Wall Street Protest Continues to Grow

Over the past week, protesters have taken to Wall Street in a general demonstration against greed and corruption. Over 700 protesters have been arrested in response to disruptions on the Brooklyn Bridge. The protesters have gained the support of celebrities and activists, while NYC’s Mayor Bloomberg defended the banks, calling the protests misguided.

Prof. Macey on Insider Trading Standards

Prof. Macey has published a web video explaining how the SEC’s standards for insider trading have departed from those of SCOTUS. Historically, in evaluating insider trading allegations, SCOTUS has examined whether use of proprietary information was unauthorized. By contrast, the SEC has been prosecuting individuals who used insider information on an authorized basis on the grounds that access to this information was unfair. As a result of this shift, some consulting firms and expert networks have recently come under fire for connecting business leaders with traders.

Samsung Offers Deal in Feud with Apple over Patents

As the patent disputes between Apple and Samsung continue, lawyers for Samsung have offered Apple a deal that could allow Samsung to launch its Galaxy Tab 10.1 tablet device in Australia. The Galaxy looks highly similar to the iPad, and Apple has also filed patent suits against Samsung in Germany, Japan, France and South Korea. Recently, Apple won a suit in Germany, which barred Samsung from selling its Galaxy Tab 10.1 in the country. This ruling followed a decision by a court in The Hague, which restricted sales of some Samsung smartphones in the EU because they violate Apple patents.

SEC Changes Strategy in Prosecutions

The SEC has shifted its strategy in prosecuting individuals associated with the financial crisis in an effort to make it easier to hold more individuals responsible for wrongdoing during the crisis. The SEC could file now more civil cases in which defendants are accused of negligence only, rather than harder-to-prove charges of intentional wrongdoing or recklessness, according to SEC officials. Previously, the SEC hasn’t risked a courtroom defeat where the only allegation was negligence, and it has been difficult for the SEC to pin down evidence of outright fraud.

Since the crisis erupted, the agency has filed civil charges against more than 70 financial firms and individuals. In those cases, the SEC has been awarded more than $1.5 billion in penalties and repayments to investors through courts or settlements. So far, the strategic change has been evident in just one major enforcement action. But a flurry of negligence charges is possible as the agency pushes ahead with its investigations of Wall Street’s behavior before and during the financial crisis, according to SEC officials.

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With contributions from the YLBS Board and members