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## Second Circuit: Court Vacates Insider Trading Convictions in Landmark Case

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In *United States v. Newman et al.*, the U.S. Court of Appeals for the Second Circuit held that "in order to sustain a conviction for insider trading, the Government must prove beyond a reasonable doubt that the tippee knew that an insider disclosed confidential information *and* that he did so in exchange for a personal benefit." This landmark decision heightens the standard for prosecuting individuals who are not directly connected to the source of confidential information in insider trading cases, and calls into question a number of criminal convictions and guilty pleas secured by the office of the U.S. Attorney for the Southern District of New York.

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### Attorney

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