

Stock Buybacks Under 10b5-1 Plan Draw SEC Rebuke

October 19, 2020 | Client Update

In a first-of-its-kind case, the SEC focused on a company's accounting controls around Rule 10b5-1 buybacks and imposed a \$20 million fine. The novel theory in the case highlights the need for policies and procedures around stock buyback authorizations and the entry into of 10b5-1 plans, including procedures a company needs to follow to determine that it is not in possession of MNPI when it enters into a 10b5-1 buyback plan.

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.

Greg D. Andres

+1 212 450 4724
greg.andres@davispolk.com

Martine M. Beamon

+1 212 450 4262
martine.beamon@davispolk.com

Maurice Blanco

+55 11 4871 8402
+1 212 450 4086
maurice.blanco@davispolk.com

Angela T. Burgess

+1 212 450 4885
angela.burgess@davispolk.com

Robert A. Cohen

+1 202 962 7047
robert.cohen@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](#)