

Reversing Convictions, Second Circuit Clarifies Scope of Tippee's Required Knowledge in Insider Trading Cases

Corporate Defense and Disputes Blog on **December 11, 2014**

On December 10, 2014, the Second Circuit reversed insider trading convictions of two former hedge fund managers, holding that, to sustain a conviction for insider trading, the government must prove a tippee who trades on the basis of material non-public information had knowledge that the tipper not only disclosed confidential inside information, but also that he did so in exchange for a personal benefit. *United States v. Newman*, Index Nos. 13-1837-cr (L), 13-1917-cr (con) (2d Cir. Dec. 10, 2014)... [Continue Reading](#)