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## Fourth Circuit Limits Plaintiffs' Ability to Use Short Seller Publications to Plead Federal Securities Fraud Claims

**Date:** 05/13/25

On April 8, 2025, the Fourth Circuit held that a short seller publication cannot plausibly expose the truth of a company's fraud—as needed to plead loss causation with “sufficient specificity”—if the short seller publication contains disclaimers about accuracy and financial motivations. The Fourth Circuit's decision in *Defeo v. IonQ, Inc.* adds to recent decisions in the Ninth and Eleventh Circuits that limit plaintiffs' ability to use short seller publications to plead various federal securities fraud claims.

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