

#SCFlash

February Developments 2017

A summary of legal developments over the last month that have impacted our clients' practices and industries.

FINANCIAL SERVICES



Banking Organization Capital Plans and Stress Tests:

Federal Reserve Finalizes Elimination of the Qualitative CCAR Assessment for Smaller Firms, Reduction in the *De Minimis* Exception for Additional Capital Distributions, and Other Notable Revisions to Its Capital Plan and Stress Testing Rules

On January 30, 2017, the Federal Reserve published a final rule, initially proposed on September 26, 2016, that will modify the CCAR capital plan and stress testing rules applicable to bank holding companies with \$50 billion or more in total consolidated assets and U.S. intermediate holding companies of foreign banking organizations.

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BANK REGULATORY FINANCIAL SERVICES



President Trump Takes Initial Steps Aimed at Reshaping Financial Industry Regulation: Executive Order Requires Fundamental Reassessment of Existing Rules; Labor Department to Reexamine its "Fiduciary Rule"

On February 3, 2017, President Trump issued an executive order setting forth seven "Core Principles" to serve as the basis for the Administration's financial services regulatory policy.

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FINANCIAL SERVICES



Banking Organization Capital Plans and Stress Tests: Federal Reserve Issues Instructions, Guidance and Supervisory Scenarios for the 2017 Comprehensive Capital Analysis and Review Program

On February 3, 2017, the Federal Reserve issued information applicable to the 2017 capital plan review programs for bank holding companies with \$50 billion or more in total consolidated assets and U.S. intermediate holding companies of foreign banking organizations, for each of three main categories of CCAR firms.

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LITIGATION MERGERS & ACQUISITIONS



Delaware Supreme Court Confirms Tender Offer and Vote Equivalence in Determining Standard of Review for Post-Closing Damages:

Delaware Supreme Court Summarily Affirms Court of Chancery Ruling

On February 9, 2017, in *Lax v. Goldman, Sachs & Co.*, the Delaware Supreme Court summarily affirmed the Court of Chancery's decision in *In re Volcano Corp. Stockholder Litig.* that held that business judgment review applied to a change of control transaction structured as a tender offer and merger under Section 251(h) of the Delaware General Corporation Law and was not subject to rebuttal once the Court concluded that a majority of fully informed, uncoerced, disinterested stockholders tendered into the offer.

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LITIGATION INTELLECTUAL PROPERTY & TECHNOLOGY LITIGATION



Life Technologies Corp. v. Promega Corp.: Supreme Court Holds That Infringement Under 35 U.S.C. § 271(f)(1) Requires Providing More Than One Component of an Invention

The patent statute, 35 U.S.C. § 271(f)(1), prohibits the supply from the United States of "all or a substantial portion" of the components of a patented invention for combination abroad. The Supreme Court held unanimously yesterday in *Life Technologies Corp. v. Promega Corp.* that a party that supplies only a single component of a multicomponent invention for assembly abroad cannot be held liable for infringement under Section 271(f)(1). The decision sets out a bright-line test that rules out infringement in one situation, but creates substantial uncertainty regarding other circumstances in which the statute may be applied.

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