

Jim Harrod and Tim Fleming Examine Insider Trading Defense in *Bloomberg Law*

August 30, 2024

**Bloomberg
Law**



BLB&G partner Jim Harrod and associate Tim Fleming examine a common insider trading defense and make the case for challenging Rule 10b5-1 trading plans in their latest [*Bloomberg Law*](#) article.

The authors explain that Rule 10b5-1 trading plans, often used by executives to deflect insider trading accusations, are under scrutiny following the SEC's enhanced disclosure requirements and the conviction of Ontrak's former CEO. They argue that these plans can be manipulated to exploit inflated stock prices, challenging their validity as a defense in securities fraud cases and concluding that courts should carefully evaluate such plans as they may reveal, rather than negate, a motive for fraud.

Click the link below to read the full article.