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## Applied Signal: Ninth Circuit Defines 'strong inferences' for Pleading Purposes under PSLRA

**Date:** 06/17/08

On June 5, 2008, the Ninth Circuit reinstated plaintiffs' class action suit filed against defendants, Applied Signal Technology, Inc., and two individual officers, defendants Gary Yancey and James Doyle, reversing the District Court for the Northern District of California.<sup>1</sup> In their Consolidated Amended Complaint, plaintiffs alleged violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated by the SEC thereunder, interpreting the heightened pleading standards required for securities fraud actions by the Private Securities Litigation Reform Act ("PSLRA") and for fraud claims in general by Rule 9(b) of the Federal Rules of Civil Procedure, the Court of Appeals found that the class plaintiffs pled securities fraud with sufficient particularity.

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