
D.C. Circuit Rejects "Co-Conspirator Theory of Venue" in Securities Litigation

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On June 28, 2011, the United States Court of Appeals for the District of Columbia Circuit held in *Securities and Exchange Commission v. Charles Johnson, Jr., et. al.* that the "co-conspirator theory of venue" cannot be used to support venue under 15 U.S.C. § 78aa, the Private Securities Litigation Reform Act of 1995 ("PSLRA"). The court stated that: "at least one statutory basis for venue, no matter how broadly or narrowly that particular requirement might be construed, must have occurred in the chosen forum."

In doing so, the D.C. Circuit both clarified its stance on where venue may lie in securities violations suits post-Central *Bank of Denver v. First Interstate Bank of Denver* and created a potential circuit split between itself and the 2nd, 5th and 9th Circuits.

Attorney

- Charles A. Gilman