

# “Section 11’s Tracing Doctrine Goes Up to the Supreme Court” by John C. Browne and Lauren Ormsbee Published in *The Review of Securities & Commodities Regulation*

March 17, 2023



In the article “Section 11’s Tracing Doctrine Goes Up to the Supreme Court,” published by *The Review of Securities & Commodities Regulation*, BLB&G Partners John C. Browne and Lauren Ormsbee call into question the Supreme Court’s decision to hear an appeal brought forth by the Defendant in *Pirani v. Slack Technologies, Inc.*, after shareholders prevailed in both the District Court and Ninth Circuit.

In its latest appearance before the Ninth Circuit, Slack argued it did not violate Section 11 of the Securities Act of 1933, claiming the SEC’s recent rule change to said section, which allows a company to directly list both registered and unregistered shares simultaneously when going public instead of pursuing a traditional initial public offering, prevents any investor from bringing claims under the Securities Act of 1933 on the grounds that the judicially created “tracing” requirement cannot be satisfied. John and Lauren caution that, should the Supreme Court side with the Defendant, the resulting verdict would erode nearly 100 years of Securities Act protection, including investors’ rights to challenge misrepresentations made in connection with IPOs and other public offerings.

To read the full article, view the PDF under “Related Document” or click the link below.