

**22-200 SLACK TECHNOLOGIES, LLC V. PIRANI**

DECISION BELOW: 13 F.4th 940

LOWER COURT CASE NUMBER: 20-16419

QUESTION PRESENTED:

Section 11 of the Securities Act of 1933 permits suits alleging misrepresentations in a registration statement only if the plaintiffs "acquir[ed] such security." 15 U.S.C. § 77k(a). Section 12(a)(2) of the Act provides that someone who "offers or sells a security ... by means of a prospectus" may be liable for misstatements in that prospectus "to the person purchasing such security." 15 U.S.C. § 77l(a)(2). For more than 50 years, every court of appeals to consider the question has held that "such security" in Section 11 means a share registered under the registration statement the plaintiffs claim is misleading. And this Court has held that Section 12(a)(2) applies only when there is an obligation to distribute a prospectus—an obligation that exists only for registered shares. *Gustafson v. Alloyd Co.*, 513 U.S. 561, 584 (1995); 15 U.S.C. §§ 77d, 77e. Departing from that well-established law, a divided panel of the Ninth Circuit read "such security" to mean any share, registered or unregistered, and held that plaintiffs suing under Sections 11 and 12(a)(2) need not prove that they bought registered shares.

The question presented is:

Whether Sections 11 and 12(a)(2) of the Securities Act of 1933 require plaintiffs to plead and prove that they bought shares registered under the registration statement they claim is misleading.

CERT. GRANTED 12/13/2022