

Jeffrey Steinfeld Discusses U.S. Supreme Court Decision in *Slack v. Pirani* with Law360

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Winston & Strawn Partner Jeffrey Steinfeld recently spoke with Law360 about the U.S. Supreme Court ruling in *Slack Technologies v. Pirani*, the proposed class action alleging that the company misled prospective shareholders ahead of its 2019 public offering. The court was asked to decide whether Section 11 and Section 12 in the Securities Exchange Act of 1933 applied to direct listings.

Section 11 allows investors to sue a public company, its leadership, its underwriters, or anyone involved in drafting a registration statement for an offering of shares over any material misstatements or omissions, while Section 12 imposes that same standard on any person selling shares tied to a prospectus or oral communication. The justices unanimously awarded Slack a partial victory in their findings on Section 11 but noted that they “express no views about the proper interpretation” of Section 12.

Jeffrey told the publication that he believes the chances of the Supreme Court hearing another appeal in *Slack v. Pirani* are low. “It’s more likely that the Court will wait for there to be more than one circuit decision deciding Section 12 before addressing the issue,” he said.

Jeffrey also noted that the Court may be waiting to see if a split develops or if there is consensus among the lower courts, in which case it may decide not to weigh in at all.

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