

1933

Securities Act of 1933 – the landmark “truth in securities law” – enacted by the U.S. Congress during the Great Depression that followed the stock market crash of 1929.



1934

Securities Act of 1934 creates the Securities and Exchange Commission with broad regulatory authority over the securities industry.



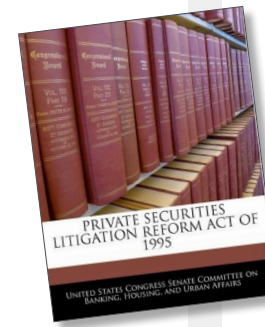
1988

Volume of frivolous securities class actions begins to rise.



1995

Private Securities Litigation Reform Act (PSLRA) passed by Congress to reduce flood of frivolous and unwarranted securities lawsuits.



1996

Tide of frivolous federal SCAs recedes; period of stability in number of annual filings begins.



1998

In response to growing number of securities fraud lawsuits brought in state court, Congress enacts the Securities Litigation Uniform Standards Act (SLUSA) of 1998. This effectively makes federal court the exclusive venue for securities fraud class action lawsuits.

2000

Dot.com crash is followed by a spike in securities class actions, including hundreds of “IPO laddering” lawsuits, in which investment banks were accused of fraudulently offering clients large allocations in initial public offerings if they agreed to buy additional shares once trading commenced.

2009

Securities class actions spike again following the onset of the financial crisis.



2013

Period of stability in the number of federal SCAs filed annually comes to an end.

2014

Volume of both event-driven and merger-objection securities class actions rises.

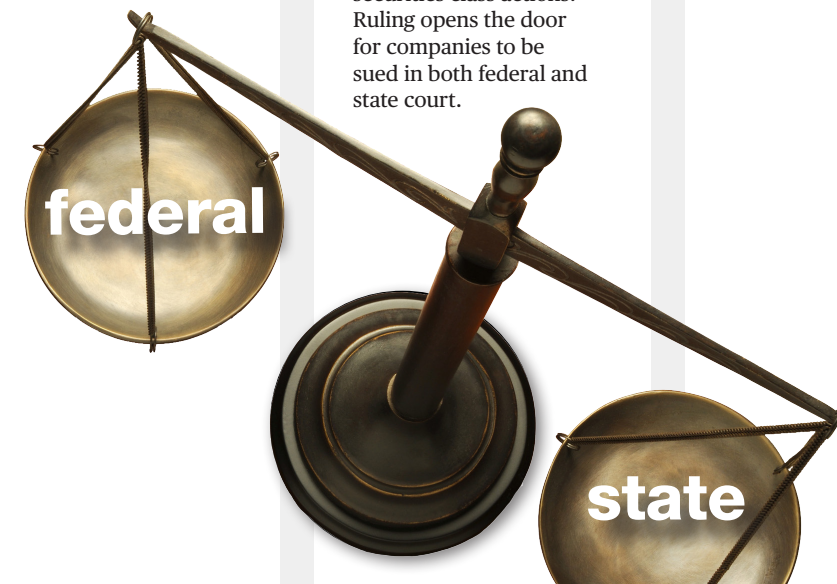
2016

Delaware Chancery Court announced it would no longer approve “disclosure only” settlements in merger-objection lawsuits, citing volume of cases with no benefits to shareholders but large fees for plaintiffs’ lawyers.



2016

Judge Richard Posner of the 7th U.S. Circuit Court of Appeals states “class actions that yield fees for class counsel and nothing for the class is no better than a racket.”



2018

*Cyan Inc. v. Beaver County Employees Retirement Fund* – U.S. Supreme Court holds the Securities Litigation Standards Act of 1998 did not strip state courts of jurisdiction for securities class actions. Ruling opens the door for companies to be sued in both federal and state court.

2018

411 federal class actions filed, a new record; chance that a S&P 500 company will be the target of an SCA approaches 1 in 10.



2019

Elevated volume of SCA filings continues unabated; Congress and the SEC have yet to take action to stem the tide of meritless SCAs.