

## 15-1439 CYAN V. BEAVER COUNTY EMPLOYEES

DECISION BELOW: unreported

LOWER COURT CASE NUMBER: A146891

QUESTION PRESENTED:

To curb abusive class-action litigation concerning nationally traded securities, the Private Securities Litigation Reform Act of 1995 ("Reform Act") amended federal securities laws to impose new requirements, including fee limitations, selection criteria for lead plaintiffs, and an automatic stay of discovery pending any motion to dismiss. To prevent plaintiffs from filing class actions in state court and thereby sidestepping the Reform Act, the Securities Litigation Uniform Standards Act of 1998 ("SLUSA") *inter alia* amended the Securities Act of 1933 (" '33 Act") to provide that concurrent state-court subject matter jurisdiction over '33 Act claims will continue "except as provided in [Section 16 of the '33 Act] with respect to covered class actions." Section 16, as amended by SLUSA, defines "covered class action" as any damages action on behalf of more than 50 people. This case is undisputedly a "covered class action."

Section 16, as amended by SLUSA, also precludes covered class actions alleging state-law securities claims and permits precluded actions to be removed to and dismissed in federal court. No state-law claims were alleged in this case.

The question presented - which has split federal district courts in removal cases and thus sidelined federal appeals courts - is:

Whether state courts lack subject matter jurisdiction over covered class actions that allege only '33 Act claims.

CERT. GRANTED 6/27/2017