

Tone at the Top (of the SEC): Tough

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As the fiscal year comes to a close—even while the Securities and Exchange Commission, amidst the government shutdown, continues to fund its operations through a carryover balance from FY 2013—it is a good time to review recent signs of SEC skepticism regarding financial statement reporting practices and the SEC's current focus on public company officers, directors, and auditors as targets of potential enforcement actions. Since Mary Jo White was confirmed as the new Chairman in April, and George Canellos and Andrew Ceresney were named Co-Directors of the Division of Enforcement later that month, a number of enforcement actions and SEC statements suggest a heightened vigilance, particularly with respect to potential corporate accounting failures.

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.

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