
Third Circuit Sets "Reasonable Belief" Standard for Corporate Whistleblowers Bringing Claims under Sarbanes-Oxley

Date: 03/22/13

On March 20, 2013, the Third Circuit, in a split decision, established a more plaintiff-friendly pleading standard for whistleblower actions under the Sarbanes-Oxley Act ("SOX"). The Court held that corporate employees need only establish a "reasonable belief" one of the laws enumerated in Section 806 of SOX ("SOX 806") is being violated in order to invoke protections under SOX from retaliatory actions. The Court rejected arguments raised by the defendant corporation and the Chamber of Commerce that the SOX whistleblower law protected employees only if their disclosures "definitively and specifically" related to a "violation of a statute."

Attorney

- Charles A. Gilman