
Second Circuit Defines Extraterritorial Reach of Exchange Act Section 10(b)

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On March 1, 2012, the Second Circuit issued a decision in *Absolute Activist Value Master Fund Ltd. v. Ficeto*, defining the extraterritorial reach of Section 10(b) of the Securities Exchange Act of 1934 - an issue previously left open by the Supreme Court in *Morrison v. National Australia Bank Ltd.* The Court of Appeals held that "to sufficiently allege a domestic securities transaction in securities not listed on a domestic exchange, . . . a plaintiff must allege facts suggesting that irrevocable liability was incurred or title was transferred within the United States."

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