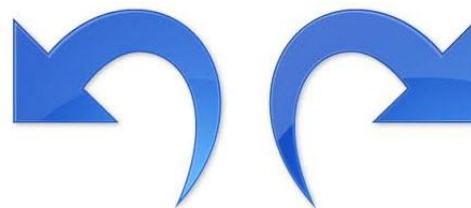


## 2nd Circuit Hits Undo on Newman Relationship Test

The 2nd Circuit recently decided to follow SCOTUS by overturning its own decision in [\*United States v. Newman\*](#). The panel extend the Supreme Court’s analysis in *Salman v. United States* to further undo the relationship test.



**Read the recent decision from the 2nd Circuit and legal commentary about the case below:**

**United States v. Martoma,  
2017 U.S. App. LEXIS 16084**

**Salman v. United States,  
137 S. Ct. 420**

**Get Discussion of the Martoma  
Decision in Legal News**

### **Will they hit redo . . .**

The Supreme Court explicitly overturned Newman’s pecuniary benefit language in its *Salman v. U.S.* decision in December, finding it was inconsistent with past high court precedent and that gifting information to a relative who trades on it is enough to satisfy the requirement that insiders receive a personal benefit for tipping traders — though the court did not expressly address how close the relationship needs to be. But on Wednesday, the panel found — over a lengthy dissent — that the “logic” of *Salman* meant “Newman’s ‘meaningfully close personal relationship requirement’ can no longer be sustained.” [\*2nd Circuit Ends Newman Relationship Test, But For How Long, Law360, August 23, 2017.\*](#)