

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

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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.

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