

# Rule 10b5-1 Plans: What You Need to Know

January 18, 2013 | Client Update

Rule 10b5-1 plans are back in the news. These plans are widely used by officers and directors of public companies to sell stock according to the parameters of the affirmative defense to illegal insider trading available under Rule 10b5-1, which was adopted by the SEC in 2000. Several recent Wall Street Journal articles suggest that some executives may have achieved above-market returns using the plans. These articles are reported to have drawn the interest of federal prosecutors and the SEC enforcement staff. In light of the renewed focus on 10b5 1 plans, companies should review their 10b5 1 policies for conformity with current best practices. Below we provide an overview of 10b5 1 plans and some guidelines for their use.

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.

**Alan F. Denenberg**

+1 650 752 2004  
alan.denenberg@davispolk.com

**Joseph A. Hall**

+1 212 450 4565  
joseph.hall@davispolk.com

**Michael Kaplan**

+1 212 450 4111  
michael.kaplan@davispolk.com

**Linda Chatman Thomsen**

+1 202 962 7125  
linda.thomsen@davispolk.com

**Richard D. Truesdell, Jr.**

+1 212 450 4674  
richard.truesdell@davispolk.com

---

*This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.*

## Related materials

[Read the full update](#)