



United States v. Martha Stewart

433 F.3d 273 (2006)

Facts:

In 2004, Television Celebrity Martha Stewart and Peter Bacanovic, Martha Stewart's stock broker, were convicted in the United States District Court for the Southern District of New York of conspiracy, concealing material information from and making false statements to government officials, and obstructing an agency proceeding. The jury also found Bacanovic guilty of perjury.

Central to these proceedings was that Bacanovic told the SEC that he had called Stewart about a particular stock and left a message with Stewart's personal assistant. *Id.* at 289.

He claimed only to have advised Stewart of the price at which the stock was currently trading, and requested that Stewart return his call. *Id.*

The personal assistant with whom Bacanovic spoke, however, testified that Bacanovic had asked that Stewart be notified that the stock would soon start losing value. *Id.* at 316.

To corroborate her testimony, the Government introduced a computerized phone log kept by the personal assistant, which read "Peter Bacanovic thinks the stock is going to start trading downward." *Id.*

After the phone call allegedly took place Martha Stewart sold a large portion of the stock in question.

Stewart and Bacanovic both argued that the appeals court must reverse their convictions, order a new trial, or remand for an evidentiary hearing because their trial was tainted by Sixth Amendment violations, prosecutorial misconduct, juror misconduct, extraneous influences on the jury, and erroneous evidentiary rulings and jury instructions.

Question/Issue:

Did the 2004 conviction merit reversal as contended by the defendants?

Decision:

No, the court concluded that none of the numerous grounds upon which Defendants challenge their convictions provides a basis to disturb the jury's verdict