

## US corporate law weekly news: Second Circuit declines to adopt 'extreme departure' standard for materiality of omissions in public filings

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**CATEGORY:**  
BLOG



On June 21, 2017, the U.S. Court of Appeals for the Second Circuit declined to follow the First Circuit's materiality standard for requiring the disclosure of interim financial documents in an SEC registration statement. The First Circuit had used a standard referred to as the 'extreme departure' test, pursuant to which the omission would need to represent an extreme departure from the company's previous performance to warrant the need for interim financial statements.

The Second Circuit chose to use a standard under which the disclosure analysis hinges on whether a reasonable investor would consider the omitted information as having significantly altered the total mix of information available. For more information on the *Stadnick v. Vivint Solar, Inc.* case, see [http://reaction.withersworldwide.com/rs/emsdocuments/stadnick-vivint\\_solar.pdf](http://reaction.withersworldwide.com/rs/emsdocuments/stadnick-vivint_solar.pdf)