



Daily COVID-19 Bulletin

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June 5, 2020

To Our Clients and Colleagues:

Gibson Dunn's lawyers regularly counsel clients on issues raised by the COVID-19 pandemic, and we are working with many of our clients on their response to COVID-19. The following is a round-up of today's client alerts on this topic prepared by the Gibson Dunn team. Our lawyers are available to assist with any questions you may have regarding developments related to the outbreak. As always, for additional information, please feel free to contact the Gibson Dunn lawyer with whom you usually work, or any member of the firm's [Coronavirus \(COVID-19\) Response Team](#).

GLOBAL OVERVIEW

What To Know About Short-Seller Risks During Pandemic

As the world struggles to cope with the COVID-19 pandemic, and volatile markets are rattled by the latest virus and economic news, publicly traded companies are increasingly susceptible to fraudulent short-seller attacks. While legitimate short selling plays an important and well-recognized role in the public markets, there are a few who have abused and misused short selling to manipulate the price of public company stock.

Particularly in this volatile, skittish stock market, a lone tweet, press release or blog post from a recognized short seller can result in large stock-price declines. While those abusive short sellers often claim the mantle of the First Amendment to protect their public and lobbying activities, no amount of free speech permits short sellers to adopt abusive, deceptive and manipulative practices, such as "short and distort" schemes. And some abusive short sellers will also engage in protracted, public battles, actively seeking to drive down a company's

share price by instigating regulatory investigations, lobbying government officials, generating negative press coverage, and putting pressure on external auditors and other key stakeholders.

When fraudulent short sellers adopt such sophisticated manipulative schemes, public companies need to adopt an equally sophisticated and coordinated strategy to protect their shareholders and defend their reputations.

This article briefly describes the regulatory regime applicable to short sellers, as well as examples of enforcement actions brought against short sellers for running afoul of these rules. The article then describes strategies that public companies can deploy to defend themselves against sustained predatory short-seller attacks. *Originally published by Law360 on June 3, 2020.*

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COVID-19 United Kingdom Weekly Bulletin – June 3, 2020

This weekly bulletin provides a summary and compendium of English law legal developments during the current COVID-19 pandemic in the following key areas: Competition and Consumers; Corporate Governance (including accounts, disclosure and reporting obligations); Cybersecurity and Data Protection; Disputes; Employment; Energy; Finance; Financial Services Regulatory; Force Majeure; Government Support Schemes; Insolvency; International Trade Agreements (private and public); Lockdown and Public Law issues; M&A and Private Equity; Real Estate; and UK Tax.

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