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SEC Announces Enforcement Results, Sets Priorities for Fiscal Year

By **John I. Sanders**

On November 2, 2018, the SEC announced the results of its enforcement actions for fiscal year 2018 and stated its enforcement priorities for fiscal year 2019. During fiscal year 2018, the SEC brought 821 enforcement actions, returned \$794 billion to investors, and obtained judgments and orders totaling \$3,945 million in disgorgement and penalties.^[1] Of the 821 enforcement actions, 490 were standalone cases.^[2] 25% of standalone actions in 2018 related to securities offerings, while investment advisory issues and issuer reporting accounted for 22% and 16%, respectively.^[3] The mix of actions reflects both new concerns (e.g., Initial Coin Offerings) and traditional focuses (e.g., investment adviser fee calculations) of the SEC. In the current fiscal year, the following five core principles will continue to guide the SEC's enforcement actions: ^[4]

- Focus on Main Street (*i.e.*, unsophisticated) investors;
- Focus on individual accountability (as opposed to organizational accountability);
- Keep pace with technological change;
- Impose sanctions that most effectively further enforcement goals; and
- Assess the allocation of resources.

We anticipate that the current fiscal year will be similar to the last with respect to the SEC's level of activity and enforcement priorities. Accordingly, regulated persons would be wise to review the recently issued report and reflect on the sufficiency of their own regulatory compliance. If you have any questions about the SEC enforcement actions or enforcement priorities, please feel free to contact us directly. **John I. Sanders** is an associate based in the firm's Winston-Salem office. ^[1] Enforcement Division Annual Report, SEC, 5 (Nov. 2, 2018), <https://www.sec.gov/news/press-release/2018-250>. ^[2] *Id.* ^[3] *Id.* at 10. ^[4] *Id.* at 6.