

Supreme Court Upholds “Fraud-on-the-Market” Presumption of Reliance but Holds That Defendants Must Be Permitted to Rebut It at Class Certification

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The Supreme Court has issued a key securities ruling that should come as welcome news to corporations and professional firms that find themselves in the crosshairs of private federal securities fraud class actions. In *Halliburton v. Erica P. John Fund*, No. 13-317, the Court had the opportunity to revisit *Basic v. Levinson*, one of the most important securities law precedents on the books. Although *Halliburton* declined to overrule *Basic*, it gives defendants the assurance that the *Basic* presumption of reliance can be rebutted at the class certification stage.

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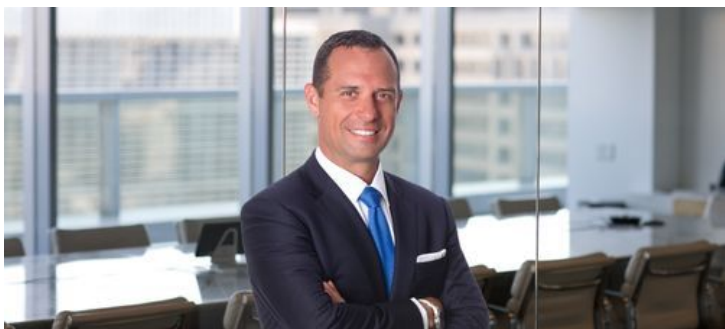
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