

Investment Management Regulatory Update - May 2009

May 8, 2009 | Client Update

On May 5, 2009, the SEC charged a bond salesman and a hedge fund manager with insider trading involving credit default swaps (“CDS”). The case, the first ever involving insider trading of CDS, is a reminder that the antifraud provisions of the Securities Exchange Act of 1934 (the “Exchange Act”) reach CDS relating to securities and any fraudulent activity, including insider trading and market manipulation, with respect to such CDS.

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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