NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Lumber Co.,* 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

PLAUT ET AL. *v.* SPENDTHRIFT FARM, INC., ET AL.

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

No. 93–1121. Argued November 30, 1994—Decided April 18, 1995

In a 1987 civil action, petitioners alleged that in 1983 and 1984 respondents committed fraud and deceit in the sale of stock in violation of §10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 of the Securities and Exchange Commission. The District Court dismissed the action with prejudice following this Court's decision in *Lampf, Pleva, Lipkind, Prupis & Petigrow* v. *Gilbertson,* 501 U. S. 350, 364, which required that suits such as petitioners' be commenced within one year after the discovery of the facts constituting the violation and within three years after such violation. After the judgment became final, Congress enacted §27A(b) of the 1934 Act, which provides for reinstatement on motion of any action commenced pre-*Lampf* but dismissed thereafter as time barred, if the action would have been timely filed under applicable pre-*Lampf* state law. Although finding that the statute's terms required that petitioners' ensuing §27A(b) motion be granted, the District Court denied the motion on the ground that §27A(b) is unconstitutional. The Court of Appeals affirmed.

Held: Section 27A(b) contravenes the Constitution's separation of powers to the extent that it requires federal courts to reopen final judgments entered before its enactment. Pp. 3–30.

(a) Despite respondents' arguments to the contrary, there is no reasonable construction on which §27A(b) does not require federal courts to reopen final judgments in suits dismissed with prejudice by virtue of *Lampf.* Pp. 3–5.

(b) Article III establishes a ``judicial department'' with the ``province and duty . . . to say what the law is'' in particular cases and controversies. *Marbury* v. *Madison,* 1 Cranch 137, 177. The Framers crafted this charter with an expressed understanding that it gives the Federal Judiciary the power, not merely to rule on cases, but to *decide* them conclusively, subject to review only by superior courts in the Article III hierarchy. Thus, the Constitution forbids the Legislature to interfere with courts' final judgments. Pp. 7–14.

Syllabus

(c) Section 27A(b) effects a clear violation of the foregoing principle by retroactively commanding the federal courts to reopen final judgments. This Court's decisions have uniformly provided fair warning that retroactive legislation such as §27A(b) exceeds congressional powers. See, *e.g., Chicago & Southern Air Lines, Inc.* v. *Waterman S. S. Corp.,* 333 U. S. 103, 113. Petitioners are correct that when a new law makes clear that it is retroactive, an appellate court must apply it in reviewing judgments still on appeal, and must alter the outcome accordingly. However, once a judgment has achieved finality in the highest court in the hierarchy, the decision becomes the last word of the judicial department with regard to the particular case or controversy, and Congress may not declare by retroactive legislation that the law applicable to that case was in fact something other than it was. It is irrelevant that §27A(b) reopens (or directs the reopening of) final judgments in a whole class of cases rather than in a particular suit, and that the final judgments so reopened rested on the bar of a statute of limitations rather than on some other ground. Pp. 14–19.

(d) Apart from §27A(b), the Court knows of no instance in which Congress has attempted to set aside the final judgment of an Article III court by retroactive legislation. Fed. Rule Civ. Proc. 60(b), 20 U. S. C. §1415(e)(4), 28 U. S. C. §2255, 50 U. S. C. App. §520(4), and, *e.g.,* the statutes at issue in *United States* v. *Sioux Nation,* 448 U. S. 371, 391–392, *Sampeyreac* v. *United States,* 7 Pet. 222, 238, *Paramino Lumber Co.* v. *Marshall,* 309 U. S. 370, and *Pennsylvania* v. *Wheeling & Belmont Bridge Co.,* 18 How. 421, distinguished. Congress's prolonged reticence would be amazing if such interference were not understood to be constitutionally proscribed by the Constitution's separation of powers. The Court rejects the suggestion that §27A(b) might be constitutional if it exhibited prospectivity or a greater degree of general applicability. Pp. 19–30.

1 F. 3d 1487, affirmed.

SCALIA, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and O'CONNOR, KENNEDY, SOUTER, and THOMAS, JJ., joined. BREYER, J., filed an opinion concurring in the judgment. STEVENS, J., filed a dissenting opinion, in which GINSBURG, J., joined.