

U.S. Companies Walk Legal Tightrope as Earnings Season Kicks Off

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Chris Bellini discusses how the Securities and Exchange Commission's guidance on reporting earnings outlooks during the coronavirus pandemic could create pitfalls for U.S. companies in *The New York Times* and *U.S. News & World Reports*. The SEC advised companies to discuss in disclosures and during investor calls how their operations and financials may change as efforts to fight the virus continue, giving the country a better understanding of when the economy might reopen. However, doing so could expose companies to potential investor litigation if predictions are inaccurate.

"The SEC may not second guess issuers' good-faith attempts to provide this limited information, but the plaintiffs' bar may not take the same approach," said Chris. "It is too big a risk for issuers to provide meaningful forward-looking statements."

To read the full article, [click here](#).

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