

Sylvia L. Sironi

*Securities Regulation: Information Initiative on the Internet*

50 Admin. L. Rev. 255 (1998)

Abstract by Ryann Kathleen Bernard

Private securities litigation culminated in the passage of the Private Securities Litigation Reform Act of 1995 (Reform Act), which applies only to private actions. The Reform Act was designed to prevent frivolous law suits, to distinguish between when a court should apply proportionate versus joint and several liability, and to impose mandatory sanctions for violations of Rule 11(b) of the Federal Rules of Civil Procedure. The Northern District of California was the first federal district court to require Internet posting as part of its filing for private security suits. The author argues that with this rule—local court Rule 23-2—light has been shed on an area of securities regulation that was formerly dark.

Rule 23-2 is responsive to the goals of the Reform Act since it provides equal information to plaintiffs and class members and since it promotes uniformity by making information in unpublished cases available at all stages. Rule 23-2 will benefit these individuals by reducing legal research and drafting costs. The author concludes that Rule 23-2 effectively advances the goals of the Reform Act, and has collateral benefits since it is a valuable informational tool for practitioners, legislators and investors.