

Kit Addleman in Compliance Week, Bloomberg Law: SCOTUS Delivers A Constitutional Blow to SEC's ALJ Process

July 11, 2018 Kit Addleman

PRACTICES Litigation

Compliance Week and *Bloomberg Law* quoted Haynes & Boone LLP Partner [Kit Addleman](#) in in-depth articles analyzing the future of administrative law judges (ALJs) following the Supreme Court 7-2 ruling in Raymond J. Lucia vs. Securities and Exchange Commission that found the practice of five SEC in-house judges to be unconstitutional.

Here is a *Compliance Week* excerpt:

“This has been an issue and decision that’s been a long time coming,” says Kit Addleman, chair of the law firm Haynes Boone’s SEC Enforcement Defense Practice Group and former director of the Atlanta Regional Office of the SEC. “ALJs wield a significant amount of power and the process for appointing them needed to be one that was more formalized and rigorous, rather than simply calling an ALJ an employee.”

“In terms of its effects on defendants there are so many unanswered questions as a result of this ruling, because it is very narrow,” she adds.

The following is an excerpt from *Bloomberg Law*.

[Addleman] observed that Lucia is a narrowly-drawn decision. In her view, respondents will likely be unsuccessful in seeking to reopen closed cases to challenge any money penalties or similar sanctions imposed by improperly-appointed ALJs when the time period for any appeals has expired.

She suggested one possible angle, however, for attorneys with clients facing significant collateral consequences from an adverse ALJ order to challenge any bars and disqualifications that are still in effect. While it may well be a long shot, from an advocate's standpoint, she suggested that it might be worth it for a client facing career-threatening or other costly sanctions.

To read the full *Compliance Week* article, click [here](#).

To read the full *Bloomberg Law* article, click [here](#). (Subscription required)