

VLP Partner Melissa Krasnow Quoted in Bloomberg Law Article “More Companies Face Securities Fraud Suits After Data Breaches”

VLP Partner Melissa Krasnow was quoted in the *Bloomberg Law* article “More Companies Face Securities Fraud Suits After Data Breaches.”

The article reported on the recent rise in shareholder lawsuits following data breaches on publicly traded companies. The article noted that publicly traded companies are under pressure to improve data systems amid rising attacks and the resulting publicity and recovery costs.

One of the areas the article focused on concerns the practices in which companies disclose their data security practices and breaches. A company’s failure to publically disclose a data breach fast enough can open the door to more lawsuits.

But determining the proper time to disclose a breach can be tricky, since companies need to learn as much about it as they can, Ms. Krasnow told *Bloomberg Law*.

“There is a tension between taking time to learn the facts and disclosing quickly,” she said. “A risk of disclosing quickly is that additional facts are later learned and the disclosure will need to be modified.”

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This article was also mentioned in Broc Romanek’s *The Mentor Blog*.