
SEC Charges AT&T and Individual Executives With Violations of Regulation FD

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On March 5, 2021, the Securities and Exchange Commission (“SEC”) charged AT&T, Inc. (“AT&T” or the “Company”) and three executives in its Investor Relations Department (the “IR officers”) with violating Regulation Fair Disclosure (“Regulation FD”) under the Securities Exchange Act of 1934. The Complaint alleges that, in March and April of 2016, the IR officers conducted one-on-one telephone conversations with approximately 20 securities analysts, during which the IR officers disclosed internal smartphone revenue trends to the analysts in order to “walk the analysts down” from their first quarter 2016 revenue estimates. The Complaint alleges that this information was material to investors and that the information was disclosed solely to analysts, rather than to the public. To date, there has been no settlement in this matter.

In recent years, the SEC rarely has pursued cases solely for alleged Regulation FD violations. The conduct alleged in this enforcement action, however, appears to be uniquely flagrant, as discussed below. After filing the Complaint, the Director of the SEC’s New York Regional Office stated in the Press Release that this “selective disclosure . . . is precisely the type of conduct Regulation FD was designed to prevent.”

Attorney

- Geoffrey E. Liebmann