



## Linda Coberly Argues on Behalf of Macquarie Infrastructure Corp. in SEC Financial Disclosure Case

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Winston & Strawn partner Linda Coberly was quoted in multiple media outlets following oral arguments heard by the U.S. Supreme Court in *Macquarie Infrastructure Corp. v. Moab Partners LP*. Macquarie is appealing a Second Circuit ruling that a company's failure to comply with a regulatory obligation to identify a known trend or uncertainty likely to affect its financial health can give investors the right to sue under Rule 10b-5. The case involves Item 303, a securities regulation requiring companies to disclose such trends, and Section 10(b) of the Securities Exchange Act, as implemented through Rule 10b-5. The text of Rule 10b-5 allows investors to sue companies whose securities filings omit material facts necessary to make a statement "not misleading."

Linda's argument focused on the text of Rule 10b-5, which does not grant a private right of action for omissions of information in the absence of a specific misleading statement. She noted that a contrary rule could force companies to keep silent on potential risks—or say so much that the information is essentially useless. She also pointed out that the Private Securities Litigation Reform Act, the law that governs shareholder class actions, requires that a specific false statement be identified.

"To have, as the government argues, the statement be the entire narrative—which, here, was pages and pages and pages on many different topics with respect to multiple different subsidiaries of a holding company—that kind of statement isn't what Congress had in mind when it used the word 'statement' in the PSLRA," Linda argued.

The Winston team representing Macquarie Infrastructure Corp. includes Linda Coberly, John Schreiber, Kerry Donovan, and Lauren Gailey.

The arguments have been covered by the following media outlets:

- "Supreme Court Signals Narrow Ruling on Securities Liability," [Bloomberg Law](#)
- "High Court Signals Narrow Ruling Against Shareholder Suits," [Law360](#)
- "Justices Seek to Provide Securities Bar with Clarity Over Investor Suits," [Law.com](#)
- "Supreme Court hears arguments in SEC financial disclosure case," [Pensions & Investments](#)

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