

SEC Sues to Recover Bonuses and Stock Profits of ? ? Innocent? Former Executives

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The Securities and Exchange Commission (?SEC?) sued the former CEO and CFO of an Austin-based company for failure to reimburse the company for cash bonuses, incentive and equity-based compensation (?SOX 304 compensation?) and profits received from sales of company stock during the 12-month periods following the issuance of the company's inaccurate quarterly and annual financial statements, which were later restated. The company was required to restate its financial statements due to a fraudulent scheme by two sales executives to overstate the company's revenues and earnings. The SEC did not allege the former CEO and CFO participated in the wrongful conduct; however, the SEC alleged they were still required to reimburse the company for the SOX 304 compensation and stock sale profits they received following the filing of the inaccurate statements. The SEC complaint can be found [here](#).