



Private Equity Law Report: What the Supreme Court's Decision in *Lorenzo v. SEC* Means for Fund Managers

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In *Lorenzo v. SEC*, the US Supreme Court ruled that Rule 10b-5 was violated when Francis Lorenzo sent two emails to investors that contained inaccurate information.

“Post-*Lorenzo*, the SEC presumably believes it has a green light to pursue Rule 10b-5 charges for a wide range of deceptive conduct relating to misstatements. The Court views terms like ‘device’ and ‘scheme’ very broadly, and the fact that one wasn’t the ‘maker’ of the misstatement may afford little protection,” said William Martin, counsel in O’Melveny’s New York office who previously served as Senior Counsel in the SEC’s Market Abuse Unit.

Martin added that “often, a number of parties assist an issuer of securities in making a statement, and those parties need to consider their potential 10(b) exposure when they know that such a statement is materially false or misleading.”