Case Brief

[Author’s name]

Case Brief

1. **Case name and Year**

Lorenzo v. Sec, 17-1077

United States Supreme Court, 2019

1. **Area of Law**

U.S. Constitution—Securities Law

1. **Facts**
2. Relevant background information

Lorenzo, a senior -level investment banker intentionally shared false statements about the total assets of the company to potential investors in the form of emails. Lorenzo comes up with the opinion that he shared this form of information on behalf of his boss so, he is not liable to share false information to others about the total resources of the company. It is important to indicate that Lorenzo has a prior understanding that the company’s assets were not up to $400,000 mentioned by him in the emails to the target clients.

1. Legal arguments made by the plaintiff(s) and defendants(s)

The basic legal argument presented by Lorenzo in the form of the plaintiff was that he was directed by his boss to share incorrect information about company’s assets to the investors so he could not be considered as legally responsible for all this development (Lorenzo v. Sec, 17-1077). On the other hand, this argument was rejected by the U.S. Supreme Court with the justification of the basic approach of federal securities laws.

1. Decisions made by lower courts

The Court of Appeals formulated the decision that sharing false information by Lorenzo to investors had eventually violated different crucial parts of Rule 10b -5, subsections (a) and (c), as well §10(b) and §17(a)(1).

1. **Legal Issue**

Making decisions about misleading information with the aim of defrauding within the approach of Rule 10b-5 (a) and (c).

1. **Decision**

The U.S. Supreme Court come up with the decision that the entire legal conduct should be considered in the form of federal securities laws considering the perspective of the ruling of the Securities and Exchange Commission.

1. **Three Reasons**
* Considering the aspect of device, scheme, or artifice to defraud
* Maintaining a clear line between primary and secondary liability when it comes to the handling of fraudulent-misstatement cases.
* Considering the majority’s opinion concerning the idea of renders Janus. There is a need for offering liability under Rule 10b -5(b).

References

FindLaw's United States Supreme Court case and opinions. (2019). Findlaw. Retrieved from https://caselaw.findlaw.com/summary/opinion/us-supreme-court/2019/03/27/286070.html