

Kit Addleman Discusses SCOTUS Ruling in Favor of SEC

March 29, 2019 Kit Addleman

PRACTICES Litigation

Haynes Boone Partner [Kit Addleman](#) spoke with several publications about the recent U.S. Supreme Court ruling in favor of the Securities and Exchange Commission. The Supreme Court ruled that individuals can be held primarily liable for fraud if they intentionally disseminate false or misleading statements without specifically making the statements.

Here are the excerpts:

Law360:

Coming after a string of high court defeats for the SEC in recent years on issues like disgorgement and the use of administrative law judges, the Lorenzo decision is also noteworthy for bucking a trend of Supreme Court pushback on how the agency exercises its authority.

That may put some spring in SEC enforcement's step, according to Kit Addleman, former head of the SEC's Atlanta regional office and current partner in Haynes Boone LLP's SEC enforcement practice.

"When the SEC wins in a Supreme Court matter, it gives a degree of confidence to the staff to push the envelope," Addleman told *Law360*. "The mere fact the SEC's efforts are being upheld does give them more confidence around enforcement matters more generally."

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

Financial Times:

Kit Addleman, a partner at Haynes Boone and former head of the SEC's Atlanta office, said a key question would be how the ruling affects the SEC's efforts to argue that recklessness can be enough to prove an intent to defraud.

"If the SEC extends this to say, you recklessly forwarded [information], does that also put you in the context of a Lorenzo-like person who is going to be charged?" she said.

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

PoliticoPro:

With today's victory, "it is absolutely a boost of confidence for the SEC," said Kit Addleman, a partner at the law firm Haynes Boone and formerly the director of the SEC's Atlanta regional office. With the Lorenzo win, the SEC might be more inclined to pursue enforcement cases where individuals might have been reckless in disseminating fraudulent information, even if they did not know for sure it was bogus as in the Lorenzo case, she said.

"Are you severely reckless in not knowing or investigating whether it is truthful or not before you forward it? That is a scary next step," Addleman said. "We don't have a definitive line as to where

that liability stops.”

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