

U.S. Chamber backs Nacchio's high-court petition

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Former Qwest chief executive Joe Nacchio has a new ally: the U.S. Chamber of Commerce.

The chamber has asked the Supreme Court to grant Nacchio's petition for a review of his criminal insider trading conviction.

"This case presents an issue of great importance to the hundreds of thousands of businesses that are subject to the federal securities laws," the chamber states in a court filing.

Nacchio, 59, began serving a six-year term this month at a federal prison camp in Pennsylvania. He was convicted on 19 counts of insider trading, accused of selling \$52 million in Qwest stock in early 2001 based on private warnings that the company's financial condition was deteriorating.

The full 10th Circuit Court of Appeals upheld the conviction in February.

Nacchio has contended that the warnings he received in late 2000 and early 2001 about Qwest's future revenue were not material, or significant enough to warrant public disclosure.

The chamber, which says it represents more than 3 million companies and professional organizations, argues that ruling that the warnings were material "is fundamentally misguided and portends serious consequences for American business interests."

"Indeed, if left undisturbed, the Tenth Circuit's rule may have the perverse effect of discouraging rather than promoting the full and prompt flow of accurate information to the marketplace," the chamber states in its brief, filed last week.

"If the consequence of reporting doubts about future financial targets is a categorical ban on stock sales, employees will think twice before collecting, reporting, or inquiring about such information," the filing states.

The chamber said that it regularly gets involved in cases that may affect the business community.

The National Association of Criminal Defense Lawyers and the **Washington Legal Foundation** have also filed briefs in support of Nacchio's petition.

The U.S. Department of Justice has until May 22 to respond.

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