

SEC Weighs a Big Gift to Companies: Blocking Investor Lawsuits

In its determination to reverse a two-decade slump in U.S. stock listings, the SEC might offer companies an extreme incentive to go public: the ability to bar aggrieved shareholders from suing, **reports Bloomberg**.

The Securities and Exchange Commission has privately signaled that it's open to at least considering whether companies should be able to force investors to settle disputes through arbitration, an often closed-door process that can limit the bad publicity and high legal costs triggered by litigation, writes **Benjamin Bain**.

"But allowing companies to shield themselves from shareholder lawsuits would almost certainly enrage investor advocates and Democratic lawmakers, a combination that helped defeat a 2012 attempt by private-equity giant Carlyle Group LP to prohibit investor suits as part of its IPO," Bain explains.

Read the Bloomberg article.