

US corporate law news weekly: Supreme Court restricts securities violations liability to three years

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CATEGORY:
BLOG



On June 26th, the United States Supreme Court ruled that private claims for violations of the Securities Act of 1933 arising out of securities offerings or registration statements are subject to a three-year statute of repose. Section 13 requires investors to bring claims within one year of discovering the violation, but in any case no later than three years from when the security was offered.

The plaintiff had argued that the three year time limit should be tolled during the pendency of a class-action, while it was making the decision whether to "opt-out." The Court rejected the tolling argument, concluding that it was the intent of Congress to protect defendant's financial security in a dynamic market by limiting liability.

For more information on *California Public Employees' Retirement System v. Anz Securities, Inc.*, see https://www.supremecourt.gov/opinions/16pdf/16-373_pm02.pdf