

What is a securities class action?

A securities class action is a class action filed by investors who purchased a company's debt or equity offering within a specific period of time known as a class period and who have suffered economic injury because a significant negative public disclosure about the company during that class period caused a serious drop in the company's stock price. Securities class actions generally are brought under the anti-fraud provision of the federal securities laws including Section 10(b) of the Securities and Exchange Act of 1934 and Rule 10b-5 and the Securities Act of 1933.