

SEC Describes Active Enforcement Program and Focus on Corporate Conduct in 2019 Annual Report

November 14, 2019 | Client Update

The SEC's Enforcement Division (the "Division") released its annual report on November 6. The Division filed 7% more standalone cases in 2019 than it did in 2018, and financial sanctions increased by 10%. The Division obtained these results despite several programmatic challenges, including the Supreme Court's decision in *Kokesh v. SEC* applying the five-year statute of limitations to SEC disgorgement claims. In addition to bringing a large number of traditional corporate cases in connection with alleged fraud, disclosure, internal controls, accounting, and FCPA violations, the Division signaled its continuing focus on retail investors and cyber-related misconduct. In the coming year, and based on the success of the Division's Share Class Selection Disclosure Initiative (which accounted for nearly one-fifth of the Division's standalone cases this year), we expect that the Division will continue to look for ways to blend its mandate of protecting retail investors while still bringing cases against large issuers and financial institutions – perhaps through additional self-disclosure initiatives that can yield big impact with fewer dedicated resources.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

Greg D. Andres

+1 212 450 4724
greg.andres@davispolk.com

Martine M. Beamon

+1 212 450 4262
martine.beamon@davispolk.com

Angela T. Burgess

+1 212 450 4885
angela.burgess@davispolk.com

Robert A. Cohen

+1 202 962 7047
robert.cohen@davispolk.com

Nora M. Jordan

+1 212 450 4684
nora.jordan@davispolk.com

Neil H. MacBride

+1 202 962 7035
neil.macbride@davispolk.com

Tatiana R. Martins

+1 212 450 4085
tatiana.martins@davispolk.com

Paul J. Nathanson

+1 202 962 7055
+1 212 450 3133
paul.nathanson@davispolk.com

Annette L. Nazareth

+1 202 962 7075
annette.nazareth@davispolk.com

Linda Chatman Thomsen

+1 202 962 7125
linda.thomsen@davispolk.com

This communication, which we believe may be of interest to our clients and friends of the firm, is for general information only. It is not a full analysis of the matters presented and should not be relied upon as legal advice. This may be considered attorney advertising in some jurisdictions. Please refer to the firm's privacy notice for further details.

Related materials

[Read the full update](#)