

High Court Ruling Against SEC a Boon for Defendants

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Following an adverse U.S. Supreme Court ruling concerning how the U.S. Securities and Exchange Commission's judges are appointed, the SEC said it would rehear more than 100 cases brought before its administrative law judges.

In a June 2018 decision, the Supreme Court ruled that the SEC's in-house judges should have been appointed by the president or agency head rather than treated as regular federal employees. In response, the agency's commissioners properly confirmed the appointments of its existing ALJs and, to avoid challenges to decisions made by improperly appointed judges, allowed for rehearings in numerous proceedings.

Many of the defendants who agreed to rehearings reached settlements with fines that were tens of thousands of dollars less than they had initially been ordered to pay (one settlement saw an almost \$8 million reduction in penalties). But others have opted to litigate their cases before a new ALJ rather than settle, including an investment advisory firm which recently knocked off nearly \$90,000 in fines by doing so.

Speaking to Law360, partner [Sean Baldwin](#) explained that because many cases are still in the process of being retried, no definitive conclusion can be drawn about whether it is better for defendants to litigate rather than settle. "If it's just one case, and albeit significant, I don't think that is enough to read much into yet," he said.

Read the [full article in Law360](#).

More About Baldwin's Practice

Sean Baldwin has been recognized for his groundbreaking work in securities litigation and recoveries. Named a "Leading Lawyer in Plaintiff Securities Litigation," he has successfully litigated

complex [securities](#) and financial products matters on behalf of Fortune 500 companies, hedge funds and investment companies, among many others.

Learn more about [his work and experience here](#).

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