The SEC in 2014

Chair Mary Jo White

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This keynote address is named in honor of Alan B. Levenson. Alan was a co-founder of this Institute and a true legend of the securities bar. He served with great distinction as a private practitioner, academic and, from 1970 to 1976, as the SEC's sixth Director of the Division of Corporation Finance. It was his vision to bring the best of the private bar and SEC staff together yearly on the West Coast to share perspectives, rightly believing that talking face-to-face would result in a better understanding of the need and optimal way to protect investors and enable our capital markets to safely thrive. This Institute is a living tribute to Alan Levenson and I am privileged to speak to you today in his honor.

It is great to be back at the Institute. I was scheduled to be here last year for the enforcement panel, as I have been for about ten years, but I was called to Washington where the President announced my nomination as the 31st Chair of the Securities and Exchange Commission. It seemed like a good enough reason to cancel – well, it did at the time.

My first appearance at the Institute was in 1998 when I was also asked to give the keynote address. I was the United States Attorney for the Southern District of New York at the time and the title of my remarks was "White Collar Crime: No Place for Timidity." In 2001, I was asked again to make the keynote address and spoke about the importance of companies' compliance programs.

Fast forward to today and I am now privileged to return to the Institute and occupy the seat that David Ruder so successfully held from 1987 to 1989, as Chairman of the SEC. While I talk about a lot of other things these days, I still also talk about the importance of strong enforcement and robust compliance programs. One might say the more things change the more they stay the same – or do they?

For nearly 80 years, the Securities and Exchange Commission has been playing a vital role in the economic strength of our nation. Year after year, the agency has steadfastly sought to protect investors, make it possible for companies of all sizes to raise the funds needed to grow, and to ensure that our markets are operating fairly and efficiently.

That is our three-part mission.

But, while commitment to this mission has remained constant and strong over the years, the world in which we operate continuously changes, sometimes dramatically.

When the Commission's formative statutes were drafted, no one was prepared for today's market technology or the sheer speed at which trades are now executed. No one dreamed of the complex financial products that are traded today. And, not even science fiction writers would have bet that individuals would so soon communicate instantaneously in so many different ways.

It is because we operate in this vast, fast, and ever-evolving securities market that the Commission, as the regulator of that market, must constantly adapt in order to continue to be effective.

With that in mind, I thought I would speak this morning about some of the transformative changes at the SEC in 2014 and, while doing that, also preview a few of the specific rulemakings and other initiatives that I expect to be on our 2014 agenda.

Evolving with Market Technology

While there have been many significant changes since the SEC's inception, few have had as much impact on our markets as the advances in technology. The manual trades on the exchange floor of the 1930s have given way to trading that is high-tech, high-speed, and widely dispersed among many different venues, some of which did not even exist when I last gave this address, but which now occupy significant parts of the market landscape.

And that landscape changes and evolves further every day.

It is not only our job to keep pace with this rapidly changing environment, but, where possible, also to harness and leverage advances in technology to better carry out our mission.

And, despite significant resource challenges, we are doing precisely that across the agency. Let me give you a few examples.

NEAT

Our Quantitative Analytics Unit in our National Exam Program has, for example, developed a revolutionary new instrument called "NEAT," which stands for "National Exam Analytics Tool."

With NEAT, our examiners are able to access and systematically analyze massive amounts of trading data from firms in a fraction of the time it has taken in years past. In one recent exam, our exam team used NEAT to analyze in 36 hours literally 17 million transactions executed by one investment adviser.

Among its many uses, NEAT can search for evidence of potential insider trading by comparing a database of significant corporate activity like mergers against the companies in which a registrant is trading and analyze how the registrant traded at the time of those significant events. NEAT can review all the securities the registrant traded and quickly identify the trading patterns of the registrant for suspicious activity.

In 2014, our examiners will be using the NEAT analytics to identify signs of not only possible insider trading, but also front running, window dressing, improper allocations of investment opportunities, and other kinds of misconduct.

MIDAS

This past year, we also brought on-line another transformative tool that enables us to collect and sift through massive amounts of trading data across markets instantaneously, an exercise that once took the staff weeks or months. We call this technology MIDAS – the Market Information Data Analytics System.

Every day, MIDAS collects one billion records of trading data, time-stamped to the microsecond. Previously, only sophisticated market participants had access to this type and amount of trading data and even fewer were able to process it. At the SEC of 2014, we are aggregating this data and presenting it on our website along with a wide range of analyses. We have made these analyses readily accessible on your computer or even your tablet, with data available in clear, easy-to-read charts and graphs.

MIDAS is already revealing some important, data-based realities that may resolve some of the speculations about behavior in today's market structure. Just earlier this month, for example, the SEC staff published an analysis showing that for the most part the advent of public transparency for "odd lot" trades does not seem to correspond with a decline in such trades.[1] The staff noted that this result suggests that a lack of transparency may not have been one of the drivers for breaking trades into odd lots, which some observers have suggested is a technique to hide trading activity.

In the coming weeks, we are expecting to post further staff analysis of off-exchange trading, a review of research on high-frequency trading, and a data series on depth-of-book liquidity. I encourage you, after my remarks, to take a look at all of this – right on sec.gov.[2] This is not your father's SEC – or your mother's or even your older brother or sister's. In this rapidly changing environment, we must stay on top of advances in technology. NEAT and MIDAS are important tools that will help us keep pace with evolving technology.

Operational Integrity

Our approach to technology in 2014, however, is not limited to building systems like these for us to keep pace with the evolving technology of the markets. We are also focused on ensuring that the technology used by exchanges and other market participants is deployed and used responsibly in a way that reduces the risk of market disruptions that can harm investors and undermine confidence in the integrity of our markets.

Most recently, following the interruption of trading in Nasdaq-listed securities last August, I met with the leaders of the equities and options exchanges. At my urging, they pledged to work toward enhancing the integrity of market systems, including the critical market infrastructures that can prove to be "single points of failure," such as public feeds of quotes and trades.[3]

They have since been working hard to develop and implement such measures, and I expect more to be done to address these vulnerabilities in 2014.

In addition, I anticipate that the Commission's 2014 rulemaking agenda will include consideration of the adoption of Regulation SCI – which stands for Systems Compliance and Integrity.[4] As some of you know, Regulation SCI would put in place new, stricter requirements for the use of technology by exchanges, large alternative trading systems, clearing agencies, and securities information processors. Regulation SCI can be – and should be – the market-side counterpart to the intermediary-focused Market Access Rule adopted by the Commission in 2010 to better regulate how broker-dealers manage the technological and other risks associated with direct access to markets.[5]

Evolving with New Financial Products

It is not just technology that has changed over the life of the agency. So too have the financial products that investors, businesses, and other market participants use.

OTC Derivatives

In 1990, for instance, few people would have heard of a credit default swap or any of a number of the other products that make up today's over-the-counter derivatives market. Yet two decades later, such derivatives comprise a multi-trillion dollar market.

The Dodd-Frank Act directed the SEC – for security-based swaps – and the CFTC – for all other swaps – to create an entirely new regulatory regime for this massive market.[6] Once this regime is fully in place, many over-the-counter derivatives will be traded and cleared on venues accessible by a wide range of market participants, with trade data made readily available to regulators and disseminated to the public. What was once an opaque, bilateral market will largely become a transparent, centrally cleared market.

The Commission has proposed substantially all of the rules required to implement this new regulatory framework.[7] With our proposal for the cross-border application of this framework last year,[8] I expect the Commission in 2014 to move forward with finalizing and implementing these rules.

Money Market Funds

Even when a product is not as new as an over-the-counter derivative, the use of the product may reveal previously unanticipated risks that suggest an evolution in our regulatory approach is warranted. The recent financial crisis provided an unwelcome laboratory for a number of these products.

Money market funds, for example, have for decades been an important part of the financial marketplace. As we saw in the financial crisis, however, they can be exposed to substantially heightened redemptions if investors believe that a fund is about to lose value. The resulting instability in their value can harm investors as well as the entities that turn to money market funds for financing.

In 2010, the SEC took a first step to address this heightened redemption risk by making the funds more resilient. The rule amendments adopted by the Commission in 2010 were designed to reduce the interest rate, credit, and liquidity risks of money market fund portfolios. The Commission said at the time that it would continue to consider whether further, more fundamental changes to money market fund regulation is warranted.[9]

Currently, the Commission is considering two significant proposals for additional reform that were put out for comment last June.[10] One is a floating NAV for prime institutional money market funds – the type of fund that experienced problems during the financial crisis. The other proposal would require money market funds under certain circumstances to impose a liquidity fee and permit the imposition of redemption gates. This proposal is designed to stop a "run" and limit the resulting instability. These proposals could be adopted alone or together.

We have received hundreds of letters on the proposals with a wide range of differing views that we are reviewing closely. Completing these reforms with a final rule is a critical priority for the Commission in the relatively near term of 2014.

Securitization

The financial crisis also revealed how another product – asset-backed securities – could create undue risks to market integrity and investors. Shortly after the financial crisis, the Commission proposed a new set of disclosure rules for asset-backed securities, which have evolved with the Dodd-Frank Act.[11] Finalizing these new disclosure rules remains an important priority for the Commission in 2014.

A related effort is the rules we are required to adopt jointly with several other agencies governing the retention of a specified amount risk by the sponsor of an asset-backed security. We re-proposed those rules late last year, and finalizing them will be a priority for 2014.[12]

Evolving with New Paths to Capital Formation

Just as we have seen market technology and products evolve over time, we also have seen massive change in the ease and speed with which information and capital flows. This, in turn, has led companies, investors, Congress, the SEC and others to reconsider how companies can seek capital and communicate with potential investors. Indeed, we are at the start of what promises to be a period of transformative change in capital formation.

In 2013, according to our estimates, capital raised in public offerings totaled $1.3 trillion, as compared to $1.6 trillion raised in offerings not registered with the SEC, with over 65% raised in new and ongoing Rule 506 offerings.[13] So the private offering markets already rival the public markets in terms of capital raised.

And, in 2012, Congress passed the JOBS Act, directing the Commission to implement rules that will have a significant impact on the private offering markets. I know you will be hearing a fair amount about this subject on your panels today, so let me provide just a brief overview of what the SEC will be working on in this space in 2014.

In July, the Commission adopted rules implementing the JOBS Act mandate to lift the ban on general solicitation, and the rules became effective on September 23, 2013.[14] Although existing Rule 506 continues to be a popular method for capital raising, issuers are taking advantage of the new rule. Preliminary information collected by our Division of Economic and Risk Analysis shows that through December 31, approximately 500 offerings were conducted, raising approximately $5.8 billion.

Then, in October and December of last year, the Commission proposed rules to implement the JOBS Act mandates with respect to crowdfunding and Regulation A.[15] While the final framework of these two exemptions is yet to be determined by the Commission, if the enthusiasm for them is any indication, I expect strong interest in raising capital through these mechanisms.

Together, these changes should provide new and expanded ways for companies of all sizes, but particularly smaller companies, to raise capital. The final implementation of crowdfunding and an updated Regulation A is an important priority in 2014, and I expect that the Commission, after thorough consideration of all comments, will move expeditiously to finalize these rules.

These rule changes for the private offering market are just the start of the Commission's efforts. For the changes demand that the Commission stay focused on the ongoing implementation of the exemptions, what market practices develop, how much capital is being raised, how investors are impacted, and whether fraud or other misconduct is occurring in these markets.

So, staff from across the agency is also set to monitor the developments in the markets following all of these changes. An agency-wide working group has been formed to monitor offering practices and other developments in the Rule 506 market. I have also directed the staff to form similar working groups for both crowdfunding and the new Regulation A.

One key step in the effort to improve our monitoring of Rule 506 offerings will be the adoption of final rules – also proposed in July – relating to amendments to Regulation D, Form D and Rule 156.[16] I know that you have a session later today during which you will discuss these proposed amendments, and I know, from the comment file, what many of you think. We are considering those comments very carefully. Advancing these important rules, after due consideration of the comments we have received, is another important priority for me in 2014.

Disclosure Reform

As we move to complete our rulemaking in the private offering area, it is important for the SEC not to lose focus on the public markets.

I recently spoke about some of my ideas about disclosure reform[17] and in December the staff issued a report mandated by the JOBS Act that gives an overview of Regulation S-K and the staff's preliminary recommendations as to how to update our disclosure rules.[18] I have asked the staff to begin an active review of our disclosure rules.

We can all probably identify particular disclosure requirements that we might eliminate or modify, but that is not the kind of review and reform I am primarily focused on – and it certainly is not the kind of thoughtful and comprehensive review that I think our disclosure rules demand. I believe we should rethink not only the type of information we ask companies to disclose, but also how that information is presented, where and how that information is disclosed, and how we can take advantage of technology to facilitate investors' access to information and make it more meaningful to them.

I have asked the staff to seek input from issuers, investors, and other market participants in 2014 as part of this effort, and I encourage all of you to share your views and ideas. The ultimate objective is for the Commission to improve the disclosure regime for the benefit of both companies and investors.

Vigorous Enforcement in 2014

The agency's evolution in response to a rapidly changing market is not confined to rulemaking or market oversight. We have also found it necessary to adapt our policies, priorities, and approach with respect to enforcement as well. And no discussion of the SEC in 2014 would be complete without my touching on some of these changes and giving you some idea of what to expect this year. The coming year promises to be an incredibly active year in enforcement, as we continue to vigorously pursue wrongdoers and bring enforcement actions across the entire industry spectrum.

Admissions

As you know, for many years, the SEC, like virtually every other civil law enforcement agency, typically did not require entities or individuals to admit wrongdoing in order to enter into a settlement. This no admit/no deny settlement protocol makes a great deal of sense and has served the public interest very well. More and quicker settlements generally mean that investors receive as much (and sometimes more) compensation than they would after a successful trial – and without the litigation risk or the inevitable delay that comes with every trial. Settlements also can achieve more certain and swifter civil penalties, and bars of wrongdoers from the industry or from serving as officers or directors of public companies – all very important remedies for deterrence and the public interest.

So, why modify the no admit/no deny protocol at all? It is not a new question and one that many of you continue to ask. Even before my arrival as Chair, the Enforcement Division decided to require admissions where parallel criminal or other regulatory cases were brought with admissions.[19] Why? Because admissions can achieve a greater measure of public accountability, which can be important to the public's confidence in the strength and credibility of law enforcement and the safety of our markets. It is not surprising that there has also been renewed public and media focus on the accountability that comes with admissions following the financial crisis, where so many lost so much.

And it should be no surprise that my views on admissions were formed long before recent events and were shaped by my time as United States Attorney. In the criminal realm, guilty pleas are accompanied by admissions of guilt, which eliminate any doubt about the conduct of the defendant and provide additional accountability for the crime.

As United States Attorney, I made the decision that companies should, in certain circumstances, admit their wrongdoing, even if they were not criminally charged, but where there was a special need for public accountability and acceptance of responsibility. That is why, when I negotiated the first deferred prosecution for a company, back in 1994, I required an admission of wrongdoing, and I brought that mindset to the SEC when I became Chair last April.

After studying and discussing the issue with the staff and my fellow Commissioners, I decided to modify the SEC's protocol to demand admissions in an expanded category of settlements. That change occurred in June and you have begun to see it play out in a number of cases. When we first announced the change in approach, we outlined broad parameters of the types of cases in which we will consider requiring admissions as part of any settlement. And now, we have a number of cases with admissions that illuminate those categories.

So, for example, we have said we will consider admissions in cases involving egregious conduct, where large numbers of investors were harmed, where the markets or investors were placed at significant risk, where the wrongdoer poses a particular future threat to investors or the markets, or where the defendant engaged in unlawful obstruction of the Commission's processes. Just last month, we required three brokerage subsidiaries to admit to a scheme in which they repeatedly deceived their customers about their compensation on securities transactions – and in some cases even provided falsified trading data to their customers in an effort to avoid detection.[20] The conduct was egregious and harmed many investors, thereby justifying admissions.

Similarly, we demanded that a bank admit that its internal controls were deficient in failing to detect and prevent, and then disclose to its board and investors, massive losses by some of its traders, thereby putting millions of shareholders at risk and resulting in inaccurate public filings.[21]

To be sure there was no ambiguity about the misconduct of a defendant who was continuing to deal with investors, we required a hedge fund adviser to not only agree to a bar from the securities industry for five years, but to also admit to misuse of more than one hundred million dollars of fund assets in order to pay his personal taxes through a personal loan that was not timely disclosed to investors.[22]

As we go forward in 2014, you will see more cases involving admissions. When and how we decide to require admissions will continue to evolve and be subject to further articulation in the cases we bring and as we discuss it publicly.

Financial Fraud

This year will likely see us complete our docket of major investigations stemming from the financial crisis. As we do, our focus and resources will naturally turn to other priorities. This shift has already begun.

Last fall, the Enforcement Division formed a Financial Reporting and Audit Task Force. This dedicated group has very talented accountants and attorneys who will broaden and thereby improve the way we look at financial reporting misconduct.

The Task Force is pursuing a number of goals, including building a deep understanding of the state of financial reporting fraud – not just why it happens, because there is plenty of learning on that question, but how it happens and in what specific areas.

As you would expect, we look closely at the auditors in every financial reporting case, but we are also closely focusing on senior executives for possible misconduct warranting charges. The message is that critical accounting issues are the responsibility of all those involved in the preparation and review of financial disclosures.

Market Integrity

As I have discussed, technology has worked a fundamental shift in the way securities are priced and traded – a shift that has only accelerated in the past several years. In the last two years, we have tried to send a strong enforcement message to the exchanges and alternative trading systems that play critical roles in securities market transactions that they must operate fairly, within the rules and with a close eye on their responsibilities to safeguard their technology. Cases have been brought against an exchange that inadequately tested its IPO systems and was therefore unable to handle a highly anticipated IPO and then did not follow its own rules in the aftermath;[23] against a different exchange for compliance failures that gave certain customers an improper head start on trading information;[24] and against a dark pool for failing to protect the confidential trading information of its subscribers.[25] When technology presents new opportunities for innovation, changes must be deployed responsibly, after careful testing, and within the rules and parameters of the trading environment. Market structure integrity actions will remain a priority in 2014.

As you will hear when Andrew Ceresney, our Director of Enforcement speaks to you over the coming days, there are many other enforcement priorities for 2014 that you should be aware of. These include, but are by no means limited to, FCPA, insider trading, and microcap fraud. It will, in short, be a very busy year in enforcement.

Conclusion

I hope I have given you a sense of some of the things we will be doing in 2014 and a flavor for how dramatically and vibrantly things have changed at the SEC as our world and markets have changed. There is more, of course, we will be doing and considering in the coming year, both on our own initiative and as required by the Dodd-Frank and JOBS Acts – equity market structure, duties of brokers-dealers and investment advisers, the management and responsibilities of clearing agencies and credit rating agencies, Dodd-Frank executive compensation rulemaking, target date funds, systemic risk issues, broker-dealer financial responsibility, and more.

It is a constant, but always exciting, challenge to keep pace and indeed to accurately see around the next corner for the newest market developments or another innovative variant of, or new venue for, fraud. I now am privileged to have an up-close and personal role in all of this. And it is my strong conviction that the women and men of the SEC are, as has always been true, more than up to these challenges. As Alan Levenson said in January 2003, almost eleven years to the day when he spoke about the strength of the SEC: "It was the creativity of the staff… [they] had a drive and a genuine interest in protecting investors and the public interest…."[26] The challenges and tools change, but creativity, drive, and commitment to the mission continue unchanged at the SEC in 2014. Alan Levenson, I think, would be very proud.

Thank you for listening.

[1] "Odd Lot Rates in a Post-Transparency World," Data Highlight 2014-01 (Jan. 9, 2014), *available at* http://www.sec.gov/marketstructure/research/highlight-2014-01.html.

[2] The MIDAS web site and interactive tools are available at http://www.sec.gov/marketstructure/.

[3] SEC Chair White Statement on Meeting with Leaders of Exchanges (Sept. 12, 2013), *available at* http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370539804861.

[4] Regulation Systems Compliance and Integrity, Release No. 34-69077 (Mar. 8, 2013) [78 FR 18083 (Mar. 25, 2013)], *available at* http://www.sec.gov/rules/proposed/2013/34-69077.pdf.

[5] Risk Management Controls for Brokers or Dealers with Market Access, Release No. 34-63241 (Nov. 3, 2010) [75 FR 69792 (Nov. 15, 2010)], *available at* http://www.sec.gov/rules/final/2010/34-63241.pdf.

[6] For an interactive chart of the current state of the regulatory regime for security-based swaps, *see* http://www.sec.gov/swaps-chart/swaps-chart.shtml.

[7] For the list of proposals issued by the Commission and the associated comment files, *see* Comment Periods for Certain Rulemaking Releases and Policy Statement Applicable to Security-Based Swaps Proposed Pursuant to the Securities Exchange Act of 1934 and the Dodd-Frank Wall Street Reform and Consumer Protection Act, Release No. 34-69491 (May 1, 2013) [78 FR 30800 (May 23, 2013)], *available at* http://www.sec.gov/rules/proposed/2013/34-69491.pdf.

[8] Cross-Border Security-Based Swap Activities; Re-Proposal of Regulation SBSR and Certain Rules and Forms Relating to the Registration of Security-Based Swap Dealers and Major Security-Based Swap Participants, Release No. 34-69490 (May 1, 2013) [78 FR 30967 (May 23, 2013)], *available at* http://www.sec.gov/rules/proposed/2013/34-69490.pdf.

[9] Money Market Fund Reform, Release No. IC-29132 (Feb. 23, 2010) [75 FR 10060 (Mar. 4, 2010)] (*see* Section I, "Background"), *available at* http://www.sec.gov/rules/final/2010/ic-29132.pdf. As a study conducted by staff in the SEC's Division of Economic and Risk Analysis (DERA) stated, "[N]o fund would have been able to withstand the losses that The Reserve Primary Fund incurred in 2008 without breaking the buck, and nothing in the 2010 reforms would have prevented The Reserve Primary Fund's holding of Lehman Brothers debt." Response to Questions Posed by Commissioners Aguilar, Paredes, and Gallagher, a report by staff of the Division of Risk, Strategy, and Financial Innovation, "Executive Summary" (Nov. 30, 2012), *available at* http://www.sec.gov/news/studies/2012/money-market-funds-memo-2012.pdf.

[10] Money Market Fund Reform; Amendments to Form PF, Release No. IC-30551(Jun. 5, 2013) [78 FR 36833 (Jun. 19, 2013)], *available at* http://www.sec.gov/rules/proposed/2013/33-9408.pdf.

[11] Asset-Backed Securities, Release No. 33-9117 (Apr. 5, 2010) [75 FR 23328 (May 3, 2010)], *available at* http://www.sec.gov/rules/proposed/2010/33-9117.pdf and Re-proposal of Shelf Eligibility Conditions for Asset-Backed Securities and Other Additional Requests for Comment, Release No. 33-9244 (Jul. 26, 2011) [76 FR 47948 (Aug. 3, 2011)], *available at* http://www.sec.gov/rules/proposed/2011/33-9244.pdf.

[12] Credit Risk Retention, Release No. 34-70277 (Aug. 28, 2013) [78 FR 57927 (Sept. 20, 2013)], *available at* http://www.sec.gov/rules/proposed/2013/34-70277.pdf.

[13] To make these estimates, staff from DERA used the Securities Data Corporation's (SDC) New Issues database (Thomson Financial), the Mergent database, and Asset-Backed Alert to obtain data regarding public and private offerings. Data on Rule 144A offerings and asset-backed securities offerings was available for part of 2013 and the estimates were made by extrapolating through the end of 2013. Data on Regulation D offerings was collected from all Form D filings (new filings and amendments) in EDGAR.

Subsequent amendments to a new Form D filing were treated as incremental fundraising. If an issuer filed only amended filings in 2013, and those reference a pre-2013 sale date, these amended filings were treated as incremental fundraising.

[14] Eliminating the Prohibition Against General Solicitation and General Advertising in Rule 506 and Rule 144A Offerings, Release No. 33-9415 (Jul. 10, 2013) [78 FR 44771 (Jul. 24, 2013)], *available at* http://www.sec.gov/rules/final/2013/33-9415.pdf.

[15] Crowdfunding, Release No. 33-9470 (Oct. 23, 2013) [78 FR 66428 (Nov. 5, 2013)], *available at* http://www.sec.gov/rules/proposed/2013/33-9470.pdf and Proposed Rule Amendments for Small and Additional Issues Exemptions Under Section 3(b) of the Securities Act, Release No. 33-9497 (Dec. 18, 2013) [79 FR 3926 (Jan. 23, 2014)], *available at* http://www.sec.gov/rules/proposed/2013/33-9497.pdf.

[16] Amendments to Regulation D, Form D and Rule 156, Release No. 33-9416 (Jul. 10, 2013) [78 FR 44806 (Jul. 24, 2013)], *available at* http://www.sec.gov/rules/proposed/2013/33-9416.pdf. *See also* Re-opening of Comment Period for Amendments to Regulation D, Form D and Rule 156, Release No. 33-9458 (Sept. 27, 2013) [78 FR 61222 (Oct. 3, 2013)], *available at* http://www.sec.gov/rules/proposed/2013/33-9458.pdf.

[17] The Path Forward on Disclosure, remarks at the National Association of Corporate Directors Leadership Conference 2013 (Oct. 15, 2013), *available at* http://www.sec.gov/News/Speech/Detail/Speech/1370539878806.

[18] Report on Review of Disclosure Requirements in Regulation S-K (Dec. 2013), *available at* http://www.sec.gov/news/studies/2013/reg-sk-disclosure-requirements-review.pdf.

[19] Statement by Robert Khuzami (Jan. 7, 2012) *available at* http://www.sec.gov/News/PublicStmt/Detail/PublicStmt/1365171489600.

[20] *See* Press Release No. 2013-266, "SEC Charges ConvergEx Subsidiaries With Fraud for Deceiving Customers About Commissions" (Dec. 18, 2013), *available at* http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370540521484.

[21] *See* Press Release No. 2013-187, "JPMorgan Chase Agrees to Pay $200 Million and Admits Wrongdoing to Settle SEC Charges" (Sept. 19, 2013), *available at* http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370539819965.

[22] *See* Press Release No. 2013-159, "Philip Falcone and Harbinger Capital Agree to Settlement" (Aug. 19, 2013), *available at* http://www.sec.gov/News/PressRelease/Detail/PressRelease/1370539780222.

[23] *See* Press Release No. 2013-95, "SEC Charges NASDAQ for Failures During Facebook IPO" (May 29, 2013), *available at* http://www.sec.gov/News/PressRelease/Detail/PressRelease/1365171575032.

[24] *See* Press Release No. 2012-189, "SEC Charges New York Stock Exchange for Improper Distribution of Market Data" (Sept. 14, 2012), *available at* http://www.sec.gov/News/PressRelease/Detail/PressRelease/1365171484740.

[25] *See* Press Release No. 2012-204, "SEC Charges Boston-Based Dark Pool Operator for Failing to Protect Confidential Information" (Oct. 3, 2012), *available at* https://www.sec.gov/News/PressRelease/Detail/PressRelease/1365171485204.

[26] Securities and Exchange Commission Historical Society, Interview with Alan B. Levenson Conducted on January 14, 2003, by Richard Rowe, pp. 5-6, *available at* http://3197d6d14b5f19f2f440-5e13d29c4c016cf96cbbfd197c579b45.r81.cf1.rackcdn.com/collection/oral-histories/levenson011404Transcript.pdf.