KAUFMAN | DOLOWICH



Ruling allowing securities litigation in state courts could spur additional lawsuits, Business Insurance, ft. Ivan Dolowich

Ivan J. Dolowich, Co-Managing Partner of Kaufman Dolowich & Voluck, LLP was featured in a Business Insurance article written by Judy Greenwald this week.

Last week's unanimous U.S. Supreme Court ruling holding that securities-offerings litigation can be heard in state court and defendants may not move state-filed cases to federal court certainly will lead to increased litigation against companies and possibly increase directors and officers liability rates as well, say experts.

The high court ruled unanimously in Cyan Inc. et al. v. Beaver County Employees Retirement Fund et al. that amendments to the federal Securities Act of 1933 do not give federal courts exclusive jurisdiction over these cases.

"It's going to be harder for the defense bar to get the cases dismissed in state courts," although defense attorneys can still move to have cases removed to federal court on different grounds, said Ivan J. Dolowich, co-managing partner at Kaufman Dolowich & Voluck L.L.P. in Woodbury, New York.

"I think it's something D&O insurers are already looking at," although its short-term impact is unclear, said Mr. Dolowich. "I do think it's going to require D&O insurers and claims professionals to work more closely with the defense bar on defense strategies on how these cases are going to get defended in state court."

© 2024 Kaufman Dolowich. All Rights Reserved. | www.kaufmandolowich.com