:4**
Insider trading charges
Connection with requirement, **7:370**
Indirect-impersonal dealing, **7:163**
Private actions, **7:497 et seq.**
Scienter, **7:374 et seq.**
Integration proposals, **3:52**
Intentional and unintentional violations, **12:14**
Interpretation, **1:18 et seq.**
Interrelations of fraud rules
Generally, **3:37 et seq.**
Birnbaum rule, **3:50**
Breadth of proscriptions, **3:52**
Causation, **3:48**
Defenses to private actions, **3:51**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Interrelations of fraud rules —Cont'd
Displacing provisions, **3:53**
Elements of private cause of action, **3:50**
Exempt offerings, **3:46**
Implied and express private actions, **3:50**
Implied Liability (this index)
Integration proposals, **3:52**
Joint use of multiple provisions, **3:53**
Overlapping provisions, **3:53 et seq.**
Parties subject to rule, **3:49**
Place of transaction as factor, **3:38**
Prospectus fraud, **3:41 et seq.**
Public offerings, **3:40**
Registered offerings, **3:39, 3:45**
Relationship of conduct to transaction, **3:48**
Transactions covered, **3:38**
Types of violations proscribed, **3:47**
Unregistered offerings, **3:46**
Investor protection considerations, **3:60, 3:80**
Joint and several liability, **9:37 et seq.**
Joint use of multiple fraud provisions, **3:53**
Jurisdictional means
Generally, **11:2 et seq.**
Proxies and proxy solicitations, **6:190**
Key clauses, **1:18 et seq.**
Key phrases, **1:20**
Landmarks, **3:29 et seq.**
Language, **3:1**
Limitations of actions, **3:174**
Manipulation, **7:130 et seq.**
Market-informing rule, treatment as, **12:6**
Materiality of violations, **12:2**
Materiality standard, **6:168**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Merger regulation
Congressional intent, **6:157**
Private action challenges, **6:162**
Misappropriation theory of insider liabilities, **7:585 et seq.**
Misrepresentations
Fact or opinion as subject of, **8:2**
Omnicare decision, fact vs. opinion standard, **8:3**
Opinion or fact as subject of, **8:2**
Plaintiff's knowledge, **8:246**
Rule 10b-5 elements generally, **8:2**
Net effect of rule, **1:21**
New expansion era, **3:146**
Nondisclosure
Fact or opinion as subject of, **8:2**
Omnicare decision, fact vs. opinion standard, **8:3**
Opinion or fact as subject of, **8:2**
Rule 10b-5 elements generally, **8:2**
Numbering changes, **3:21**
Other § 10(b) rules
Generally, **3:33 et seq.**
Proposed rules, **3:35**
Overlaps within 10b-5, **3:181**
Parking, **7:143 et seq.**
Parties subject to rule, **3:49**
Plaintiff's knowledge
Generally, **8:244 et seq.**
Actual knowledge, **8:244**
Comparative knowledge, **8:249**
Constructive knowledge, **8:250**
Limitation of actions, **8:251**
Nondisclosure, **8:245**
Theoretical knowledge, **8:248**
Pleading, particularity
Generally, **11:115 et seq.**
Analysts' statements, **11:127**
Fact statements, **11:120 et seq., 11:122**
Failure to anticipate, **11:131**
Falsity, **11:116, 11:117**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Pleading, particularity—Cont'd
Forward looking statements, **11:132**
Group statements, **11:123, 11:124**
Hindsight cases, **11:130 et seq.**
Information and belief, **11:128, 11:129**
Misleading character, **11:118, 11:119**
Nondisclosure, **11:131**
Predictions, **11:132**
Scienter, **11:133 et seq.**
Third party statements, **11:127**
Unattributed statements, **11:125, 11:126**
Possession of inside information
Generally, **7:318 et seq.**
Access, proof of, **7:323**
Awareness and possession distinguished, **7:349**
Burden of proof, **7:321**
Contact, proof of, **7:324**
Individuals, proof as to, **7:322**
Knowing possession, **7:320**
Mere possession, **7:319**
Organizations, proof for, **7:326**
Proof, **7:322 et seq.**
Trading, proof of, **7:325**
Use inferred from possession, **7:328**
Prevalence of rule, **3:179**
Private fraud actions
Privity
Generally, **8:288 et seq.**
Accountants, liability of, **8:404**
Actions in concert, **8:294**
Agreement, **8:314**
Aider-abettors, **8:327 et seq.**
Aiding and abetting generally, **8:292**
Attorneys, **8:409**
Benefit, **8:317**
Combination, **8:314**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Private fraud actions—Cont'd
Privity—Cont'd
Conspiracy generally, **8:292**
Conspirators, **8:304 et seq.**
Corporate officers, **8:413**
Directors, **8:413**
Extent of liability, **8:318**
Intent, **8:316**
Knowledge, **8:315**
Limits, **8:291**
Participants in violations generally, **8:294**
Participation generally, **8:292**
Pleading, **8:319 et seq.**
Policies, **8:289**
Reasons, **8:289**
Rescission, availability of, **8:290**
Suability, meaning of generally, **8:293**
Theory of action, **8:290**
Scienter
Generally, **8:154 et seq.**
Actual knowledge
Generally, **8:165 et seq.**
Burden of proof, **8:178**
Criminal prosecutions, **8:176**
Direct-impersonal transactions, **8:171**
Direct-personal transactions, **8:170**
Indirect-impersonal transactions, **8:172**
Injunctions, **8:174**
Insufficiency of, **8:177**
Necessity of, **8:167, 8:168**
Proof, **8:179**
SEC decisions, **8:175**
Sufficiency of, **8:169 et seq.**
Bad faith
Generally, **8:210 et seq.**
Burden of proof, **8:219**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Private fraud actions—Cont'd
Scienter—Cont'd
Bad faith—Cont'd
Effect of good or bad faith generally, **8:216 et seq.**
Good reputation, effect of, **8:218**
Insufficiency, **8:215**
Necessity of, **8:212, 8:213**
Proof, **8:220**
Sufficiency, **8:214**
Belief of defendant, **8:240**
Breadth of rule, **8:160**
Congressional intent, **8:158**
Constructive knowledge
Generally, **8:180 et seq.**
Burden of proof, **8:189**
Criminal prosecutions, **8:187**
Injunctions, **8:185**
Insufficiency, **8:188**
Necessity, **8:182, 8:183**
Proof, **8:190**
SEC decisions, **8:186**
Sufficiency, **8:184 et seq.**
Defendant standards, **8:164**
Definitions, **8:155 et seq.**
Diligence, lack of
Generally, **8:229 et seq.**
Injunctions, **8:234**
Flexibility, need for, **8:162**
Formulations, **8:155**
Intent
Generally, **8:191 et seq.**
Absence of intent, effect of, **8:200**
Burden of proof, **8:201**
Criminal cases, **8:197**
Criminal prosecutions, **8:197**
Injunctions, **8:195**
Insufficiency, **8:199**
Necessity, **8:193 et seq.**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Private fraud actions—Cont'd
Scienter—Cont'd
Intent—Cont'd
Presence of intent, effect of, **8:200**
Proof, **8:202**
SEC decisions, **8:196**
Sufficiency, **8:198**
Motive
Generally, **8:203 et seq.**
Absence, effect of, **8:207**
Burden of proof, **8:208**
Necessity, **8:205, 8:206**
Presence, effect of, **8:207**
Proof, **8:209**
Negligence
Generally, **8:229 et seq.**
Injunctions, **8:234**
Other elements, relation of scienter to, **8:163**
Plaintiff standards, **8:164**
Policy, **8:161**
Reasons, **8:161**
Recklessness, **8:221 et seq.**
Reputation, **8:218**
Scope of rule, **8:160**
Semantic confusion, **8:156, 8:157**
Unreasonable conduct
Generally, **8:229 et seq.**
Injunctions, **8:234**
Versions of scienter, relations among
Actual knowledge, **8:166**
Bad faith, **8:211**
Constructive knowledge, **8:181**
Diligence, lack of, **8:230**
Intent, **8:192**
Motive, **8:204**
Negligence, **8:230**
Purpose, **8:204**
Recklessness, **8:222**
Unreasonable conduct, **8:230**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Private fraud actions—Cont'd
Scienter—Cont'd
Willfulness, **8:241**
Private transactions, application to
Generally, **3:26**
Broker-dealer transactions, **3:27**
Privity
Actions in concert, **8:294**
Implied liability, **3:176**
Proliferation of rule, **12:1**
Promulgation, **3:18**
Proof requirements, **3:177**
Proposals for change, **12:9**
Proposed companion rules, **3:35**
Proxies and proxy solicitations
Causation, **6:181**
Jurisdictional means, **6:190**
Materiality standard, **6:168**
Privity, **6:175**
Reliance, **6:178**
Scienter standard, **6:171**
Proxy rules, relation to, **6:159 et seq.**
PSLRA and, **3:1**
Purpose of rule, **3:19**
Rationales for protection afforded by, **4:2 et seq.**
Relationship of conduct to transaction, **3:48**
Releases of liability, **12:11**
Reliance
Generally, **8:493 et seq.**
Proxies and proxy solicitations, **6:178**
Remedies, implied liability, **3:178**
Rescission offers to cure violations, **12:15**
Retrenchment era, **3:31**
Rule 15c1-2 compared, **3:27**
SA § 17(a) compared
Generally, **3:27**
Early version, **3:8**
Final version, **3:9**
Sanctions, **3:4**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
SA provisions and history of, **3:7 et seq.**
Sarbanes-Oxley Act implied liabilities, **3:172**
Scienter
Insider trading charges, **7:374 et seq.**
Intent, proof of in private actions, **8:194**
Proxies and proxy solicitations, **6:171**
Scope of operation
Generally, **3:25 et seq.**
Broker-dealer transactions, **3:27**
Direct-impersonal transactions, **3:28**
Direct-personal transactions
Generally, **3:26**
Broker-dealer transactions, **3:27**
Expansion of, **12:8**
Indirect-impersonal transactions, **3:28**
Private transactions, **3:26**
SEA 10(b) and
Early version, **3:12**
Final version, **3:13**
Madoff Ponzi scheme, **20:5**
SEA and, **3:11 et seq.**
Seller protection, **4:3**
Shot gun use of SEA § 10(b), **3:36**
Silent conduct, **3:182**
Special facts and common law fraud, **3:19**
State and federal laws, relationships between, **3:184 et seq.**
Status of rule, **3:2 et seq.**
Statutory limits on rules, **3:5**
Strict liability, **8:243**
Suitability claims, **14:197 et seq.**
Supreme Court, **3:148**
Text of rule, **App A**
Transaction Planning (this index)
Types of violations proscribed, **3:47**

SEC RULES AND REGULATIONS —Cont'd
Rule 10b-5—Cont'd
Unintentional violations, **12:14**
Use of inside information
Generally, **7:327 et seq.**
Burden of proof, **7:331**
Individuals, proof for, **7:332**
Inferences, **7:328**
Organizations, proof for, **7:339**
Possession, use inferred from, **7:328**
Rebuttal evidence, **7:337, 7:338**
Size of transaction, proof value, **7:334**
Standard of proof, **7:331**
Timing, proof of, **7:333**
Type of transaction, proof value, **7:335**
Validity, **3:3**
Violations, preventive law responses, **12:15**
Waivers of, **12:11**
Rule 13a-1, **18:3**
Rule 13a-13, **18:3**
Rule 13a-14, **18:3**
Rule 14a, **18:3, 18:10**
Rule 14a-9
Causation, proxy fraud, **6:179**
Disclosures of corrections, **6:303 et seq.**
Jurisdictional means, **6:188, 6:189**
Materiality standard, **6:166**
Mergers
Connection requirement, **6:183**
Private action challenges, **6:160**
Proxies and proxy solicitations
Causation, **6:179**
Jurisdictional means, **6:188, 6:189**
Materiality standard, **6:166**
Privity, **6:173**
Reliance, **6:176**
Scienter standard, **6:169**
Reliance, **6:176**
Rule 14c-6
Connection requirement mergers, **6:184**

SEC RULES AND REGULATIONS —Cont'd
Rule 14c-6—Cont'd
Disclosure corrections, **6:307 et seq.**
Materiality standard, **6:167**
Mergers, private action challenges, **6:161**
Privity, **6:174**
Proxies and proxy solicitations
Causation, **6:180**
Materiality standard, **6:167**
Privity, **6:174**
Reliance, **6:177**
Scienter standard, **6:170**
Reliance, **6:177**
Scienter, **6:170**
Rule 14e-3
Generally, **7:632 et seq.**
Broker-dealer supervisorial liabilities, **14:169**
Duty imposed, **7:633**
Indirect-impersonal dealing, **7:166**
Insider trading charges
Connection with requirement, **7:371**
Indirect-impersonal dealing, **7:166**
Private actions, **7:500**
Scienter, **7:412**
Possession of inside information
Generally, **7:340 et seq.**
Burden of proof, **7:341**
Chinese walls, **7:343 et seq.**
Individuals, proof for, **7:342**
Organizations, proof for, **7:343 et seq.**
Precautions against trading, **7:346**
Standard of proof, **7:341**
Scienter, **7:412**
Supreme Court validation, **7:636, 7:637**
Use of inside information, **7:347**
Validity, **7:634 et seq.**
Rule 15c1-2
10b-5 compared, **3:27**
Causation, **3:48**

SEC RULES AND REGULATIONS —Cont'd
Rule 15c1-2—Cont'd
Elements of private cause of action, **3:50**
Implied Liability (this index)
Indirect-impersonal dealing, **7:165**
Insiders, **7:165**
Integration proposals, **3:52**
Interrelations of fraud rules
Generally, **3:37 et seq.**
Birnbaum rule, **3:50**
Breadth of proscriptions, **3:52**
Causation, **3:48**
Defenses to private actions, **3:51**
Displacing provisions, **3:53**
Elements of private cause of action, **3:50**
Exempt offerings, **3:46**
Implied and express private actions, **3:50**
Implied Liability (this index)
Integration proposals, **3:52**
Joint use of multiple provisions, **3:53**
Overlapping provisions, **3:53 et seq.**
Parties subject to rule, **3:49**
Place of transaction as factor, **3:38**
Prospectus fraud, **3:41 et seq.**
Public offerings, **3:40**
Registered offerings, **3:39, 3:45**
Relationship of conduct to transaction, **3:48**
Transactions covered, **3:38**
Types of violations proscribed, **3:47**
Unregistered offerings, **3:46**
Joint use of multiple fraud provisions, **3:53**
Parties subject to rule, **3:49**
Relationship of conduct to transaction, **3:48**
Types of violations proscribed, **3:47**
Rule 15c2-11, **14:147**
Rule 15g-1, **14:144**

SEC RULES AND REGULATIONS —Cont'd
Rule 15g-8, **14:145**
Rule 15g-9, **14:142**
Rule 16a-3, **18:3**
Rule 144, indirect-impersonal dealing, **7:167**
Rule 144A, crowdfunding, **14:216**
Rule 174, **14:145**
Rule 175, **7:21**
Rule 176, **14:7**
Rule 412, **14:7, 14:10**
Rule 419, **14:145**
Rule 506, crowdfunding, **14:216**
SA § 17(a) and 10b-5 compared, **3:27**
Sanctions
Generally, **3:4**
Rule 10b-5, **3:4**
Sarbanes-Oxley Act, **3:164 et seq.**
Special facts and common law fraud, **3:19**
Status of rules generally, **3:2 et seq.**
Statutory limits on rules, **3:5**
Suitability rules, **14:195**
Triggering events, **7:540**
Validity
Antifraud rules generally, **3:3**
Regulation FD, **7:550**
Rule 10b-5, **3:3**
What is a Security (this index)

SECURITIES ACT (SA)
Backdating of stock options, violations of federal securities laws, **18:3**
Congressional intent, Rule 10b-5 history, **3:10**
Cybersecurity, class actions, **26:7**
Disclosure requirements in filings, **6:279**
Enactment, **3:7**
Implied Liability (this index)
Insiders and inside trading, Mail and wire fraud, **7:172**
Interrelations of fraud rules
Generally, **3:37 et seq.**
Birnbaum rule, **3:50**
Breadth of proscriptions, **3:52**
Causation, **3:48**

SECURITIES ACT (SA)—Cont'd
Interrelations of fraud rules—Cont'd
Defenses to private actions, **3:51**
Displacing provisions, **3:53**
Elements of private cause of action, **3:50**
Exempt offerings, **3:46**
Implied and express private actions, **3:50**
Implied Liability (this index)
Integration proposals, **3:52**
Joint use of multiple provisions, **3:53**
Overlapping provisions, **3:53 et seq.**
Parties subject to rule, **3:49**
Place of transaction as factor, **3:38**
Prospectus fraud, **3:41 et seq.**
Public offerings, **3:40**
Registered offerings, **3:39, 3:45**
Relationship of conduct to transaction, **3:48**
Transactions covered, **3:38**
Types of violations proscribed, **3:47**
Unregistered offerings, **3:46**
Materiality
Generally, **8:49 et seq.**
Registration fraud, **8:51**
Sales fraud, **8:50, 8:52**
Section 11, **8:51**
Section 12(a)(2), **8:50**
Section 17(a), **8:52**
Tests of, **8:10**
Mergers, registration requirements, **6:152**
Proxy solicitation antifraud provisions, **6:187**
Public offerings, interrelations of fraud rules, **3:40**
Risk disclosures requirements in filings, **6:279**
Rules. See SEC Rules and Regulations (this index)
Section 2(1)(a), what is a security
Generally, **5:10**
Evidence of indebtedness, **5:13**
Guarantees, **5:15**

SECURITIES ACT (SA)—Cont'd
Section 2(1)(a), what is a security —Cont'd
Interest, **5:14**
9 month notes, **5:17**
Oil and gas interests, **5:16**
SEA § 3(a)(10) differences, **5:12 et seq.**
SEA § 3(a)(10) similarities, **5:11**
Section 5
Generally, **6:217**
Crowdfunding, application of law, **14:215**
Exemptions, **14:24**
Violations, **14:26**
Section 11
Broker-dealer liability, **14:2 et seq.**
Broker-Dealer Liability (this index)
Class actions, **14:18**
Contraction era, implied private actions in
Generally, **3:109 et seq.**
Defendants excluded, **3:112**
Documents excluded, **3:113**
Failure to satisfy substantive elements, **3:115**
Plaintiffs excluded, **3:111**
Securities excluded, **3:110**
Substantive elements, failure to satisfy, **3:115**
Transactions excluded, **3:110**
Court cases, **14:6**
Damages, **14:15**
Disclosure corrections, **6:294 et seq.**
Due diligence defense
Generally, **14:5**
SEC view, **14:9**
Expansion era, implied private actions in, **3:70**
Implied Liability (this index)
Implied private actions in contraction era
Generally, **3:109 et seq.**
Defendants excluded, **3:112**
Documents excluded, **3:113**

SECURITIES ACT (SA)—Cont'd
Section 11—Cont'd
Implied private actions in contraction era—Cont'd
Failure to satisfy substantive elements, **3:115**
Plaintiffs excluded, **3:111**
Securities excluded, **3:110**
Substantive elements, failure to satisfy, **3:115**
Transactions excluded, **3:110**
Implied private actions in expansion era, **3:70**
Integrated disclosure systems, **14:7**
Interrelations of fraud rules
Generally, **3:37 et seq.**
Birnbaum rule, **3:50**
Breadth of proscriptions, **3:52**
Causation, **3:48**
Defenses to private actions, **3:51**
Displacing provisions, **3:53**
Elements of private cause of action, **3:50**
Exempt offerings, **3:46**
Implied and express private actions, **3:50**
Implied Liability (this index)
Integration proposals, **3:52**
Joint use of multiple provisions, **3:53**
Overlapping provisions, **3:53 et seq.**
Parties subject to rule, **3:49**
Place of transaction as factor, **3:38**
Prospectus fraud, **3:41 et seq.**
Public offerings, **3:40**
Registered offerings, **3:39, 3:45**
Relationship of conduct to transaction, **3:48**
Transactions covered, **3:38**
Types of violations proscribed, **3:47**
Unregistered offerings, **3:46**
Joint and several liability, **9:24**
Joint use of multiple fraud provisions, **3:53**
Later filings, effect of, **14:10**
Limitation of actions, **11:57 et seq.**

SECURITIES ACT (SA)—Cont'd
Section 11—Cont'd
Materiality, **8:51**
Non-managing underwriters, **14:13**
Participating underwriters, **14:13**
Parties, **8:273**
Pleading particularity, **11:112**
Policy considerations, **14:12**
Reasonable investigation defense
Generally, **14:5**
Integrated disclosure systems, **14:7**
SEC Rule 176, **14:8**
Reasonable investigation requirement, **14:11**
Registered offerings, fraud rules applicable to, **3:39, 3:45**
Reliance, **8:491**
SEA § 10(b) compared, **14:16**
SEC Rule 176, **14:7**
SEC Rule 412, **14:7**
SEC view of due diligence techniques, **14:9**
Underwriters
Generally, **14:4**
Due diligence, **14:14**
Section 11(f)
Contribution, **9:67**
Proportionate liability, **9:48**
Section 12(1), **11:47 et seq.**
Section 12(2)
Contraction era, implied private actions in
Generally, **3:116 et seq.**
Commercial paper, **3:119**
Defendants excluded, **3:121**
Documents excluded, **3:122**
Failure to satisfy substantive elements, **3:124**
Government securities, **3:118**
Municipal securities, **3:117**
Plaintiffs excluded, **3:120**
Securities excluded, **3:117 et seq.**
Substantive elements, **3:124**
Disclosure corrections, **6:293**
Exempt offerings, application of fraud rules to, **3:46**

SECURITIES ACT (SA)—Cont'd
Section 12(2)—Cont'd
Expansion era, implied private actions in, **3:71**
Implied Liability (this index)
Implied private actions (IPA)
Contraction era
Generally, **3:116 et seq.**
Commercial paper, **3:119**
Defendants excluded, **3:121**
Documents excluded, **3:122**
Failure to satisfy substantive elements, **3:124**
Government securities, **3:118**
Municipal securities, **3:117**
Plaintiffs excluded, **3:120**
Securities excluded, **3:117 et seq.**
Substantive elements, **3:124**
Expansion era, **3:71**
Interrelations of fraud rules
Generally, **3:37 et seq.**
Birnbaum rule, **3:50**
Breadth of proscriptions, **3:52**
Causation, **3:48**
Defenses to private actions, **3:51**
Displacing provisions, **3:53**
Elements of private cause of action, **3:50**
Exempt offerings, **3:46**
Implied and express private actions, **3:50**
Implied Liability (this index)
Integration proposals, **3:52**
Joint use of multiple provisions, **3:53**
Overlapping provisions, **3:53 et seq.**
Parties subject to rule, **3:49**
Place of transaction as factor, **3:38**
Prospectus fraud, **3:41 et seq.**
Public offerings, **3:40**
Registered offerings, **3:39, 3:45**
Relationship of conduct to transaction, **3:48**
Transactions covered, **3:38**

SECURITIES ACT (SA)—Cont'd
Section 12(2)—Cont'd
Interrelations of fraud rules —Cont'd
Types of violations proscribed, **3:47**
Unregistered offerings, **3:46**
Joint and several liability, **9:23**
Joint use of multiple fraud provisions, **3:53**
Limitation of actions, **11:54 et seq.**
Parties, **8:263 et seq.**
Pleading particularity, **11:111**
Public offerings and interrelations of fraud rules, **3:40**
Unregistered offerings, fraud rules applicable to, **3:46**
Section 12(a)(1)
Generally, **14:19 et seq.**
Broker-Dealer Liability (this index)
Section 12(a)(2)
Generally, **14:27 et seq.**
Broker-Dealer Liability (this index)
Materiality, **8:50**
Pinter case, **14:30, 14:38**
Privity, **14:34**
Punitive damages, **14:54**
Reasonable investigation requirement, **14:43**
Reliance, **8:490**
Relief available, **14:45**
SEA § 10(b) and, overlap between, **14:55**
Section 12 class actions, **14:57**
Section 15
Control person liability, **8:393 et seq.**
Good faith defense, **8:393 et seq.**
Joint and several liability, **9:25**
Section 17(a)
Breadth of fraud proscriptions, **3:52**
Disclosure corrections, **6:299**
Drafting, **3:8**
Final version, **3:9**
Implied Liability (this index)

SECURITIES ACT (SA)—Cont'd
Section 17(a)—Cont'd
Implied private actions (IPA), **3:155**
Insiders, **7:164**
Interrelations of fraud rules
Generally, **3:37 et seq.**
Birnbaum rule, **3:50**
Breadth of proscriptions, **3:52**
Causation, **3:48**
Defenses to private actions, **3:51**
Displacing provisions, **3:53**
Elements of private cause of action, **3:50**
Exempt offerings, **3:46**
Implied and express private actions, **3:50**
Implied Liability (this index)
Integration proposals, **3:52**
Joint use of multiple provisions, **3:53**
Overlapping provisions, **3:53 et seq.**
Parties subject to rule, **3:49**
Place of transaction as factor, **3:38**
Prospectus fraud, **3:41 et seq.**
Public offerings, **3:40**
Registered offerings, **3:39, 3:45**
Relationship of conduct to transaction, **3:48**
Transactions covered, **3:38**
Types of violations proscribed, **3:47**
Unregistered offerings, **3:46**
Joint use of multiple fraud provisions, **3:53**
Materiality, **8:52**
Parties, **8:274 et seq.**
Reliance, **8:492**
Rule 10b-5 compared, **3:27**
Text, **App C**
USCA cross reference table, **App H**
What is a Security (this index)

SECURITIES AND EXCHANGE COMMISSION (SEC)
Generally, **1:4 et seq., 10:1 et seq.**

SECURITIES AND EXCHANGE COMMISSION (SEC)—Cont'd
See also SEC Rules and Regulations (this index)
Accessibility of decisions, **1:6**
Accountants, rulemaking authority as to, **3:5**
Accounting orders, **13:84**
Actions against attorneys by. See Attorneys (this index)
Administrative enforcement
See also Administrative Enforcement (this index)
Role in
Generally, **10:1**
In court, **10:3**
Out of court, **10:2**
Administrative intent, Rule 10b-5 history, **3:19**
Admission of wrongdoing, compromise and settlement, **13:166 et seq.**
Amicus curiae participation in private litigation, **13:79**
Ancillary relief, **13:107 et seq.**
Articulation of standards, **1:7**
Asset freezes, **13:100**
Attorneys (this index)
Authority, rulemaking, **3:5**
Authority of staff to negotiate, **13:162**
Authority to investigate, **13:6**
Backdating of stock options, investigations, **18:3, 18:6, 18:8**
Bar orders. Collateral bars against individuals, below
Bounties to informants, **7:445**
Briefs, **1:13**
Broker-dealers
Cybersecurity, **26:4, 26:5**
Supervisory authority over, **10:1**
Cady, Roberts & Co case, **App E**
Cease and desist orders
Permanent, **13:85**
Temporary, **13:86**
Collateral bars against individuals
Generally, **13:87**
Corporate office orders, **13:88**

SECURITIES AND EXCHANGE COMMISSION (SEC)—Cont'd
Collateral bars against individuals —Cont'd
Injunctions including, **13:117**
Collateral effects of orders, **13:92**
Compliance orders, **13:82**
Compromise and settlement, admission of wrongdoing, **13:166 et seq.**
Conferences with staff, **13:26**
Conflicts of interest in investigations, **13:15**
Connection with requirement, **10:1**
Contested cases
Generally, **1:5**
Initial decisions, **1:8**
Control person liability
Generally, **7:451 et seq.**
A test, **7:453**
All control persons, **7:453**
Amount of liability, **7:459**
Broker-dealer control persons, **7:456**
B test, **7:456**
Contribution to violation, **7:458**
Failure to act, **7:455**
Investment adviser control persons, **7:456**
Knowledge
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Madoff Ponzi scheme, **20:5**
Policy/procedure failures, **7:457**
Reckless disregard
Failure to have preventive policies in place, **7:457**
Likelihood of violation, **7:454**
Requirements, **7:452**
Respondeat superior liability, **7:450**
Substantial contribution to violation, **7:458**
Cooperation agreements, **20:15**
Counsel investigations, **13:27**
Criminal enforcement references
Generally, **13:122 et seq.**

SECURITIES AND EXCHANGE COMMISSION (SEC)—Cont'd
Criminal enforcement references —Cont'd
See also Criminal Enforcement (this index)
Role in prosecution, **10:1, 10:4**
Crowdfunding, **14:218**
Cryptocurrencies (this index)
Cybersecurity, **26:4, 26:5**
Decisions, **1:4 et seq.**
Director and officer regulation, Sarbanes-Oxley Act, **8:464**
Disclosures
Correction requirements, **6:313**
Filings as, **7:285**
Discovery
Generally, **13:66 et seq.**
Document subpoenas, **13:67**
FOIA requests, **13:68**
Production requests, **13:69**
Disgorgement orders, **13:84**
Document production, **13:25**
Documents, third party access to, **13:66 et seq.**
Due diligence defense techniques, **14:9**
Enforcement actions. See Administrative Enforcement (this index)
Enforcement focus, ESG, **29:1**
ESG-related enforcement actions
Climate, **29:2**
Task force, **29:2**
False reports to
Generally, **8:146**
Corrections, **6:313**
Defendant's knowledge
Burden of proof, **8:148**
Proof, **8:149**
Good faith, **8:150**
Joint and several liability, **9:32**
Madoff Ponzi scheme, **20:5**
Plaintiff's knowledge, **8:151**
Pleading, **8:152**
Privity, **8:287**
Quantitative factors, **8:153**
SEA § 18, **8:287**

SECURITIES AND EXCHANGE COMMISSION (SEC)—Cont'd
Filings
Disclosures, **7:285**
Madoff Ponzi scheme, **20:5**
Reliance on and implied private actions
Contraction era
Generally, **3:133 et seq.**
Decisions rejecting IPA, **3:137**
Decisions sustaining IPA, **3:138**
Defendants excluded, **3:141**
Documents excluded, **3:142, 3:143**
Failure to satisfy substantive elements, **3:145**
Filed and unfiled documents, **3:142 et seq.**
Fischman rationale, **3:135**
Narrow focus of § 18, **3:136**
Plaintiffs excluded, **3:140**
Reexamination, reasons for, **3:134**
Scienter, **3:135**
Securities excluded, **3:139**
Substantive elements, **3:145**
Expansion era, **3:73**
Finding decisions, **1:6**
FOIA requests, **13:68**
Foreign government officials, payments to. Foreign Corrupt Practices Act (FCPA) (this index)
Front running
Generally, **7:140**
Decisions, **7:142**
Implied liabilities, SEC role in developing theories of, **10:1**
Indirect-impersonal dealing, **7:58, 7:59, 7:72 to 7:74, 7:77, 7:80, 7:93**
Informal enforcement actions, **13:78**
Informal warnings, **13:72**
Informants, awards to, **7:445**
Initial decisions in contested cases, **1:8**
Injunctions (this index)

SECURITIES AND EXCHANGE COMMISSION (SEC)—Cont'd
Insider trading. Insider and Insider Trading (this index)
Insurance coverage for settling defendants, **13:183**
Interrogations, **13:29**
Investigations
Generally, **13:1 et seq.**
See also Investigations (this index)
Backdating of stock options, **18:6, 18:8**
Foreign Corrupt Practices Act (FCPA) (this index)
Madoff Ponzi Scheme (this index)
Reports, **1:10**
Jurisdictional means
Generally, **10:1, 11:2 et seq., 12:10**
See also Jurisdiction (this index)
Adviser activities, **11:15**
Agent's interstate activities, **11:13**
Broker-dealer activities, **11:15**
Check clearance as interstate activity, **11:11**
Class actions, **11:42**
Defenses, **11:41**
Derivative suits, **11:43**
Foreign cubed cases, **11:37**
Foreign transactions, **11:16**
Fraud, interstate nature of, **11:9**
International transactions, **11:16**
Interstate commerce, **11:3**
Local telephone use, **11:4**
Mails, use of, **11:6**
Misconduct, relation of jurisdictional means to
Generally, **11:8 et seq.**
Agent's interstate activities, **11:13**
Check clearances, **11:11**
Fraud, **11:9**
Plaintiff's interstate activities, **11:14**
Transaction, **11:10, 11:12**
Plaintiff's interstate activities, **11:14**
Pleading, **11:38**

SECURITIES AND EXCHANGE COMMISSION (SEC)—Cont'd
Jurisdictional means—Cont'd
Procedure, **11:39 et seq.**
Process, **11:40**
Scope of commerce, **11:3**
Securities exchanges and interstate commerce, **11:7**
Service of process, **11:40**
Telephone use, **11:4**
Transaction, interstate, **11:10, 11:12**
Venue, **11:39**
Justice Department references
Generally, **13:122 et seq.**
See also Criminal Enforcement (this index)
Limitation of actions, enforcement actions, **13:184 et seq.**
Madoff Ponzi scheme, **20:2, 20:5, 20:6**
Markup and markdown practices, SEC basis criteria, **14:150 et seq.**
Negotiations with
Generally, **13:161 et seq., 13:266**
Advantages and disadvantages, **13:163**
Authority of staff, **13:162**
Considerations, **13:165**
Objectives, **13:164**
No-action letters, **1:12**
NSMIA preemption of state registration laws, **3:187 et seq.**
Observations on private litigation, **13:182**
Orders
Accountings, **13:84**
Bar orders. Collateral bars against individuals, below
Cease and desist orders
Permanent, **13:85**
Temporary, **13:86**
Collateral bars against individuals
Generally, **13:87**
Corporate office orders, **13:88**
Injunctions including, **13:117**
Collateral effects of orders, **13:92**

SECURITIES AND EXCHANGE COMMISSION (SEC)—Cont'd
Orders—Cont'd
Compliance orders, **13:82**
Disgorgement, **13:84**
Duration of orders, **13:94**
Formal orders of investigation, **13:16 et seq.**
Validity challenges, **13:20**
Outcomes of investigations, **13:70 et seq.**
Penalty actions
Generally, **7:438**
See also Civil Penalties (this index)
Aider-abettors, **7:449**
Amount of penalty
Control persons, **7:459**
Court-imposed, **7:439**
Bounties, **7:445**
Control persons, penalties imposed on, **7:440**
Court imposed penalties, **7:439**
Disposition of penalties, **7:445**
Double jeopardy limitations, **7:443**
Factors considered in imposition of penalties, **7:442**
Informants, awards to, **7:445**
Insider trading law enforcement, **7:438 et seq.**
Judge or jury, **7:446**
Maximum penalties imposed, **7:441**
Persons liable
Generally, **7:447**
Aider-abettors, **7:449**
Control person liability, above
Employers, **7:450**
Respondeat superior liability, **7:450**
Tippers, **7:448**
Traders, **7:448**
Respondeat superior liability, **7:450**
Settled penalties, **7:444**
Tippees, penalties imposed on, **7:439**

SECURITIES AND EXCHANGE COMMISSION (SEC)—Cont'd
Penalty actions—Cont'd
Traders, penalties imposed on, **7:439**
Private relief, role in
In court, **10:3**
Out of court, **10:2**
Pronouncements, **1:4 et seq.**
Proposed ESG regulations, **29:4**
Public reports of investigations, **13:74 et seq.**
Quasi-judicial jurisdiction, **10:1**
Regulation G and Sarbanes-Oxley Act liabilities, **3:170**
Releases
Generally, **1:11**
Sarbanes-Oxley Act rules and releases, **3:164 et seq.**
Reports of investigations, **1:10, 13:74 et seq.**
Requests for information, **13:11**
Respondeat superior liability, penalty actions, **7:450**
Restitution to defrauded investors, role in
In court, **10:3**
Out of court, **10:2**
Right to counsel in investigations, **13:14**
Rulemaking authority, **3:5**
Rules. See SEC Rules and Regulations (this index)
Safeguards rule, violations of, **26:4, 26:5**
Sarbanes-Oxley Act
Attorneys (this index)
Director and officer regulation, **8:464**
Implementation, **8:473**
Reporting obligations, **8:432 et seq.**
Rules and releases, **3:164 et seq.**
SEA § 21(a) reports of investigations, **13:74 et seq.**
SEA Release No. 3230, **App B**
Settled cases, **1:9**
Settlement of penalty actions, **7:444**

SECURITIES AND EXCHANGE COMMISSION (SEC)—Cont'd
Settlements, admission of wrongdoing, **13:166 et seq.**
Staff conferences, **13:26**
Standards, articulation, **1:7**
Subpoenas
Generally, **13:21 et seq.**
Content, **13:22**
Document production, **13:25**
Document subpoenas, **13:67**
Evaluation, **13:23**
Responses, **13:25**
Validity challenges, **13:24**
Suitability rules, **14:195**
Tender offer challenges, **6:138**
Tender offer disclosure filings
Generally, **6:50 et seq.**
Changes, effects of, **6:52**
Date of information, **6:52**
Other disseminations, **6:54**
Processing, **6:53**
Scope of disclosure, **6:51**
Time of filing, **6:50**
Testimony before
Generally, **13:28 et seq.**
Interrogations, **13:29**
Preparing witnesses, **13:28**
Transcripts, **13:30**
Transcripts
Generally, **13:30**
Third party access to, **13:66 et seq.**
Unreasonable search and seizure, **13:34**
Ward La France Truck Corp case, **App D**
Warnings, **13:72**
Wells submissions
Generally, **13:158**
Advantages and disadvantages, **13:160**
Character, **13:159**
What is a Security (this index)

SECURITIES EXCHANGE ACT (SEA)
Congressional intent
Generally, **3:11**

SECURITIES EXCHANGE ACT (SEA)—Cont'd
Congressional intent—Cont'd
Rule 10b-5 history
Generally, **3:14 et seq.**
Deceptive devices, **3:17**
Manipulative devices, **3:17**
Private enforcement rights, **3:16**
Scope of coverage, **3:15**
Semiofficial evidence, **3:15**
Cybersecurity, class actions, **26:6**
Disclosure requirements in filings, **6:280**
Implied Liability (this index)
Interrelations of fraud rules
Generally, **3:37 et seq.**
Birnbaum rule, **3:50**
Breadth of proscriptions, **3:52**
Causation, **3:48**
Defenses to private actions, **3:51**
Displacing provisions, **3:53**
Elements of private cause of action, **3:50**
Exempt offerings, **3:46**
Implied and express private actions, **3:50**
Implied Liability (this index)
Integration proposals, **3:52**
Joint use of multiple provisions, **3:53**
Overlapping provisions, **3:53 et seq.**
Parties subject to rule, **3:49**
Place of transaction as factor, **3:38**
Prospectus fraud, **3:41 et seq.**
Public offerings, **3:40**
Registered offerings, **3:39, 3:45**
Relationship of conduct to transaction, **3:48**
Transactions covered, **3:38**
Types of violations proscribed, **3:47**
Unregistered offerings, **3:46**
Materiality
Generally, **8:53 et seq.**
Market manipulation, **8:54**
Proxy fraud, **8:56**
Section 9(a), **8:54**

SECURITIES EXCHANGE ACT (SEA)—Cont'd
Materiality—Cont'd
Section 10, **8:55**
Section 14, **8:57**
Tender offer fraud, **8:57**
Tests of, **8:11**
Release No. 3230, **App B**
Risk disclosure requirements in filings, **6:280**
Rule 10b-5 history
Generally, **3:11 et seq.**
Congressional intent, **3:14 et seq.**
Deceptive devices, **3:17**
Enactment, **3:18**
Manipulative devices, **3:17**
Private enforcement rights, **3:16**
Promulgation, **3:18**
Scope of coverage, **3:15**
Section 10(b) and
Early version, **3:12**
Final version, **3:13**
Semiofficial evidence, **3:15**
Rules. See SEC Rules and Regulations (this index)
Section 3(A)(10), what is a security
Generally, **5:10**
Evidence of indebtedness, **5:13**
Guarantees, **5:15**
Interest, **5:14**
9 month notes, **5:17**
Oil and gas interests, **5:16**
SA § 2(1)(a) differences, **5:12 et seq.**
SA § 2(1)(a) similarities, **5:11**
Section 7, **14:59**
Section 9
Contraction era, implied private actions in
Generally, **3:125 et seq.**
Defendants excluded, **3:129**
Documents excluded, **3:130**
Failure to satisfy substantive elements, **3:132**
Government securities, **3:127**
Municipal securities, **3:127**
OTC securities, **3:126**
Plaintiffs excluded, **3:128**

SECURITIES EXCHANGE ACT (SEA)—Cont'd
Section 9—Cont'd
Contraction era, implied private actions in—Cont'd
Securities excluded, **3:126 et seq.**
Substantive elements, **3:132**
Expansion era, implied private actions in, **3:72**
Implied private actions (IPA)
Contraction era
Generally, **3:125 et seq.**
Defendants excluded, **3:129**
Documents excluded, **3:130**
Failure to satisfy substantive elements, **3:132**
Government securities, **3:127**
Municipal securities, **3:127**
OTC securities, **3:126**
Plaintiffs excluded, **3:128**
Securities excluded, **3:126 et seq.**
Substantive elements, **3:132**
Expansion era, **3:72**
Privity, **8:282**
Section 9(a)
Disclosure corrections, **6:300**
False and misleading, **3:1**
Joint and several liability, **9:28**
Manipulation of market, **8:102 et seq.**
Materiality, **8:54**
Scienter, **8:102 et seq.**
Section 9(a)(1), **7:121**
Section 9(a)(2), manipulation
Generally, **7:122 et seq.**
Actual or apparent trading, **7:124**
Depressing prices, **7:124**
Purpose, **7:125**
Raising prices, **7:124**
Series of transactions, **7:123**
Section 9(a)(3), **7:126**
Section 9(a)(4), **7:126**
Section 9(a)(5), **7:126**
Section 9(a)(6), **7:127**
Section 9(b), **7:128**

SECURITIES EXCHANGE ACT (SEA)—Cont'd
Section 9(e)
Contribution, **9:67**
Manipulation, **7:129**
Section 10
Disclosure corrections, **6:301**
Implied liability, **8:55**
Materiality, **8:55**
Privity, **8:283**
Scienter, **8:124**
Section 10(b)
Foreign cubed cases. Foreign and International Transactions (this index)
Front running, **7:139 et seq.**
Madoff Ponzi scheme, **20:5**
Manipulation, **7:130 et seq.**
Parking, **7:143 et seq.**
Proposed rules, **3:35**
Rule 10b-5 history and
Early version, **3:12**
Final version, **3:13**
Madoff Ponzi scheme, **20:5**
Rules
Generally, **3:33 et seq.**
See also SEC Rules (this index)
Rules 1 through 17, **3:34**
SA § 11 compared, **14:16**
SEA § 12(a)(2) and, overlap between, **14:55**
Shotgun use, **3:36**
Suitability claims, **14:197 et seq.**
Underwriters' due diligence, **14:14**
Section 14
Disclosure corrections, **6:302**
Implied liability, **8:132 et seq.**
Joint and several liability
Proxy fraud, **9:29**
Tender offer fraud, **9:30**
Manipulation of market, **8:132 et seq.**
Materiality, **8:57**
Privity
Proxy fraud, **8:284**
Tender offer fraud, **8:285**
Proxy fraud, joint and several liability, **9:29**

SECURITIES EXCHANGE ACT (SEA)—Cont'd
Section 14—Cont'd
Scienter, **8:125, 8:132 et seq.**
Tender offer fraud, joint and several liability, **9:30**
Section 14(a)
Congressional intent, **6:155**
Disclosure requirements, **6:215**
Merger regulation, **6:155**
Section 14(c)
Congressional intent, **6:156**
Disclosure requirements, **6:216**
Merger regulation, **6:156**
Section 14(e)
Proxies and proxy solicitations, **6:186**
Proxy rules, relation to, **6:24**
Scope of provision, **6:25**
Section 15(b)(4)(D), **14:166**
Section 15(b)(4)(E), **14:165**
Section 15(b)(6), **14:165**
Section 15(c)(1)
Joint and several liability, **9:31**
Manipulation of market, **8:139 et seq.**
Privity, **8:286**
Scienter, **8:139 et seq.**
Section 16(b)
Administrative enforcement, **7:159**
Backdating of stock options, **18:10**
Blackouts, director and officer trading during, **7:161**
Civil penalties, **7:159**
Private actions, **7:160**
Short sales, **7:157**
Short swing trading, **7:156**
Tipping, **7:158**
Section 18
Generally, **8:146 et seq.**
Contraction era, implied private actions in
Generally, **3:133 et seq.**
Decisions rejecting IPA, **3:137**
Decisions sustaining IPA, **3:138**
Defendants excluded, **3:141**
Documents excluded, **3:142, 3:143**

SECURITIES EXCHANGE ACT (SEA)—Cont'd
Section 18—Cont'd
Contraction era, implied private actions in—Cont'd
Failure to satisfy substantive elements, **3:145**
Filed and unfiled documents, **3:142 et seq.**
Fischman rationale, **3:135**
Narrow focus of § 18, **3:136**
Plaintiffs excluded, **3:140**
Reexamination, reasons for, **3:134**
Scienter, **3:135**
Securities excluded, **3:139**
Substantive elements, **3:145**
Expansion era, implied private actions in, **3:73**
Fischman rationale, **3:135**
Implied private actions (IPA)
Contraction era
Generally, **3:133 et seq.**
Decisions rejecting IPA, **3:137**
Decisions sustaining IPA, **3:138**
Defendants excluded, **3:141**
Documents excluded, **3:142, 3:143**
Failure to satisfy substantive elements, **3:145**
Filed and unfiled documents, **3:142 et seq.**
Fischman rationale, **3:135**
Narrow focus of § 18, **3:136**
Plaintiffs excluded, **3:140**
Reexamination, reasons for, **3:134**
Scienter, **3:135**
Securities excluded, **3:139**
Substantive elements, **3:145**
Expansion era, **3:73**
Narrow focus, **3:136**
Privity, **8:287**
Scienter, **3:135**
Section 18(b), **9:67**
Section 19, broker-dealer supervisorial liabilities, **14:170**

SECURITIES EXCHANGE ACT (SEA)—Cont'd
Section 20(a)
Broker-dealer supervisorial liabilities, **14:167**
Control person liability, **8:393 et seq.**
Good faith defense, **8:393 et seq.**
Section 20A(c), **9:36**
Section 20(f), **8:348**
Section 21(a), **13:74 et seq.**
Section 21D(b), pleading particularity
Conflicting concerns, **11:110**
Fact statements, **11:122**
Falsity, **11:117**
Group statements, **11:124**
Information and belief, **11:129**
Misleading character, **11:119**
Purposes, **11:108**
Scienter, **11:134**
Tactical importance, **11:106**
Unattributed statements, **11:126**
Section 21D(e), **9:11**
Section 21D(g)
Contribution, **9:69**
Proportionate liability, **9:48**
Text, **App C**
USCA cross reference table, **App H**
What is a Security (this index)
Whistleblowers, protection, **22:16**
Williams Bill, **6:13**

SECURITIES INVESTOR PROTECTION ACT (SIPA) AND CORPORATION (SIPC)
Madoff Ponzi scheme, definition of customer, **20:3, 20:24**

SECURITIES LITIGATION UNIFORM STANDARDS ACT (SLUSA)
Generally, **3:201 et seq.**
Abolition of state claims, **3:202**
Administrative actions by states, **3:210**
Administrative enforcement, **3:216**
Bonds, actions on, **3:211**

SECURITIES LITIGATION UNIFORM STANDARDS ACT (SLUSA)—Cont'd
Chadbourne & Parke LLP v. Troice, **3:217 et seq.**
Congressional intent, **3:201, 3:214**
Consolidation restrictions, **3:206**
Criminal enforcement, **3:216**
Derivative suits, **3:212**
Discovery limitations, **3:203**
Effective date, **3:213**
Enactment, **3:32**
Government enforcement, **3:216**
Incorporation state, actions under laws of, **3:209**
Joinder restrictions, **3:206**
Mass-type actions, **3:206**
NMSIA scope compared, **3:207**
Post-Chadbourne cases, **3:220 to 3:222**
Private rights, effect on, **3:215**
PSLRA, **3:214**
Recklessness, **3:214**
Related class-type actions, **3:205**
Retroactivity, **3:213**
Scienter, **3:214**
Securities covered, **3:207**
State class action limitations
Generally, **3:201 et seq.**
Administrative actions by states, **3:210**
Administrative enforcement, **3:216**
Bonds, actions on, **3:211**
Covered class actions, **3:204**
Criminal enforcement, **3:216**
Derivative suits, **3:212**
Discovery limitations, **3:203**
Government enforcement, **3:216**
Incorporation state, actions under laws of, **3:209**
Indenture contract actions, **3:211**
Individual fraud claims, **3:215**
Mass-type actions, **3:206**
Permitted class actions, **3:208 et seq.**
Private rights, effect on, **3:215**
Recklessness, **3:214**
Related class-type actions, **3:205**

SECURITIES LITIGATION UNIFORM STANDARDS ACT (SLUSA)—Cont'd
State class action limitations—Cont'd
Scienter, **3:214**
Scope, **3:204 et seq.**
Securities covered by SLUSA, **3:207**
State governments, actions by, **3:210**

SELECTIVE DISCLOSURE
See Disclosure (this index)

SELF-DEALING
Coordinated investigations following subprime mortgage crisis, **13:338**

SELF REGULATORY ORGANIZATIONS (SRO)
Amicus curiae participation in private litigation, **13:293**
Arbitration procedures, **15:8**
Auction Rate Securities (ARS) litigation, coordinated SEC-state-SRO investigations, **13:322 et seq.**
Authority
Injunctions, **13:303**
Investigations, **13:268**
Orders, **13:278**
Subpoenas, **13:279**
Broker-dealer supervision liabilities
Generally, **14:171 et seq.**
Amex requirements, **14:174**
Branch office managers, **14:178**
Chief executive officers, **14:180**
Compliance officers, **14:181**
Court cases, **14:176**
Deficiencies, **14:175**
General counsel, **14:182**
Heads of functional areas, **14:179**
Individual responsibilities, **14:177 et seq.**
NASD requirements, **14:172**
NYSE requirements, **14:173**
Safe harbor programs, **14:175**
Sanctions, **14:175**

SELF REGULATORY ORGANIZATIONS (SRO) —Cont'd
CFTC references of investigations to, **13:231**
Collateral effects of orders, **13:298**
Conferences with staff, **13:280**
Conflicts of interest in investigations, **13:277**
Counsel investigations, **13:281**
Criminal enforcement references, **13:304**
Disciplinary authority
Joint and several liability, **9:45**
References by arbitrators, **15:62**
Relationship to arbitration, **15:61**
Discovery, **13:286**
Documents, third party access to, **13:286**
Front running
Generally, **7:140**
Criticisms of SRO interpretations, **7:141**
Decisions, **7:142**
Insider trading, **7:168**
Implied liabilities under SRO rules
Generally, **14:62 et seq.**
Arbitration, **14:72**
Buttrey doctrine, **14:65**
Colonial Realty doctrine, **14:64**
Contraction era, **14:71**
Court cases, **14:64 et seq.**
Expansion era, **14:63 et seq.**
Informal enforcement actions, **13:292**
Informal warnings, **13:289**
Information requests, **13:273**
Injunctions, **13:303**
Insider trading, front running, **7:168**
Interrogations, **13:283**
Investigations
Generally, **13:1 et seq.**
See also Investigations (this index)
Negotiations with
Generally, **13:308 et seq.**
Advantages and disadvantages, **13:310**
Considerations, **13:312**
Objectives, **13:311**

SELF REGULATORY ORGANIZATIONS (SRO) —Cont'd
Orders
Generally, **13:278**
Collateral effects of orders, **13:298**
Duration of orders, **13:300**
Outcomes of investigations, **13:287 et seq.**
Public reports of investigations, **13:291**
Reports of investigations, **13:291**
Requests for information, **13:273**
Right to counsel in investigations, **13:276**
SEC investigations, information sharing by Office of Market Intelligence, **20:14**
Staff conferences, **13:280**
Subpoena power, **13:270, 13:279**
Suitability rules
Generally, **14:183 et seq.**
See also Suitability (this index)
Chicago Board Options Exchange (CBOE), **14:192**
Disciplinary actions, **14:194**
FINRA Rule 2090, know your customer, **14:191**
FINRA Rule 2111, **14:186**
FINRA Rule 2111(a), **14:187, 14:188**
FINRA rules generally, **14:185**
Inquiry duties of brokers, **14:189**
Institutional investors, **14:190**
Investment strategy, **14:188**
Know your customer, **14:191**
Municipal securities, **14:193**
NASD IM-2320-3, **14:190**
NASD rules generally, **14:185**
Options, **14:192**
Recommendations to customers, **14:187**
Testimony
Generally, **13:282 et seq.**
Interrogations, **13:283**
Preparing witnesses, **13:282**
Transcripts, **13:284**

SELF REGULATORY ORGANIZATIONS (SRO) —Cont'd
Transcripts
Generally, **13:284**
Third party access to, **13:286**
Warnings, **13:289**
Wells submission equivalents
Generally, **13:306**
Character, **13:307**

SENIOR INVESTOR FINANCIAL ABUSE
Generally, **23:1**
Compliance practices, **23:3**
Enforcement actions by regulators, **23:2**
Protection against, **23:3**

SENIOR MANAGEMENT
Madoff Ponzi scheme, **20:5**
Mutual fund violations, **17:19**

SENTENCING
Insiders and inside trading, Raj Rajaratnam criminal case, **21:28 to 21:49**

SERVICE OF PROCESS
See Process (this index)

SETTLEMENT
See Compromise and Settlement (this index)

703 SLUSH FUND
Madoff Ponzi scheme, **20:6**

SHAREHOLDERS
Insider trading liability, **7:651**
Securities class action
Freeze out mergers, claims of minority, **2:5**
Unfair terms, effect of shareholder votes as to
Generally, **5:146**
Reasons and policies, **5:151**

SHIFTING COUNTERPARTIES
Madoff Ponzi scheme, **20:6**

SHORT SALES
Insider short sales, **7:157**

SHORT SALES—Cont'd
Manipulation, **7:137**
NASD risk disclosure requirements, **6:287**

SHORT SWING TRADING
SEA § 16(b), **7:156**

SHOULD HAVE KNOWN
Madoff Ponzi scheme, **20:5**

SONJA KOHN
Madoff feeder funds, globalization, **20:21**

SPECIAL PURPOSE ACQUISITION COMPANIES (SPACS)
Overview, **28:1**
Private damage actions, **28:3**
SEC
Disclosure guidance, **28:1**
Enforcement actions, **28:2**
Proposed rule changes, **28:4**
Senator Elizabeth Warren report, **28:4**

SPECIFICITY
Investigations, **13:104**
Materiality factors, **8:35**

SPLIT-STRIKE CONVERSION
Madoff Ponzi scheme, **20:6**

STANDARD AND POOR'S RATINGS
Coordinated investigations following subprime mortgage crisis, **13:338**

STANDING
Generally, **8:258 et seq.**
See also Parties; Private Actions (this index)
State law, **6:196**
Suability, meaning of generally, **8:293**
Tender offers, standing to challenge
Generally, **6:124**
Implied rights, **6:124**
Issuer offers, **6:143**

STANDING—Cont'd
Tender offers, standing to challenge —Cont'd
Offerees
Nontendering, **6:126**
Tendering, **6:125**
Offerors, **6:129**
Target companies, **6:128**
Tenderees
Generally, **6:125**
Nontendering, **6:126**
Undecided, **6:127**
Third parties, **6:130**

STATE AGENCIES
Investigations (this index)

STATE LAW
Generally, **3:184 et seq.**
Administrative actions by states, **3:210**
Administrative enforcement
Generally, **13:318**
Effect of SLUSA, **3:216**
Auction Rate Security (ARS) litigation. Coordinated SEC-state-SRO investigations, below
Authority of state agencies, **13:314**
Blue sky laws
Generally, **3:186**
Corrections of disclosures, **6:292**
Crowdfunding, **14:222**
Defendant's intent, **8:61**
Insider trading, **7:154**
Joint and several liability, **9:21**
Joint liabilities, **8:262**
Materiality, **8:7**
Parties to fraud actions, **8:262**
Plaintiff's knowledge, **8:62**
Privity, **8:262**
Reliance, **8:488**
Bonds, actions on, **3:211**
California statutes, insider trading, **App G**
CFTC references of investigations to, **13:231**
Chadbourne & Parke LLP v. Troice, **3:217 et seq.**
Churning actions, **14:137 et seq.**

STATE LAW—Cont'd
Class action limitations under SLUSA
Generally, **3:201 et seq.**
Abolition of state claims, **3:202**
Administrative actions by states, **3:210**
Administrative enforcement, **3:216**
Bonds, actions on, **3:211**
Congressional intent, **3:201**
Covered class actions, **3:204**
Criminal enforcement, **3:216**
Derivative suits, **3:212**
Discovery limitations, **3:203**
Government enforcement, **3:216**
Incorporation state, actions under laws of, **3:209**
Indenture contract actions, **3:211**
Individual fraud claims, **3:215**
Mass-type actions, **3:206**
Permitted class actions, **3:208 et seq.**
Private rights, effect on, **3:215**
Recklessness, **3:214**
Related class-type actions, **3:205**
Scienter, **3:214**
Scope, **3:204 et seq.**
Securities covered by SLUSA, **3:207**
State governments, actions by, **3:210**
Commodities fraud, investigations, **13:197**
Common law, **3:185**
Consolidation, SLUSA restrictions, **3:206**
Contraction era, **3:184**
Coordinated SEC-state-SRO investigations
Generally, **13:322 et seq.**
ARS securities and market, **13:325**
ARS seller management liability, **13:330**
ARS violations, **13:326**
Auction Rate Security (ARS) litigation, generally, **13:323**
Criminal aspects, **13:331**

STATE LAW—Cont'd
Coordinated SEC-state-SRO investigations—Cont'd
Government regulatory suits, **13:329**
Investor recovery as objective, **13:324**
Private litigation, **13:327, 13:328**
State law, private litigation, **13:328**
Court v Ash, **3:99**
Criminal enforcement
Generally, **13:320**
Effect of SLUSA, **3:216**
Defendant's intent, **8:61**
Expansion era, **3:184**
Federal vs state private actions, relative advantages, **3:200**
Incorporation state, actions under laws of, **3:209**
Injunctions, **13:319**
Insider trading
Generally, **7:153**
Blue sky law, **7:154**
California statutes, **App G**
Insurance companies
McCarran Act, **6:203**
Proxy rules, applicability of, **6:202, 6:203**
Investigations
Generally, **13:313 et seq.**
Administrative enforcement, **13:318**
Authority of state agencies, **13:314**
Coordinated SEC-state-SRO investigations, above
Criminal prosecutions, **13:320**
Injunctions, **13:319**
Outcomes, **13:317**
References of to state authorities
CFTC references, **13:231**
SEC references, **13:73**
SRO references, **13:290**
Settlements, **13:321**
Subpoenas, **13:315**
Joinder, SLUSA restrictions, **3:206**
Joint and several liability, **9:20**
Joint liabilities, **8:262**
Materiality, **8:7**

STATE LAW—Cont'd
Mergers
Generally, **6:153, 6:191 et seq.**
Appraisal rights, **6:192, 6:193**
Delaware law, **6:196**
Effect of merger or dissolution, **6:194**
Equitable approach, **6:197**
Standing approach, **6:196**
Parties to fraud actions, **8:262**
Plaintiff's knowledge, **8:62**
Post-Chadbourne cases, **3:220 to 3:222**
Privity, **8:262**
Proxies and proxy solicitations
Generally, **6:191 et seq.**
Appraisal rights, **6:192, 6:193**
Delaware law, **6:196**
Effect of merger or dissolution, **6:194**
Equitable approach, **6:197**
Standing approach, **6:196**
Punitive damages, **14:107 et seq.**
References of investigation to state authorities
CFTC references, **13:231**
SEC references, **13:73**
SRO references, **13:290**
Reliance, **8:488**
SEC references of investigations to, **13:73**
Settlements of investigations, **13:321**
SRO references of investigations to, **13:290**
Standing, **6:196**
Subpoenas, state agency investigations, **13:315**
Suitability claims
Generally, **14:200 et seq.**
Consumer fraud, **14:204**
Fiduciary breaches, **14:202**
Negligence, **14:203**
Statutory violations, **14:201**
Traditional areas, **3:99**
What is a security, **5:19**

STATE OF MIND
Intent (this index)
Knowledge (this index)

STATE OF MIND—Cont'd
Purpose (this index)
Scienter (this index)

STATURE IN SECURITIES INDUSTRY
Madoff Ponzi scheme, **20:2**

STATUTES OF LIMITATION
See Limitation of Actions (this index)

STEIN DECISION
SEC investigation, attorney-client privileges, **13:39 et seq.**

STRICT LIABILITY
Innocent defendants, **8:243**

SUBJECT MATTER JURISDICTION
Jurisdiction, foreign cubed case, **11:21**

SUBPOENAS
See also Securities and Exchange Commission (this index)
CFTC, **13:200**
Investigations
See also Investigations (this index)
CFTC, **13:200**
SROs, **13:270**
State agencies, **13:315**
SROs, **13:270**
State agency investigations, **13:315**

SUBSTANTIAL ASSISTANCE
Generally, **8:359 et seq.**
See also Aider-Abettors (this index)

SUBSTANTIAL PARTICIPATION
Indirect-impersonal dealing, **7:89**

SUITABILITY
Generally, **14:183 et seq.**
Arbitration, **14:205**
Consumer fraud claims, **14:204**
Damage claims, **14:196 et seq.**
Fiduciary breaches, **14:202**
Fiduciary duties, **14:206**
Fraud claims, **14:199**
Inquiry duties of brokers, **14:189**
Institutional investors, **14:190**

SUITABILITY—Cont'd
Misrepresentation, claims based on, **14:198**
Negligence claims, **14:203**
Option trading, **14:192**
Private damage claims, **14:196 et seq.**
Recommendations to customers, **14:186**
Retirement accounts, **14:206**
Rule 10b-5 claims, **14:197 et seq.**
SEA § 10(b) claims, **14:197 et seq.**
SEC rules, **14:195**
SRO rules
Chicago Board Options Exchange (CBOE), **14:192**
Disciplinary actions, **14:194**
FINRA Rule 2090, know your customer, **14:191**
FINRA Rule 2111, **14:186**
FINRA Rule 2111(a), **14:187, 14:188**
FINRA rules generally, **14:185**
Inquiry duties of brokers, **14:189**
Institutional investors, **14:190**
Investment strategy, **14:188**
Know your customer, **14:191**
Municipal securities, **14:193**
NASD IM-2320-3, **14:190**
NASD rules generally, **14:185**
Options, **14:192**
Recommendations to customers, **14:187**
State law claims
Generally, **14:200 et seq.**
Consumer fraud, **14:204**
Fiduciary breaches, **14:202**
Negligence, **14:203**
Statutory violations, **14:201**

SUPERVISORS OF STOCK TRADING DESKS
Madoff Ponzi scheme, **20:5**

SUPPLEMENTARY COMMUNICATIONS
Generally, **6:239**
See also Disclosure (this index)

SUPREME COURT
Indirect-impersonal dealing, scheme to defraud, Zandford case, **7:117**
Omnicare decision, fact vs. opinion standard, **8:3**
Private actions, loss causation, **8:556 to 8:570**
Whistleblowers (this index)

TASK FORCE
SEC's ESG-related enforcement actions, **29:2**

TAX FRAUD
Madoff Ponzi scheme, **20:6, 20:9**

TECHNICAL SUPPORT
Madoff Ponzi scheme, **20:5, 20:7**

TENDER OFFER FRAUD
See also Proxy Fraud (this index)
Antifraud provisions, applicability to
Generally, **6:22 et seq.**
Connection, **6:26**
Jurisdictional means, **6:27**
Opposition, applicability to, **6:23**
Proxy rules, **6:24**
SEA § 14(e), **6:24**
Banks, regulation of, **6:29**
Challenging
Balance of equities, **6:134**
Clean hands, **6:136**
Final relief, **6:140**
Inadequacy of other remedies, **6:133**
Irreparable injuries, **6:133**
Preliminary, **6:131 et seq.**
Probability of success, **6:132**
Proof elements, **6:132**
Relief available generally, **6:131 et seq.**
SEC actions, **6:138**
Standing to challenge, below
Time for relief, **6:139**
Types of relief, **6:135**
Congressional intent
Generally, **6:16 et seq.**
Disclosure, **6:17**
Fairness, **6:19**
Investor protection, **6:17**

TENDER OFFER FRAUD—Cont'd
Congressional intent—Cont'd
Target management protection, **6:18**
Connection with requirement, **7:371**
Definitional exclusions, **6:40**
Definitions, **6:31**
Direct-impersonal dealing
Generally, **6:33**
Disclosure corrections, **6:311**
Issuer offer disclosure requirements, **6:144**
Disclosure requirements
Regulated offers
Generally, **6:41**
Arrangements, **6:47**
Changes, effects of
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Control change information, **6:61**
Control purposes, **6:64**
Date of information
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Deviation from stated plans, **6:70**
Funds, source of, **6:44**
Fund source data, **6:44**
Groups, data on, **6:48**
Ideas vs plans, **6:68**
Issuer offers, **6:144**
Noncompliance, effects of, **6:74**
Offer data, **6:43**
Offeror data, **6:42**
Ownership, **6:55**
Plans and proposals, **6:45, 6:66 et seq.**
Publicity
Offeror, **6:94**
Target company, **6:98**
Third persons, **6:108**

TENDER OFFER FRAUD—Cont'd
Disclosure requirements—Cont'd
Regulated offers—Cont'd
Purposes, **6:45, 6:62 et seq.**
Sanctions for noncompliance, **6:74**
SEC filings
Generally, **6:50 et seq.**
Changes, effects of, **6:52**
Date of information, **6:52**
Other disseminations, **6:54**
Processing, **6:53**
Scope of disclosure, **6:51**
Time of filing, **6:50**
Securities, data on, **6:46**
Ten percent threshold
Generally, **6:55 et seq.**
Changes, effect of, **6:57**
Date of information, **6:57**
Exemptions, **6:60**
Other disseminations, **6:59**
Ownership, **6:55**
Scope of disclosure, **6:56**
SEC processing, **6:58**
Understandings, **6:47**
Unregulated offers
Generally, **6:113**
Insiders, **6:114**
Outsiders
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Target company, **6:121**
Third persons, **6:122**
Disclosures in offers, **7:288**
Exchange offers, **6:36**
Excluded offers, **6:38 et seq.**
Express exclusions, **6:39**
Fairness, Congressional intent, **6:19**
Five percent offers
Generally, **6:32**
Base for percentages, **6:34**
Foreign laws, **6:15**

TENDER OFFER FRAUD—Cont'd
Indirect-impersonal dealing
Disclosures in, **7:288**
Inside information re
Generally, **7:267**
Acquisitions
Generally, **7:248 et seq.**
Agreements
Disclosure not required, **7:261**
Disclosure required, **7:260**
Company, trading by, **7:256**
Definitions, **7:250**
Disclosure document obligations, **7:259**
Leaks, **7:255**
Materiality of negotiated acquisitions, **7:262 et seq.**
Preliminary negotiations
Misleading statements, **7:253**
No statement made, **7:252**
Other situations, **7:254**
Prior statement now misleading, **7:257**
Rumors, **7:255**
Stages of negotiated acquisitions, **7:249**
Target response to tender offers, **7:258**
When disclosure of agreement required, **7:260**
When disclosure required, **7:251 et seq.**
Connection with requirement, **7:371**
Materiality, **7:270**
Pending offers, **7:214**
Stages of nonnegotiated acquisitions, **7:268**
Target response to tender offers, **7:258**
When disclosure required, **7:269**
Target response to tender offers, disclosure of, **7:258**
Inside information re
Generally, **7:267**
Materiality, **7:270**

TENDER OFFER FRAUD—Cont'd
Inside information re—Cont'd
Pending offers, **7:214**
Stages of nonnegotiated acquisitions, **7:268**
When disclosure required, **7:269**
Insiders, offers by
Generally, **6:111**
Disclosure requirements, **6:114**
Insurance company offers, **6:30**
Investment Bankers (this index)
Issuer offers
Generally, **6:141**
Disclosure requirements, **6:144**
Price, **6:142**
Redemptions, **6:145**
Standing to challenge, **6:143**
Joint and several liability, **9:30**
Managers, protection, **6:18**
Market activities
Offeror
Before offer, **6:97**
During offer, **6:96**
Target company
Generally, **6:106 et seq.**
Filing, **6:107**
Information to be disclosed, **6:107**
Scope of regulation, **6:106**
Third persons, **6:109**
Materiality, **8:57**
Medium of payment, **6:36**
Opposition, applicability of antifraud provisions to, **6:23**
Outsiders, offers by
Generally, **6:112**
Disclosures
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Price
Increases, effect of, **6:90 et seq.**
Issuer offers, **6:142**
Third-party offers, **6:123**
Privity, **8:285**

TENDER OFFER FRAUD—Cont'd
Proxy rule antifraud provisions, applicability to, **6:24**
Proxy solicitations
Generally, **6:13 et seq.**
See also Proxy Fraud (this index)
Publicity
Offeror
Before offer, **6:95**
During offer, **6:94**
Target company
Generally, **6:98, 6:101**
Attack, modes of, **6:105**
Date of information, **6:101**
Exemptions, **6:103**
Other disseminations, **6:102**
Scope of antifraud provisions, **6:104**
Scope of disclosure, **6:100**
Time of filing, **6:99**
Third persons, **6:108**
Recommendations
Offeror
Before offer, **6:95**
During offer, **6:94**
Third persons, **6:108**
Scienter in fraud actions
Defendant's intent, **8:136**
Defendant's knowledge and belief
Generally, **8:133 et seq.**
Burden of proof, **8:134**
Proof, **8:135**
Intent, **8:136**
Plaintiff's knowledge, **8:137**
Pleading, **8:138**
SEA § 14(e) antifraud provisions, applicability to, **6:24**
Special bids, **6:37**
Standing to challenge transaction
Generally, **6:124**
Implied rights, **6:124**
Issuer offers, **6:143**
Offerees
Nontendering, **6:126**
Tendering, **6:125**
Offerors, **6:129**
Target companies, **6:128**

TENDER OFFER FRAUD—Cont'd
Standing to challenge transaction —Cont'd
Tenderees
Generally, **6:125**
Nontendering, **6:126**
Undecided, **6:127**
Third parties, **6:130**
State laws, **6:14**
Target company disclosures, **6:121**
Ten day pro rata takeup
Exemptions, **6:88**
Procedures, **6:87**
Purpose, **6:86**
Terms
Generally, **6:75 et seq.**
Duration of offer, **6:89**
Freedom of offerer, degrees of, **6:75**
Ten day pro rata takeup, above
Withdrawal rights
Generally, **6:80 et seq.**
Procedure, **6:82**
Purpose, **6:81**
Voluntary, **6:84**
Third-party offers
Antifraud provisions, applicability to
Generally, **6:22 et seq.**
Connection, **6:26**
Jurisdictional means, **6:27**
Opposition, applicability to, **6:23**
Proxy rules, **6:24**
SEA § 14(e), **6:24**
Banks, regulation of, **6:29**
Challenging
Balance of equities, **6:134**
Clean hands, **6:136**
Final relief, **6:140**
Inadequacy of other remedies, **6:133**
Irreparable injuries, **6:133**
Preliminary, **6:131 et seq.**
Probability of success, **6:132**
Proof elements, **6:132**
Relief available, **6:131 et seq.**
SEC actions, **6:138**

TENDER OFFER FRAUD—Cont'd
Third-party offers—Cont'd
Challenging—Cont'd
Standing to challenge, below
Time for relief, **6:139**
Types of relief, **6:135**
Congressional intent
Generally, **6:16 et seq.**
Disclosure, **6:17**
Fairness, **6:19**
Investor protection, **6:17**
Target management protection, **6:18**
Coverage of regulations, **6:28 et seq.**
Definitional exclusions, **6:40**
Direct-impersonal dealings, **6:33**
Disclosure requirements
Generally, **6:41**
Arrangements, **6:47**
Changes, effects of
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Control change information, **6:61**
Control purposes, **6:64**
Date of information
Generally, **6:49**
SEC filings, **6:52**
Ten percent threshold disclosure requirements, **6:57**
Deviation from stated plans, **6:70**
Funds, source of, **6:44**
Fund source data, **6:44**
Groups, data on, **6:48**
Ideas vs plans, **6:68**
Noncompliance, effects of, **6:74**
Offer data, **6:43**
Ownership, **6:55**
Plans and proposals, **6:45, 6:66 et seq.**
Purposes, **6:45, 6:62 et seq.**

TENDER OFFER FRAUD—Cont'd
Third-party offers—Cont'd
Disclosure requirements—Cont'd
Sanctions for noncompliance, **6:74**
SEC filings
Generally, **6:50 et seq.**
Changes, effects of, **6:52**
Date of information, **6:52**
Other disseminations, **6:54**
Processing, **6:53**
Scope of disclosure, **6:51**
Time of filing, **6:50**
Securities, data on, **6:46**
Ten percent threshold
Generally, **6:55 et seq.**
Changes, effect of, **6:57**
Date of information, **6:57**
Exemptions, **6:60**
Other disseminations, **6:59**
Ownership, **6:55**
Scope of disclosure, **6:56**
SEC processing, **6:58**
Understandings, **6:47**
Unregulated offers
Generally, **6:113**
Insiders, **6:114**
Outsiders
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Target company, **6:121**
Third persons, **6:122**
Excluded offers, **6:38 et seq.**
Express exclusions, **6:39**
Foreign laws, **6:15**
Insiders, offers by
Generally, **6:111**
Disclosure requirements, **6:114**
Insurance companies, **6:30**
Market activities
Offeror
Before offer, **6:97**
During offer, **6:96**

TENDER OFFER FRAUD—Cont'd
Third-party offers—Cont'd
Market activities—Cont'd
Target company
Generally, **6:106 et seq.**
Filing, **6:107**
Information to be disclosed, **6:107**
Scope of regulation, **6:106**
Third persons, **6:109**
Outsiders, offers by
Generally, **6:112**
Disclosures
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Price, **6:123**
Price increases, effect of, **6:90 et seq.**
Publicity
Offeror
Before offer, **6:95**
During offer, **6:94**
Target company
Generally, **6:98**
Attack, modes of, **6:105**
Change, effect of, **6:101**
Date of information, **6:101**
Exemptions, **6:103**
Other disseminations, **6:102**
Scope of antifraud provisions, **6:104**
Scope of disclosure, **6:100**
Time of filing, **6:99**
Third persons, **6:108**
Recommendations
Offeror
Before offer, **6:95**
During offer, **6:94**
Third persons, **6:108**
Regulated offers
Generally, **6:13 et seq.**
Williams Bill, **6:13**

TENDER OFFER FRAUD—Cont'd
Third-party offers—Cont'd
Scope of regulation
Generally, **6:28 et seq., 6:31 et seq.**
Definitions, **6:31**
Direct-impersonal dealings, **6:33**
Exchange offers, **6:36**
Five percent offers
Generally, **6:32**
Base for percentages, **6:34**
Jurisdictional means, **6:35**
Medium of payment, **6:36**
Special bids, **6:37**
Two percent offers
Generally, **6:32**
Base for percentages, **6:34**
Standing to challenge transaction
Generally, **6:124**
Implied rights, **6:124**
Nontendering offerees, **6:126**
Offerees, tendering, **6:125**
Offerors, **6:129**
Target companies, **6:128**
Tenderees
Nontendering, **6:126**
Undecided, **6:127**
Tendering offerees, **6:125**
Third parties, **6:130**
State laws, **6:14**
Target company disclosures, **6:121**
Ten day pro rata takeup
Generally, **6:85 et seq.**
Exemptions, **6:88**
Procedures, **6:87**
Purpose, **6:86**
Terms
Generally, **6:75 et seq.**
Duration of offer, **6:89**
Freedom of offerer, degrees of, **6:75**
Ten day pro rata takeup, above
Withdrawal rights
Generally, **6:80 et seq.**
Exemptions, **6:83**
Procedure, **6:82**
Purpose, **6:81**
Voluntary, **6:84**

TENDER OFFER FRAUD—Cont'd
Third-party offers—Cont'd
Third person disclosures, **6:122**
Unregulated offers
Generally, **6:110**
Insiders
Generally, **6:111**
Disclosure requirements, **6:114**
Outsiders
Generally, **6:112**
Disclosures
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Target company disclosures, **6:121**
Third party disclosures, **6:122**
Williams Bill, **6:13**
Third person disclosures, **6:122**
Two percent offers
Generally, **6:32**
Base for percentages, **6:34**
Types of direct-impersonal dealings, **6:1**
Unregulated tender offers
Generally, **6:110**
Insiders
Generally, **6:111**
Disclosure requirements, **6:114**
Outsiders
Generally, **6:112**
Disclosures
Generally, **6:115 et seq.**
Issuer, information about, **6:117**
Offer, identity of, **6:119**
Other information, **6:118**
Plans and proposals, **6:116**
Policy factors, **6:120**
Target company disclosures, **6:121**
Third person disclosures, **6:122**
Williams Bill, **6:13**

TIPPERS AND TIPPEES
Generally, **7:623 et seq.**
See also Insiders and Insider Trading (this index)

TORTS
Common Law Fraud (this index)
Joint and Several Liability (this index)

TRADES AND TRADING
Broker-Dealer Liability (this index)
Definition, **1:2**
Direct-Impersonal Dealing (this index)
Direct-Personal Dealing (this index)
Illegal, cybersecurity, **26:2, 26:3**
Indirect-Impersonal Dealing (this index)
Mutual Fund Violations (this index)
Private transaction liabilities, **5:8**

TRANSACTION PLANNING
Generally, **12:10 et seq.**
Antiwaiver provision of Rule 10b-5, **12:11**
Arbitration provisions, **12:11**
Attorneys' fees allocations, **9:75**
Contribution provisions, **9:75**
Costs allocations, **9:75**
Disclaimers, **8:514, 12:11**
Disclosures of risk factors, **12:11**
Fairness, techniques promoting, **12:13**
Indemnification provisions, **12:11**
Integration clauses, **8:513**
No-action clauses, **12:11**
Procedures, **12:12**
Releases of liability, **12:11**
Reliance, anti-reliance devices, **8:511 et seq.**
Representation, **12:11**
Risk factors, disclosures of, **12:11**
Waivers of Rule 10b-5, **12:11**
Warranties, **12:11**

TRANSCRIPTS
CFTC investigations, **13:222**
SEC investigations, **13:30**
SRO investigations, **13:284**

TRAVEL EXPENSES
Foreign Corrupt Practices Act (FCPA), affirmative defense, **19:4**

TREMONT-RYE
Madoff feeder funds, **20:20**

TRUSTEES
Whistleblower bounty program, original information, **22:9**

UNDERWRITERS
See also Broker-Dealer Liability (this index)
Court cases, **14:6**
Definition, **14:4**
Due diligence defense
Generally, **14:5, 14:14**
SEC view, **14:9**
Non-managing underwriters, **14:13**
Participating underwriters, **14:13**
Reasonable investigation defense
Generally, **14:5**
Integrated disclosure systems, **14:7**
SEC Rule 176, **14:8**
SA § 11 liabilities, **14:4**
Subprime mortgage crisis, coordinated investigations, **13:335**

UNFAIR TERMS
Generally, **5:142 et seq.**
Actual control, **5:156**
Arms length transactions
Generally, **5:144**
Reasons and policies, **5:149**
Book value, **5:162**
Burden of proof, **5:153**
Business decisions as value determiners, **5:171**
Capitalization of earnings as test of value, **5:161**
Conflict transactions
Generally, **5:145**
Reasons and policies, **5:150**
Control, proof of, **5:155**
Control premiums and discounts, **5:166**
Control sales, **5:191**

UNFAIR TERMS—Cont'd
Court cases, **5:183 et seq.**
Definition, **5:143**
Disclosure
Generally, **5:187 et seq.**
Information disclosed, **5:189**
Method of disclosure, **5:188**
Persons to whom disclosure made, **5:190**
Discounts, control, **5:166**
Earnings tests of value, **5:161**
Fair terms, effect of, **5:147**
Full disclosure, effect of
Generally, **5:146**
Reasons and policies, **5:151**
Influence, proof of, **5:155**
Investment bankers
Generally, **5:172 et seq.**
Controlled company bankers, **5:175**
Controlling company bankers, **5:177**
Dual representation bankers, **5:176**
No banker transactions, **5:178**
Opinions of, challenging, **5:181**
Prior relations of, **5:182**
Qualities of bankers, **5:173**
Roles of bankers, **5:174**
Successive bankers, **5:179**
Trials, bankers for, **5:180**
Legal decisions as value determiners, **5:170**
Liquidation value, **5:163**
Market prices as value indicators, **5:160**
No banker transactions, **5:178**
Pleading, **5:152**
Policies, **5:148 et seq.**
Potential control, **5:156**
Premiums, control, **5:166**
Proof of elements, **5:154**
Range of fairness, **5:143**
Reasons, **5:148 et seq.**
Shareholder votes, effect of
Generally, **5:146**
Reasons and policies, **5:151**
Tax factors in value determination, **5:164**

UNFAIR TERMS—Cont'd
Time factors in value determination, **5:165**
Value determiners, **5:169 et seq.**
Value indicators, **5:158 et seq.**

UNINSURED PRODUCTS
NASD risk disclosure requirements, **6:288**

UN IRAQI OIL-FOR-FOOD PROGRAM
Foreign Corrupt Practices Act (FCPA), **19:7**

UNITEDHEALTH GROUP INC.
Backdating of stock options, **18:1, 18:5, 18:8, 18:10**

UNREASONABLE CONDUCT
Generally, **8:229 et seq.**
Burden of proof, **8:238**
Criminal cases, **8:236**
Injunctions, **8:234**
Insufficiency, **8:237**
Necessity, **8:231, 8:232**
Proof, **8:239**
Scienter, **8:234**
SEC decisions, **8:235**
Sufficiency, **8:233 et seq.**
Versions of scienter, relations among, **8:230**

UTE INDIANS
Private actions, **8:484, 8:559**

VAGUENESS
Materiality factors, **8:35**

VALUE
Asset valuation
Generally, **6:263 et seq.**
See also Assets (this index)
Backdating of Stock Options (this index)
Business decisions as determiners, **5:171**
Control premiums and discounts, **5:166**
Determiners, **5:169 et seq.**
Discounts, control, **5:166**

VALUE—Cont'd
Indicators
Generally, **5:158 et seq.**
Book value, **5:162**
Capitalization of earnings as test of value, **5:161**
Earnings capitalization, **5:161**
Earnings tests of value, **5:161**
Liquidation value, **5:163**
Market prices as, **5:160**
Legal decisions as determiners, **5:170**
Premiums, control, **5:166**
Tax factors in value determination, **5:164**
Time factors in value determination, **5:165**

VARIABLE ANNUITIES
What is a security, **5:23**

VENUE
Generally, **11:39**

VERIFICATION OF RETURNS
Madoff Ponzi scheme, **20:2**

VICARIOUS LIABILITY
See also Control Person Liability; Parties (this index)
Broker-dealer supervisorial duties
Generally, **14:164 et seq.**
Amex requirements, **14:174**
Branch office managers, **14:178**
Chief executive officers, **14:180**
Compliance officers, **14:181**
Court cases, **14:176**
Deficiencies, **14:175**
General counsel, **14:182**
Heads of functional areas, **14:179**
Individual responsibilities, **14:177 et seq.**
Insider Trading and Securities Fraud Enforcement Act, **14:168**
NASD requirements, **14:172**
NYSE requirements, **14:173**
Rule 14e-3(b), **14:169**
Safe harbor programs, **14:175**
Sanctions, **14:175**
SEA § 15(b)(4)(D), **14:166**

VICARIOUS LIABILITY—Cont'd
Broker-dealer supervisorial duties —Cont'd
SEA § 15(b)(4)(E), **14:165**
SEA § 15(b)(6), **14:165**
SEA § 19, **14:170**
SEA § 20(a), **14:167**
SRO requirements, **14:171 et seq.**
Contribution (this index)
Disgorgement sanctions, **7:431**
Indemnification, **9:76**
Insurance, **9:76**
Joint and Several Liability (this index)
Proportionate Liability (this index)

VIRGINIA BANKSHARES
Private actions, loss causation in Supreme Court decision, **8:566**

VITESSE SEMICONDUCTOR CORP.
Backdating of stock options, **18:1**

VOLUNTARY ACT
Whistleblower bounty program, voluntary submission of original information, **22:6**

WASH SALES
Manipulation, **7:121**

WEISS DECISION
SEC action against bond counsel issuing improper legal opinion, **8:442**

WELLS SUBMISSIONS
Generally, **13:158**
Advantages and disadvantages, **13:160**
Character, **13:159**
Timeframe, **20:13**

WHAT IS A SECURITY
Generally, **5:9 et seq.**
Alternative government regulation, **5:35**
Certificates of deposit, **5:28**
Characteristics of instrument in commerce, **5:39**

WHAT IS A SECURITY—Cont'd
Common elements in defining a security, **5:32 et seq.**
Context clause, **5:18**
Cooperative apartment corporation shares, **5:26**
Court cases, **5:20 et seq.**
Employee benefit plans
Generally, **5:42 et seq.**
Contributory plans
Involuntary, **5:46**
Voluntary, **5:48**
Defined plans, **5:49**
Distinguishing contributory from noncontributory, **5:52**
Distinguishing voluntary from involuntary plans, **5:51**
ERISA, preemptive effect of, **5:43**
ESOPs, **5:48**
Involuntary contributory plans, **5:46**
Involuntary noncontributory plans, **5:45**
Noncontributory plans
Involuntary, **5:45**
Voluntary, **5:47**
Pension plans, **5:49**
Relative importance of elements, **5:41**
Sales, **5:44**
Voluntary contributory plans, **5:48**
Voluntary noncontributory plans, **5:47**
Evidence of indebtedness, **5:13**
Expectations of public, **5:40**
Flexible fund annuities, **5:24, 5:25**
Fractional interests in mineral rights, **5:21**
Guarantees, **5:15**
Howey test, **5:22**
Interest, **5:14**
International Brotherhood of Teamsters case, **5:27**
Investment risk as factor, **5:34**
Joiner Leasing Corp case, **5:21**
Judicial decisions, **5:20 et seq.**
Landreth Timber Co case, **5:29**
Marine Bank case, **5:28**

WHAT IS A SECURITY—Cont'd
Marketing as factor, **5:33**
Motivations of purchasers, **5:37**
Motivations of sellers, **5:38**
9 month notes, **5:17**
Notes, **5:30**
NSMIA, **3:189, 3:207**
Oil and gas interests
Generally, **5:16**
Fractional interests, **5:21**
Passive or active purchasers, **5:36**
Perceptions of public, **5:40**
Proxy rules, applicability of
Generally, **6:199 et seq.**
Insurance companies
Generally, **6:201**
Antifraud provisions, federal, **6:204**
Federal and state rules, **6:202**
McCarran Act, **6:203**
Investment companies, **6:205**
Public utility holding companies, **6:206**
Reeves v. Ernst & Young case, **5:30**
SA § 2(1)(a) definition
Generally, **5:10**
Evidence of indebtedness, **5:13**
Guarantees, **5:15**
Interest, **5:14**
9 month notes, **5:17**
Oil and gas interests, **5:16**
SEA § 3(a)(10) differences, **5:12 et seq.**
SEA § 3(a)(10) similarities, **5:11**
SEA § 3(A)(10) definition
Generally, **5:10**
Evidence of indebtedness, **5:13**
Guarantees, **5:15**
Interest, **5:14**
9 month notes, **5:17**
Oil and gas interests, **5:16**
SA § 2(1)(a) differences, **5:12 et seq.**
SA § 2(1)(a) similarities, **5:11**
SEC v. Edwards case, **5:31**
SLUSA definition, **3:207**
State law definitions, **5:19**
Statutory definitions, **5:10 et seq.**

WHAT IS A SECURITY—Cont'd
United Benefit Life Ins Co case, **5:24**
United Housing Foundation, Inc case, **5:26**
Variable annuities, **5:23**

WHISTLEBLOWERS
Accountants, original information, **22:10**
Administrative action covered, Whistleblower Bounty Program, **22:3**
Administrative enforcement action success, information leading to, **22:14**
Amicus curiae, Lawson v. FMR LLC, **22:21**
Anonymity, **22:16**
Anti-retaliation actions and proceedings, **22:32**
Attorney-client privilege as to original information, **22:8**
Bounty programs
Dodd-Frank Whistleblower Bounty Program, **22:1 et seq.**
Duties and responsibilities, **22:35 et seq.**
Case law, **22:41**
Dodd-Frank, **22:38**
NY Ethics Committee opinion 746, **22:40**
Sarbanes-Oxley Act, SEC Series 205, **22:37**
SEC v. National Student Marketing Corp., **22:36**
State rules of professional conduct, **22:39**
1988 Program under SEA § 21A(e), **22:2**
SEC investigations, bounties to whistleblowers, **20:15**
Case law, **22:25 to 22:28**
Case law, bounty program, duties and responsibilities, **22:41**
Claims, decisions, **22:15**
Compliance personnel, original information, **22:9**
Criminal enforcement, retaliation, **22:16**

WHISTLEBLOWERS—Cont'd
Definition of whistleblower, **22:5, 22:23 et seq.**
Definitions, **22:23 et seq.**
Digital Realty Trust, Inc. v. Somers
Generally, **22:23, 22:28**
Decisions reversed by, **22:26**
Decisions vindicated by, **22:27**
Dodd-Frank Whistleblower Bounty Program
Administrative action covered, **22:3**
Definition, **22:5, 22:23, 22:28**
Duties and responsibilities, **22:38**
Judicial action covered, **22:3**
Original information, voluntary submission, **22:6**
Protection, **22:16 et seq.**
Related action, **22:4**
Employees of public accounting firms, original information, **22:10**
Employees of public and private companies, **22:17**
Employer-employee relationship, whistleblower protection outside, **22:34**
Exceptions to limitations, original information, **22:11**
Excluded persons, information from, **22:13**
Extraterritoriality, protection, application of law, **22:31**
First Circuit decision, Lawson v. FMR LLC, **22:19, 22:20**
Foreign countries, protection, application of law, **22:31**
Judicial action covered, Whistleblower Bounty Program, **22:3**
Judicial enforcement action success, information leading to, **22:14**
Lawson v. FMR LLC, **22:18 et seq.**
Limitations in original information, **22:8, 22:12**
1988 bounty program under SEA § 21A(e), **22:2**
NY Ethics Committee opinion 746, bounty program, duties and

WHISTLEBLOWERS—Cont'd
responsibilities, **22:40**
Officer or director, original information, **22:9**
Original information
Generally, **22:7**
Accountants, **22:10**
Attorney-client privilege, **22:8**
Compliance personnel, **22:9**
Employees of public accounting firms, **22:10**
Exceptions to limitations, **22:11**
Limitations, **22:8, 22:12**
Officer or director, information obtained by, **22:9**
Public accounting firm employees, **22:10**
Trustee, information obtained by, **22:9**
Unlawfully obtained information, **22:12**
Voluntary submission, **22:6**
Private actions, employers, **22:16**
Private anti-retaliation actions by, **22:29**
Proof of retaliatory intent, Sarbanes-Oxley Act, **22:24**
Protection
Dodd-Frank Whistleblower Bounty Program, **22:16 et seq.**
Employer-employee relationship, whistleblower protection outside, **22:34**
Proceedings, **22:32**
Public and private company employees, **22:17**
Reasonable belief standard, **22:16**
Related actions covered, Whistleblower Bounty Program, **22:4**
Reporting rights preservation, **22:33**
Reports, SEC, definition of whistleblower, **22:25 et seq.**
Retaliation, protection, Dodd-Frank Whistleblower Bounty Program, **22:16 et seq.**
Sarbanes-Oxley Act
Generally, **22:16 et seq.**

WHISTLEBLOWERS—Cont'd
Sarbanes-Oxley Act—Cont'd
Amicus curiae, Lawson v. FMR LLC, **22:21**
Bounty program, duties and responsibilities, SEC Series 205, **22:37**
Extraterritoriality, **22:31**
First Circuit decision, Lawson v. FMR LLC, **22:19, 22:20**
Lawson v. FMR LLC, **22:18 et seq.**
Proof of retaliatory intent, **22:24**
Public and private company employees, **22:17**
Supreme Court decision, Lawson v. FMR LLC, **22:22**
SEC decisions regarding bounty claims under SEA § 21F, **20:15**
SEC investigations, **20:14, 20:15**
SEC rules, definition, **22:23**
Securities Exchange Act, protection, **22:16**
SEC v. National Student Marketing Corp., bounty program, duties and responsibilities, **22:36**
State rules of professional conduct, bounty program, duties and responsibilities, **22:39**
Successful enforcement action, information leading to, **22:14**
Supreme Court decisions
Digital Realty Trust, Inc. v. Somers, **22:23, 22:26 to 28**
Lawson v. FMR LLC, **22:22**
Trustee, information obtained by, **22:9**
UBS Securities decision, proof of retaliatory intent under Sarbanes-Oxley Act, **22:24**
Unlawfully obtained information, **22:12**
Voluntary submission of original information, **22:6**

WILLFULNESS
Criminal enforcement, SEC references, **13:127**
Intent (this index)
Knowledge (this index)

WILLFULNESS—Cont'd
Manipulation, defendant's willfulness, **8:121**
Scienter (this index)

WILLIAMS BILL
Generally, **6:13**

WIRE FRAUD
See Mail and Wire Fraud (this index)

WIRETAP IN ENFORCEMENT
Authority, **13:145**
Control of wiretap results, **13:148**
Galleon cases, **13:146, 13:153**
Insider trading, **13:146, 13:153**
Judicial approval, **13:151**
Privacy interests, **13:149, 13:150**
Public access, **13:149**

WIRETAP IN ENFORCEMENT —Cont'd
Rajaratnam case issues yet to be resolved, **13:153**
Relevancy of wiretap, **13:152**
Review, **13:147**
SEC access, **13:150**
SEC investigation, **13:144 et seq.**

WORLDCOM
Injunctions and ancillary relief, **13:109**

ZANDFORD CASE
Indirect-impersonal dealing, **7:117**

ZONE
Indirect-impersonal dealing
Curtailing scheme to defraud, **7:78**