

Press Coverage | January 17, 2024

SCOTUS Weighs Disclosure Standard for Material Omissions

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Jay Dubow, a co-leader of Troutman Pepper’s Securities Investigations + Enforcement Practice Group, was quoted in the January 17, 2024 *Private Funds CFO* article, “[SCOTUS Weighs Disclosure Standard for Material Omissions](#).”

Among those watching the case is Troutman Pepper partner Jay Dubow. He says how a fund manager views the case will depend on their business model. Activist, disruptive fund managers are more likely to support Moab. Portfolio managers are more likely to support Macquarie.

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“The big thing in these securities cases, plaintiffs just want to get past the motion to dismiss,” he says. “These cases almost never go to trial. The cases usually settle, because there’s going to be lots of expensive discovery involved.”

Like SIFMA, Dubow says he worries that a decision for Moab could force companies to make all kinds of useless disclosures. It’s easy to see how knowledge would dissolve in information under such circumstances, Dubow says.

“I think the potential for having companies having to make all kinds of unnecessary, extra disclosures, could really dilute the usefulness of disclosures,” he says. “Now they’re going to put 50 different things, because, who knows, maybe a comet will hit us.”

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