

U.S. Supreme Court Holds that the Statute of Limitations for Section 16(b) Short-Swing Liability Claims Is Not Tolled

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On March 26, 2012, in *Credit Suisse Securities (USA) LLC v. Simmonds*, the U.S. Supreme Court held 8-0 that not filing a Section 16(a) disclosure statement does not toll (i.e., suspend) the two-year statute of limitations for suits under the short-swing liability rules of Section 16(b) of the Securities Exchange Act of 1934; the limitations period can begin running even if the disclosure statement is filed at a later date or never filed at all. The Court's decision provides insiders of U.S. public companies with better protection and more certainty against time-barred claims.

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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