

Reg FD and the riskiest of phone calls

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On March 5, the SEC announced charges against AT&T for violating Regulation FD (Fair Disclosure), the agency's marquee rule forbidding companies from "selectively disclosing" material information to analysts and other securities market professionals. AT&T disputes the charges, which arose out of calls with analysts in 2016. The federal courts will have final say over whether AT&T violated Reg FD. But for now—particularly in light of the SEC's willingness to litigate five-year-old conduct—it would be fair to read the lawsuit as a warning to expect heightened enforcement interest in companies' conversations with securities analysts, particularly when they result in changes to estimates or otherwise provoke commentary.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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