

Steve Quinlivan Offers Insight on 10b5-1 Ruling, Implication for Public Company Executives

In the News

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Stinson LLP Partner [Steve Quinlivan](#) is featured in a *Law360* article discussing the first criminal conviction of a corporate executive solely based on the use of their 10b5-1 trading plans. The recent case highlights the importance of complying with Rule 10b5-1 of the Securities Exchange Act of 1934, as 10b5-1 plans have previously been used as an affirmative defense against insider trading charges.

In "Ontrak Exec Conviction Shows Trading Plans Aren't Shields," Quinlivan says there is a misconception amid businesspersons that 10b5-1 plans provide a range of protections that are simply not always there. He says a 10b5-1 plan is an affirmative defense mechanism and the executive must prove the validity of the plan to establish the defense.

"The message is you have to be very careful," Quinlivan said. "Those that have state-of-the-art plans for controlling executive sales theoretically don't need to do anything different. They should use this [case] as a tool — as the DOJ and the SEC want them to — to remind executives that you have to be extraordinarily cautious when doing these sorts of things."

Quinlivan represents clients in mergers and acquisitions, securities regulation and offerings, ESOPs, REITs, international transactions and financing matters. He assists clients on SEC reporting matters, advises boards of directors in corporate governance and liability issues and works with litigation teams defending officers and directors.

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