
SCOTUS Sticks to Basic[s] but Allows Defendants to Present Rebuttable Evidence at Class Certification Stage

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On June 23, 2014, the Supreme Court issued its much-anticipated decision in *Halliburton Co. v. Erica P. John Fund, Inc.*, holding that while plaintiffs can continue, in appropriate circumstances, to invoke the “fraud-on-the-market” presumption of reliance in securities fraud lawsuits, defendants will now have a meaningful opportunity to rebut the presumption at the class certification stage by demonstrating that the alleged misstatement(s) of which plaintiffs complain had no impact on the market price of a company’s stock. *Halliburton* must be read in conjunction with the Supreme Court’s decision in *Dura Pharmaceuticals, Inc. v. Broudo*, addressing loss causation and holding that plaintiffs bear the burden of showing that their losses were attributable to the revelation of the fraud and not other factors that affect a company’s stock price.

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