Index

ACCOUNTANTS	ADMINISTRATIVE REMEDIES—Cont'd
Accountant-corporate client privilege. See	Legal standards—Cont'd
Attorney Client Privilege and the Work	Injunctions, 4:22
Product Doctrine (this index)	Money penalties, 4:25
Liability. See Criminal and Related Enforcement	Officer and director bars, 4:27
Practice (this index)	Standard of proof, 4:28
Privacy Act, office of chief accountant working	State of mind, 4:19
files, 8:49	Statute of limitations, 4:20
ACQUISITIONS AND TAKEOVERS	Money penalties, legal standards, 4:25
Multiple representation and conflicts of interest,	1990 administrative authority, 4:18
10:20	Notice, quasi-judicial proceedings, 4:44 , App. 4B
Privacy Act, tender offer and solicitation records,	Officer and director bars, legal standards, 4:27
8:21	Quasi-judicial proceedings
SEC enforcement program, 2:33	Generally, 4:43
ADMINISTRATIVE LAW JUDGE	Answer to order of proceeding, 4:45 Brief of petitioner, Johnson v. SEC, App. 4D
ASSIGNMENTS	Conduct of proceeding, 4:48
Privacy Act, 8:26	Depositions and interrogatories, 4:47
ADMINISTRATIVE REMEDIES	Filing of motions with SEC, 4:50
Generally, 1:4, 4:1	Interlocutory SEC review, 4:49
Attorneys, SEC standards of professional	Notice, 4:44, App. 4B
conduct, 4:16	Order entered pursuant to consent and settle-
Blue sky enforcement. See Blue Sky Enforce-	ment, App. 4A
ment (this index)	Parties and limited participation, 4:46
Broker-dealer disciplinary sanctions, 4:7	Proceedings and notice of hearing, Section
Burden of justification, legal standards, 4:29	15(b) of Securities Exchange Act of 1934,
Cease and desist orders, legal standards, 4:24	App. 4B
Civil money fines and cease and desist authority,	Task force on administrative proceedings of
4:18	Securities and Exchange Commission
Controlling person provisions, duty to supervise,	report, fair and efficient proceedings,
and respondeat doctrine, secondary liability,	App. 4C
4:38	Refusal and stop orders
Depositions and interrogatories, 4:47	Generally, 4:2
Disgorgement, legal standards, 4:23	Refusal orders, generally, 4:3 Stop orders, generally, 4:4, 4:5
Duty to supervise, controlling person provisions, and respondeat doctrine, secondary liability,	Registration of a security, revoking or suspend-
4:38	ing, 4:11
Injunctions, legal standards, 4:22	Regulation of a suspension order, 4:6
Insider Trading Sanctions Act, 4:42	Respondent doctrine, controlling person provi-
Interlocutory SEC review, 4:49	sions, and duty to supervise, secondary
Investment advisers, disciplinary proceedings	liability, 4:38
against, 4:13	Review of SRO and related sanctions, 4:11
Investment companies, disciplinary proceedings	Rule 2(e) and Rule 102(e)
against, 4:14	Generally, 4:15 , 4:30
Judicial review, 4:39	Accounting or law firm vicarious liability, 4:36
Legal standards	Criticisms of the rules, 4:34
Generally, 4:21, 4:26	Nonpublic, proceedings normally, 4:33
Burden of justification, 4:29	Practicing before the SEC defined, 4:32
Cease and desist orders, 4:24	Scope, 4:31
Disgorgement, 4:23	Selected proceedings, 4:37

ADMINISTRATIVE REMEDIES—Cont'd

Rule 2(e) and Rule 102(e)—Cont'd Validity of the rules, **4:35**

Sanctions and SEC proceedings, generally, **4:5 to 4:16**

Secondary liability, duty to supervise, controlling person provisions, and respondent doctrine, 4:38

SEC proceedings and sanctions, generally, **4:5 to 4:16**

Section 15(c)(4) disciplinary proceedings, **4:8** Section 21(a), reports of investigation, **4:17** Self-regulatory organizations, disciplinary

authority over, **4:9**

Standard of proof, legal standards, 4:28

Statute of limitations, legal standards, 4:20

Stop orders. Refusal and stop orders, infra

Summarily suspending trading in a security, **4:10** Undertakings, **4:40**, **4:41**

ADVERSE COLLATERAL CONSEQUENCES

See Injunctions (this index)

AMICUS CURIAE BRIEF

Attorney-client privilege, SEC brief in Durkin v. U.S. District Court, **App. 11B**

Gannino v. Citizens Utilities Company, SEC enforcement program, **App. 2I**

Multiple representation and conflict of interest, SEC amicus curiae brief whether corporation must select independent counsel to pursue litigation recommended by court appointed special counsel, **App. 10C**

Self-regulatory organizations enforcement practice, SEC amicus curiae brief arguing against court injunction of NASD disciplinary proceeding against securities broker and dealer, **App. 14A**

AMICUS CURIAE MEMORANDUM

Injunction, SEC memorandum supporting power of court to grant equitable relief in Section 13(d) actions, **App. 5B**

ARBITRATION

Futures trading, regulation of, arbitration, reparations procedure and private rights of action, 12:10

ATTORNEY CLIENT PRIVILEGE AND THE WORK PRODUCT DOCTRINE

Generally, 1:10, 11:1

Accountant-corporate client privilege

Generally, 11:24

Audit work papers and program files, 11:26

Principles of privilege, 11:25

Resolution of accountant work-product immunity in U.S. v. Arthur Young & Co., 11:27

ATTORNEY CLIENT PRIVILEGE AND THE WORK PRODUCT DOCTRINE—Cont'd

Accountant-corporate client privilege—Cont'd Tax accrual work papers, 11:26

Amicus curiae brief in Durkin v. U.S. District Court, **App. 11B**

Attorney-corporate client privilege

Generally, 11:2

Continuing implications of Upjohn decisions, 11:6

Legacy of Upjohn decision, 11:37

Post-Upjohn uncertainty in determining whether communications are privileged, 11.5

Pre-Upjohn standards for determining application of privilege, 11:3

Defenses to subpoena enforcement actions, 9:13

Joint defense doctrine

Generally, **11:28** Application of, **11:29**

Conclusion, 11:36

Elements of test of its limitations

Generally, 11:30

Common interest, 11:31

Otherwise privileged, 11:32

Pursuant to common defense, 11:33

Example of agreement, 11:35

Need for written agreement, 11:34

SEC investigations, 3:24

Shareholders suits, applicability of privilege in Generally, 11:7

Determination on a case-by-case basis, 11:10

Frivolity or genuineness of suit, 11:9

Good cause exception, 11:8

Speech by John M. Fedders on attorney-client privilege in SEC investigations, **App. 11A**

Waiver of attorney client privilege

Generally, 11:14

Principles of waiver, 11:15

Voluntary disclosure to SEC

Generally, 11:16

Continuing controversy, 11:21

General waiver, 11:17

Limited waiver, 11:18

Modified limited waiver, 11:19

Return to general waiver approach, 11:20

Waiver of the work product doctrine

Generally, 11:22

Common interests and other tests developed by lower courts, **11:23**

Work product doctrine as applied to corporations

Generally, 11:11

Applicability to documents and reports prepared in internal investigations, 11:13

Showing of necessity and undue hardship, 11:12

ATTORNEY CONDUCT

SEC standards of professional conduct, administrative remedies, **4:16**

ATTORNEYS FEES

Offensive strategies in defending against an SEC investigation, recovery of expenses and attorneys fees, 3:53

BAD FAITH

Defenses to subpoena enforcement actions, **9:14** Offensive strategies in defending against an SEC investigation, **3:48**

BENEFICIAL OWNERSHIP RECORDS OF CERTAIN INDIVIDUALS

Privacy Act, 8:22

"BLACKOUT PERIOD"

SEC enforcement program, blackout prohibited, 2:23

BLUE SKY ENFORCEMENT

Generally, 13:1

Administrative remedies

Generally, 13:6

Administrative hearing advantages, **13:9**, **13:10**

Cease and desist power, 13:8

Constitutional considerations, administrative hearings, 13:10

Good faith reliance on administrator's order, 13:11

Investigative powers, 13:7

Issuance of interpretive opinions, 13:15

Issuance of stop order, 13:12

Registration

Revocation of broker-dealer registration,

Revocation of exemptions from registration, 13:13

Civil liability

Generally, 13:25

Aiding and abetting liability, 13:27

Federal preemption, 13:29

Relief, 13:28

Securities Litigation Uniform Standards Act, 13:29

Seller, defined, 13:27

Standards under the Act, 13:26

Compliance with blue sky law, 13:30

Criminal penalties

Generally, 13:21

In connection with requirement, 13:24

Scienter requirement, 13:23

Willfulness requirement, 13:22

Early statutes, 13:2

BLUE SKY ENFORCEMENT—Cont'd

Injunctive relief

Generally, 13:16

Applicable standards, 13:17

Other equitable relief, **13:20**

Requisite mental state, 13:18

Showing of irreparable harm and reasonable likely hood of repetition, 13:19

Registration. Administrative remedies, supra

Regulatory frameworks, types of, 13:5

State "Blue Sky" enforcement practice, 1:12

Uniform Securities Act, 13:3, App. 13A

BRIEFS

Administrative remedies, quasi judicial proceedings. Johnson v. SEC, **App. 4D**

Amicus curiae. See Amicus Curiae Brief (this index)

Criminal referral, SEC's brief in United States v, Fields. **7:16**

Injunctions, SEC brief supporting continued application of injunction requiring appellant to obey antifraud provisions, **App. 5A**

Investigations, postexamination briefs, SEC Release No. 5310 concerning counsel's opportunity to submit, **App. 3G**

Subpoena, SEC brief

Abuse of process as justification for denying enforcement in ESM Government Securities Case, **App. 9A**

Judicial decision limiting authority to provide Justice Dept. with evidence produced pursuant to SEC brief, **App. 7D**

BROKER-DEALERS

Administrative remedies, broker-dealer disciplinary sanctions, **4:7**

Blue Sky enforcement, revocation of brokerdealer registration, **13:14**

Criminal and related enforcement practice, broker-dealer violations, **7:10**

Enforcement program. See Enforcement Program (this index)

Privacy Act, correspondence files pertaining to, 8:32

Self-regulatory organizations enforcement practice, SEC amicus curiae brief arguing against court injunction of NASD disciplinary proceeding against securities broker and dealer, **App. 14A**

BURDEN OF JUSTIFICATION

Administrative remedies, legal standards, 4:29

BUSINESS ORGANIZATIONS

Criminal and related enforcement practice, federal prosecution of business organizations, **App. 7F**

CAUTIONARY LETTER

SEC investigations possible remedial action, 3:32

CEASE AND DESIST ORDERS

Administrative remedies, legal standards, **4:24** Blue Sky enforcement, cease and desist power, **13:8**

Securities Enforcement Remedies Act. See Securities Enforcement Remedies Act (this index)

CENTRAL BANK OF DENVER

SEC enforcement program, 2:38

CFTC ENFORCEMENT PRACTICE

See Futures Trading, Regulation of (this index)

COLLATERAL ESTOPPEL

SEC investigations, 3:67 et seq.

COMPLIANCE

Criminal Division Evaluation of Corporate Compliance Programs, DOJ, **App. 7J**

CONFLICTS OF INTEREST

See Multiple Representation and Conflicts of Interest (this index)

CONTEMPT

Injunctions, adverse collateral consequences, civil and criminal contempt, **5:11**

SEC contempt proceedings. See Criminal and Related Enforcement Practice (this index)

CORPORATION, REPRESENTATION OF

See Multiple Representation and Conflicts of Interest (this index)

CORRESPONDENCE FILES

See Privacy Act (this index)

CRIMINAL AND RELATED ENFORCEMENT PRACTICE

Generally, 1:6, 7:1 et seq.

Accountant liability

Generally, 7:9

Broker-dealer violations, 7:10

Insider trading and parking, 7:11

Blue sky enforcement. See Blue Sky Enforcement (this index)

Broker-dealer violations, accountant liability, 7:10

Business organizations, federal prosecution of, App. 7F, App. 7G

Charging guidelines, federal prosecution of corporations, **App. 7H**

Conclusion, 7:39

Contempt

Generally, 7:19

Civil and criminal contempt distinguished, 7:20

CRIMINAL AND RELATED ENFORCEMENT PRACTICE—Cont'd

Contempt—Cont'd

Parties subject to contempt, 7:23

SEC contempt proceedings, 7:21 to 7:23

Corporate charging guidelines, revision, **App. 7H**

Criminal Division Evaluation of Corporate Compliance Programs, DOJ, App. 7J

Criminal liability, 7:2 to 7:13

Criminal referral

Generally, 7:14

SEC criteria, 7:15

SEC's criminal referral procedures, 7:17

Tactical considerations, 7:18

"False statements" statutes, 7:13

Federal prosecution of business organizations,

App. 7F, App. 7G

Government misconduct, 7:12

Insider trading and parking, 7:11

Insider trading criminal prosecutions, 1980-1984, App. 7A

Interstate commerce requirement, 7:4

Key criminal provisions

Generally, 7:3

Interstate commerce requirement, 7:4

Knowingly, meaning of, 7:5

Lack of knowledge of SEC rule or regulation, 7:6

Meaning of willfully and knowingly, 7:5

Requisite intent, 7:7

Willfully, meaning of, **7:5**

Knowingly, meaning of, 7:5

Mail and wire fraud statutes, 7:8

Obstruction of justice, There & Harris case. See Obstruction of Justice: U.S. v. There & Harris (this index)

Parallel proceedings

Generally, 7:24

Attacking parallel proceedings, 7:26

Dresser case, SEC v. Dresser Industries, 7:27 to 7:29

Enforceability of administrative subpoenas, 7:26

Enforcement of SEC subpoenas after return of indictment, 7:32

Expanding concept of parallel proceedings, 7:30

Fifth Amendment rights, consequences of invoking, **7:31**

General rule, 7:25

Prosecution, federal prosecution of business organizations, **App. 7F, App. 7G**

Racketeer Influenced and Corrupt Organizations
Act

Generally, 7:33

Civil RICO, 7:36, 7:37

CRIMINAL AND RELATED ENFORCEMENT PRACTICE—Cont'd

Racketeer Influenced and Corrupt Organizations Act—Cont'd

Criminal remedies, 7:35

Elements of RICO, 7:34

Order regarding RICO claim, App. 7E

Requisite intent, 7:7

Securities law ramifications, 7:38

Subpoenas

Parallel proceedings

Attacking parallel proceedings, 7:26

SEC brief re judicial decision limiting authority to provide Justice Department with evidence produced pursuant to Commissioner's subpoena, **App. 7D**

Thompson Memorandum, federal prosecution of business organizations, **App. 7F**

Willfully, meaning of, 7:5

DEFENSES TO SUBPOENA ENFORCEMENT ACTIONS

See Subpoena, SEC enforcement practice (this index)

DEPARTMENT OF JUSTICE (DOJ)

Criminal Division Evaluation of Corporate Compliance Programs, **App. 7J**

DEPOSITIONS AND INTERROGATORIES

Administrative remedies, quasi-judicial proceedings, **4:47**

DISCLOSURE

Enforcement actions involving financial disclosure issues initiated July 1, 1981 through December 31, 1984, list of, **App. 2A**

Freedom of Information Act, preventing disclosure, **8:6**

Injunctions, adverse collateral consequences, 5:13

Processing of SEC disclosure filings during pendency of investigation, **3:28**

Waiver of attorney client privilege, voluntary disclosure to SEC. See Attorney Client Privilege and the Work Product Doctrine (this index)

DISGORGEMENT

Accounting and disgorgement orders in SEC administrative proceedings, **6:12**

Administrative remedies, legal standards, 4:23

Insider trading, measure of disgorgement, 2:19

DRESSER CASE

Criminal and related enforcement practice, SEC v. Dresser Industries, **7:27 to 7:29**

ENFORCEMENT PROGRAM

Generally, 1:2, 2:1

Acquisitions and takeovers, 2:33

Antifraud and manipulative conduct, 2:5

"Blackout period" prohibition, 2:23

Blue sky enforcement. See Blue Sky Enforcement (this index)

Broker-dealer enforcement

Generally, 2:25

Penny Stock Reform Act of 1990, 2:26 to 2:28

SEC enforcement actions, 2:30

SEC rules, **2:29**

Central Bank of Denver, impact, 2:38

Current issues in enforcement policy, 2:3

Extraterritorial scope of Federal securities laws, 2:39

Financial disclosure issues, list of enforcement actions initiated July 1, 1981 through December 31, 1984, **App. 2A**

Financial fraud, 2:24

First amendment issues, 2:37

Foreign Corrupt Practices Act, 2:32

Futures trading regulation. See Futures Trading, Regulation of (this index)

Government securities enforcement, 2:34

House and Senate debates over Insider Trading Sanctions Act of 1984, excerpts from Congressional Record of, **App. 2D**

Insider trading

Generally, 2:7

Chiarella, Dirks and the SEC response, 2:8

Deception requirement, 2:11

Enforcement actions, 2:21

Gift theory, 2:18

House and Senate debates over Insider Trading Sanctions Act of 1984, excerpts from Congressional Record of, App. 2D

"In connection" requirement, 2:12

Insider Trading and Securities Fraud Enforcement Act of 1988, **App. 2F**

Limitations to the misappropriation theory, **2:15**

Measure of disgorgement, 2:19

Misappropriating tippers, 2:13, 2:14

Misappropriation rationale, 2:9, 2:15

O'Hagen and the misappropriation theory, 2:10

Personal benefits test, 2:13, 2:14

Quasi-insider principle, 2:17

Sanctions, 2:20

Tender offers, 2:16

Waiver by conduct approach, 2:22

International matters, extraterritorial scope of Federal securities laws, 2:39

Materially false and misleading registration, 2:31

Memorandum in support of application for temporary restraining order, Exchange Act

ENFORCEMENT PROGRAM—Cont'd

violations pursuant to misappropriation of information, App. 2C

Misconduct, areas which SEC enforcement activity is centered

Generally, 2:4

Antifraud and manipulative conduct, **2:5** Insider trading, supra

Misappropriation of information, memorandum in support of application for temporary restraining order, **App. 2C**Regulation FD, **2:6**

Penny stock reform. Penny Stock Reform Act of 1990 (this index)

Privacy Act. See Privacy Act (this index)

Private Securities Litigation Reform Act of 1995, joint explanatory statement of the Committee of Conference, **App. 2G**

Qualitative materiality, 2:35

Registration, materially false and misleading, 2:31

Regulation FD, 2:6, App. 2H

Right to Financial Privacy Act. See Right to Financial Privacy Act (this index)

Sarbanes-Oxley Act of 2002, App. 2J

SEC brief amicus curiae, Gannino v. Citizens Utilities Company, **App. 2I**

SEC enforcement program, generally, 2:34

Securities Enforcement Remedies Act. See Securities Enforcement Remedies Act (this index)

Self-regulatory organizations. See Self-regulatory Organizations Enforcement Practice (this index)

Tax shelters, 2:36

Types of enforcement approaches, 2:2

Washington Public Power Supply System Securities case, SEC formal order of investigation, App. 2B

EXPENSES

Formal investigations, claim for witness fees and expenses, SEC Form 1712, App. 3H

Offensive strategies in defending against an SEC investigation, recovery of expenses and attorneys fees, **3:53**

EXTRATERRITORIALITY

Enforcement, scope of Federal securities laws, **2:39**

FEDERAL COMMODITIES LAW, HISTORY AND OVERVIEW OF

See Futures Trading, Regulation of (this index)

FIFTH AMENDMENT ISSUES

Criminal and related enforcement practice, consequences of invoking Fifth Amendment rights, 7:31

FIFTH AMENDMENT ISSUES—Cont'd

Defenses to subpoena enforcement actions, **9:12** SEC investigations, **3:21**

FILINGS

Administrative remedies, quasi-judicial proceedings, filing of motions with SEC, **4:50**

Freedom of Information Act

Mandatory filings and submissions, **8:4** Voluntary filings and submissions, **8:5**

Processing of SEC disclosure filings during pendency of investigation, **3:28**

FINANCIAL PENALTIES

See also Securities Enforcement Remedies Act (this index)

Statement of SEC concerning, App. 6C

FINANCIAL PRIVACY ACT

Offensive strategies in defending against an SEC investigation, invocation of right to Financial Privacy Act, **3:45**

FIRST AMENDMENT ISSUES

Defenses to subpoena enforcement actions, **9:10** SEC enforcement program, **2:37** SEC investigations, **3:23**

FOREIGN CORRUPT PRACTICES ACT

SEC enforcement program, 2:32

FOREIGN RESTRICTED LIST

SEC investigations possible remedial action, 3:31

FORMAL INVESTIGATIONS

See Investigations (this index)

FOURTH AMENDMENT ISSUES

Defenses to subpoena enforcement actions, **9:11** SEC investigations, **3:22**

FREEDOM OF INFORMATION ACT

Generally, 8:2

Confidential treatment under Freedom of Information Act

Letter requesting, App. 8D

Procedure, App. 8C

Disclosure, preventing, 8:6

Exemptions, 8:7 to 8:12

Guidelines and procedures, Privacy Act and Freedom of Information Act, App. 8B

Information which may be obtained from SEC, 8:3

Mandatory filings and submissions, 8:4

Privacy Act

Generally, see other lines in this topic Freedom of Information Act requests, **8:40**,

App. 8F, App. 8H

Reverse suits, 8:13

Voluntary filings and submissions, 8:5

FRONTAL ATTACK BY TARGET TO ENJOIN INVESTIGATION

See Investigations (this index)

FUTURES TRADING, REGULATION OF

Generally, 1:11, 12:1

Arbitration, reparations procedure and private rights of action, 12:10

CFTC enforcement practice

Administrative proceedings, 12:12

Civil actions, 12:13

Criminal violations, 12:14

Investigations, 12:11

Secondary liability, 12:16

Similarities between SEC and CFTC enforcement, 12:17

Standards of conduct necessary for imposition of liability, 12:15

Commodities Law, legal literature on, App. 12A

Commodity Futures Modernization Act, jurisdiction, 12:10

Enforcement. CFTC enforcement practice, supra

Futures Trading Act of 1982, 12:6

History and overview of federal commodities law Generally, **12:3**

Establishment of commodity futures trading commission, **12:4**

Futures Trading Act of 1982, **12:6**

Increased penalties for statutory violations and state enforcement. 12:5

Jurisdiction issues, 12:2

Persons and activities subject to commission regulation, **12:9**

Private rights of action, arbitration and reparations procedure, **12:10**

Reparations procedure, arbitration and private rights of action, 12:10

Structure of commission

Generally, 12:7

Self regulatory feature, 12:8

Study of effects on economy of trading in futures options, materials from, **App. 12B**

FUTURES TRADING ACT OF 1982

History of federal commodities law, 12:6

FUTURE VIOLATIONS, RISK OF

Securities Enforcement Remedies Act, enforcement of violations under cease and desist authority, **6:15**

GUIDELINES

Corporate charging guidelines, federal prosecution, **App. 7H**

HANDLING AN SEC INVESTIGATION

Generally, 1:3

IMMUNITY

Attorney client privilege and the work product doctrine, resolution of accountant work-product immunity in U.S. v. Arthur Young & Co., 11:27

SEC investigations, **3:27**

INDEPENDENT COUNSEL

Multiple representation and conflict of interest, SEC amicus curiae brief whether corporation must select independent counsel to pursue litigation recommended by court appointed special counsel, **App. 10C**

INDEX SYSTEMS

See Privacy Act (this index)

INJUNCTIONS

Generally, 1:5, 5:1, 5:2

Administrative remedies, legal standards, 4:22

Adverse collateral consequences

Civil and criminal contempt, **5:11**

Disclosure consequences, 5:13

Disqualification, revocations and suspensions, 5:12

Modifying and dissolving SEC injunctions, determining factors, **5:28**

Reputation, effect on, 5:10

Amicus curiae memorandum supporting power of court to grant equitable relief in Section 13(d) actions, **App. 5B**

Antifraud provisions, SEC brief supporting continued application of injunction requiring appellant to obey, **App. 5A**

Blue sky enforcement. See Blue Sky Enforcement (this index)

Brief of SEC supporting continued application of injunction requiring appellant to obey antifraud provisions, **App. 5A**

Determining factors in modification or dissolution process. Modifying and dissolving SEC injunctions, infra

Government injunctions, 5:3

Judicial standards applied to SEC injunctions, 5:20, 5:24

Letters regarding clarification of meaning of item 401(f)(3) of Regulation SK, App. 5C

Modifying and dissolving SEC injunctions

Generally, 5:16

Considerations for assessing motions, 5:33

Determining factors

Generally, 5:26

Adverse collateral consequences, 5:28

Change of law, 5:32

Movant's status and identity, 5:30

Nature of proceeding, 5:27

Rehabilitation, 5:29

Societal deterrence and public interest, 5:31

INJUNCTIONS—Cont'd

Modifying and dissolving SEC injunctions
—Cont'd

Guidelines, 5:34

Judicial standards applied to SEC injunctions, 5:20

Limited and related SEC injunctions, 5:19

Swift standards, 5:16 to 5:18

Procedural requirements

Generally, 5:14

other courts, 5:15

SEC litigation, 5:15

Regulation S-K, letters regarding clarification of meaning of item 401(f)(3), **App. 5C**

SEC ancillary or other equitable relief, **5:8**, **5:9** SEC injunctions

Generally, 5:4

Cease and desist authority for future risk as compared to injunction, **6:15**

Exchange Act § 14(e) and Consent and Order of Judgment, complaint for permanent injunction against defendant corporation, **App. 2E**

Exchange Act violations pursuant to misappropriation of information, SEC memorandum in support of application for temporary restraining order, **App. 2**C

Judicial relevance to grant, 5:7

Modifying and dissolving SEC injunctions, infra

Relevant standards, 5:4

Scienter. 5:6

Securities Enforcement Remedies Act, enforcement of violations under cease and desist authority, **6:15**

Swift standards

Generally, 5:16

Current SEC position, **5:23**

Less restrictive modern standard, 5:18

Lower court application, 5:17, 5:22

Traditional Swift standard, **5:21**

Underlying policies, 5:25

INSIDER TRADING

Criminal and related enforcement practice, accountant liability, **7:11**

Criminal prosecutions for insider trading 1980-1984, **App. 7A**

Enforcement program. See Enforcement Program (this index)

Insider Trading Sanctions Act, administrative remedies. **4:42**

INTERLOCUTORY SEC REVIEW

Administrative remedies, quasi-judicial proceedings, **4:49**

INTERNATIONAL ENFORCEMENT

Extraterritorial scope of Federal securities laws, 2:39

INVESTIGATIONS

Generally, 3:1

Attorney-client privilege, 3:24

Cautionary letter, remedial action, 3:32

Collateral estoppel, 3:67 et seq.

Constitutional and other recognized privileges

Generally, 3:20

Attorney-client privilege, **3:24**

Fifth Amendment privilege, 3:21

First Amendment privilege, 3:23

Fourth Amendment privilege, **3:22**

Immunity, 3:27

Other privileges, 3:27

Work product privilege, 3:25

Defending against an SEC investigation.

Offensive strategies in defending against an SEC investigation, infra

Disclosure, processing of SEC disclosure filings during pendency of investigation, **3:28**

Dismissal of criminal indictment. Offensive strategies in defending against an SEC investigation, infra

Fifth Amendment privilege, 3:21

Financial Privacy Act, invocation of right to, 3:45

First Amendment privilege, 3:23

Foreign restricted list, remedial action, 3:33

Formal investigations

Generally, **3:4**

Availability of transcript of interrogation, **3:19**

Claim for witness fees and expenses, SEC

Form 1712, **App. 3H**

Examination of witness, 3:13

Interrogation

Availability of transcript of, 3:19

Role of counsel during, 3:18

Issuance of formal order of investigation, 3:5

Mechanics of formal order, 3:6

Notice to witness testifying in formal investigation, **App. 3F**

Obtaining formal order, 3:12

Opening statement by counsel, 3:14

Preparing witness, 3:16

Role of counsel during interrogation, **3:18**Subpoena

Confidentiality, request for, 3:10

Declining to produce in response to SEC subpoena, **3:11**

Procedures for producing subpoenaed documents, **3:9**, **3:10**

Responding to SEC subpoena, 3:8

SEC subpoena power for production of documents, **3:7**

INVESTIGATIONS—Cont'd	INVESTIGATIONS—Cont'd
Formal investigations—Cont'd	Post-examination procedure—Cont'd
Testimony before SEC staff, 3:17	Review of transcript, 3:55
Washington Public Power Supply System	Wells submission
Securities case, SEC formal order of	Generally, 3:56
investigation, App. 2B	Background, 3:57
Witness	Drawbacks, 3:59
Notice to witness testifying in formal	Uses, 3:58
investigation, App. 3F	Preliminary inquiries, 3:3
Preparing witness, 3:16	Processing of SEC disclosure filings during
Fourth Amendment privilege, 3:22	pendency of investigation, 3:28
Frontal attack by target to enjoin investigation.	Records retention letter, App. 3J
Offensive strategies in defending against an	Remedial action
SEC investigation, infra	Generally, 3:29
Identity of defendants, 3:42	Administrative proceedings, 3:39
Immunity, 3:27	Cautionary letter, 3:32
Injunctive actions, remedial action, 3:40	Civil and criminal referral to other law
Interrogation. Formal investigations, supra	enforcement agencies, 3:35
Memorandum	Foreign restricted list, 3:33
Internal law firm memorandum concerning	Injunctive actions, 3:40
settlement negotiations with SEC, App.	No further action, 3:30
3K	Penney Stock Reform Act of 1990, 3:41
Subpoena, persons directed to supply informa-	Referral
tion pursuant to, App. 3D	Civil and criminal referral to other law
Uses of information furnished to SEC, App. 3E	enforcement agencies, 3:35
	Self-regulatory organizations, 3:36
Notice to witness testifying in formal investigation, App. 3F	Rule 2(e) proceedings, 3:38
Offensive strategies in defending against an SEC	Section 21(a) reports, 3:37
investigation	Self-regulatory organizations, referral to, 3:36
Generally, 3:43	Stop orders, 3:34
Dismissal of criminal indictment	Trading suspension, 3:31
Generally, 3:50	Settlement of SEC investigations
Improper criminal reference, 3:51	Generally, 3:60
Prejudice to defendant during criminal pro-	Appropriate time to settle, 3:63
cess, 3:52	Benefits of settlement, 3:62
Frontal attack by target to enjoin investigation	Form of the consent, 3:65
Generally, 3:46	Judicial approval of the consent decree, 3:66
Bad faith, 3:48	Parklane Hosiery, 3:69 , 3:72
Improper procedures, 3:49	Range of considerations, 3:64
Negligence, 3:47	Role of counsel, 3:61, 3:73
Invocation of right to Financial privacy Act,	Stipulation of settlement and final order, App.
3:45	3L
Opposition to subpoena, 3:44	Stipulation of settlement and final order, App. 3I
Recovery of expenses and attorneys fees, 3:53	Stop orders, remedial action, 3:34
Orders	Strategies for defending against an SEC
Directing private investigation and designating	investigation. Offensive strategies in defend
officers to take testimony, App. 3A	ing against an SEC investigation, supra
Stipulation of settlement and final order, App.	Subpoena
3L	Attachment to subpoena, requesting specific
Penny Stock Reform Act of 1990, remedial	information, App. 3C
action, 3:41	Duces tecum, 3:7, App. 3B
Postexamination briefs, SEC Release No. 5310	Formal investigations, supra
concerning counsel's opportunity to submit,	Memorandum to persons directed to supply
App. 3G	information pursuant to subpoena, App.
Post-examination procedure	3D
Counsel's role, 3:54	Opposition to subpoena, 3:44

INVESTIGATIONS—Cont'd

"Tandy" letter, App. 3I

Trading suspension, remedial action, 3:31

Triggering an SEC inquiry, 3:2

Wells submission. Post-examination procedure, supra

Witnesses

Formal investigations, supra

Work product privilege, 3:25

INVESTMENT ADVISERS

Administrative remedies, disciplinary proceedings against, **4:13**

Privacy Act, correspondence files pertaining to, 8:33

INVESTMENT COMPANIES

Administrative remedies, disciplinary proceedings against, **4:14**

Privacy Act, correspondence files, 8:34

JOINT DEFENSE DOCTRINE

Attorney client privilege. See Attorney Client Privilege and the Work Product Doctrine (this index)

JUDICIAL REVIEW

Administrative remedies, 4:39

Self-regulatory organizations enforcement practice, judicial review of SEC's order, 14:11

MAIL AND WIRE FRAUD STATUTES

Criminal and related enforcement practice, 7:8

MEDIA

Subpoenas, SEC policy statement concerning subpoenas to members of, App. 9B

MEMORANDUM

SEC investigations. See Investigations (this index)

Temporary restraining order application for Exchange Act violations pursuant to misappropriation of information, **App. 2C**

MODEL RULES OF PROFESSIONAL CONDUCT

See Multiple Representation and Conflicts of Interest (this index)

MONETARY PENALTIES

See Securities Enforcement Remedies Act (this index)

MULTIPLE REPRESENTATION AND CONFLICTS OF INTEREST

Generally, 1:9, 10:1

Corporation, representation of
Controlling person transactions, **10:21**Counsel as director, **10:22**, **10:23**

MULTIPLE REPRESENTATION AND CONFLICTS OF INTEREST—Cont'd

Corporation, representation of-Cont'd

Specific conflict situations

Generally, 10:17

Acquisitions, 10:20

Corporate control contests, 10:19

Derivative actions, 10:18

Who is counsel's client, 10:16

Disqualification of counsel

Generally, 10:7

Brief imputing personal disqualification of attorney to firm, App. 10B

Vicarious disqualification, infra this group

Formal waiver procedures applicable to law firms (SEC Release No. 15064), **App. 10A**

Loyalty of counsel conflicts with appearance of impropriety and accessibility of skilled lawyers, 10:24

Model rules of professional conduct, 10:2, 10:3

Simultaneous representation

Generally, 10:4

Business entity and its officers, 10:5

SEC administrative and judicial proceedings, 10:7

SEC sequestration rule, 10:6

SEC settlement negotiations, 10:8

Successive representation

Generally, 10:9

Substantial relationship standard, 10:10, 10:11

Vicarious disqualification

Generally, 10:12

Avoidance, 10:13

Chinese wall screening, 10:14, 10:15

NEGLIGENCE

Securities Enforcement Remedies Act, enforcement of violations under cease and desist authority, **6:15**

NEWS MEDIA

Subpoenas, SEC policy statement concerning subpoenas to members of, **App. 9B**

NO-ACTION AND INTERPRETATIVE LETTERS

Privacy Act, 8:48

NON-SECURITIES LAW STATUTES, APPLICABILITY OF TO SEC ENFORCEMENT PRACTICE

Generally, 1:7, 8:1

Freedom of Information Act. See Freedom of Information Act (this index)

Privacy Act. See Privacy Act (this index)

Right to Financial Privacy Act. See Right to Financial Privacy Act (this index)

NOTICE

Administrative remedies, quasi-judicial proceedings, **4:44**, **App. 4B**

Right to Financial Privacy Act, customer notice and challenge provisions, **8:68**

Third party subpoena. See Subpoena, SEC enforcement practice (this index)

Witness testifying in formal investigation, **App. 3F**

OBSTRUCTION OF JUSTICE: U.S. V. THAYER & HARRIS

Information, App. 7B

Memorandum in aid of sentencing, App. 7C

OFFENSIVE STRATEGIES IN DEFENDING AGAINST AN SEC INVESTIGATION

See Investigations (this index)

OFFICE OF GENERAL COUNSEL

Privacy Act, working files, 8:50

OFFICE OF OPINIONS AND REVIEW WORKING FILES

Privacy Act, 8:51

O'HAGEN AND THE MISAPPROPRIATION THEORY

Insider trading, SEC enforcement program, 2:10

PENNY STOCK REFORM ACT OF 1990

Generally, 6:1

See also Securities Enforcement Remedies Act (this index)

Broker-dealer enforcement, SEC enforcement program, 2:26 to 2:28

Congressional testimony, 6:5

Legislative history. 6:2

Remedial action, SEC investigations, 3:41

SEC legislative proposals, 6:4

Senate and House bills, **6:6**

Senate and House compromise, 6:7

Treadway commission, 6:3

PERSONAL BENEFITS TEST

Insider trading, SEC enforcement program, 2:13

PRIVACY ACT

Generally, 8:14

Acquisition, tender offer and solicitation records, 8.21

Administrative law judge assignments, 8:26

Administrative proceedings

Persons involved in, 8:29

Records of, 8:28

Administrative system respondents or defendants, 8:27

Applications for relief from disqualification, **8:30** Attorneys who appear before commission, records of, **8:52**

PRIVACY ACT—Cont'd

Beneficial ownership records of certain individuals, **8:22**

Broker-dealers, correspondence files pertaining to 8:32

Bulletin, litigation, actions and proceedings, 8:54

Civil and criminal litigation files, 8:46

Complaint processing system records, 8:31

Corporation finance working files, 8:35

Correspondence files

Broker-dealers, 8:32

General correspondence files, 8:41

Investment advisers, 8:33

Investment companies, 8:34

Denver regional office investigative files, 8:55

Disqualification, applications for relief from, 8:30

Enforcement

Investigative working files, 8:36

Liaison working files, 8:37

Preliminary market surveillance inquiries, 8:38

Exceptions to the Act, 8:15 et seq.

Freedom of Information Act. See Freedom of Information Act (this index)

General correspondence files, 8:41

General routine uses, 8:16

Hearings, proceedings and studies, 8:42

Index system for

Investigation and actions, 8:43

Investor service complaint, 8:45

Investigation and actions index system, 8:43

Investigatory files, 8:44

Investment advisers, correspondence files pertaining to, **8:33**

Investment companies, correspondence files pertaining to, **8:34**

Investment management working files, 8:39

Investor service complaint index, 8:45

Litigation, actions and proceedings bulletin, 8:54

Matters under inquiry, 8:56

Minutes of actions taken by commission, 8:47

No-action and interpretative letters, 8:48

Office of chief accountant working files, 8:49

Office of general counsel working files, **8:50**

Office of opinions and review working files, 8:51

Persons involved in administrative proceedings,

8:29

Proposed sales of securities records, 8:24

Proxy soliciting materials, 8:25

Records

Acquisition, tender offer and solicitation, **8:21** Administrative proceedings, records of, **8:28**

Attorneys who appear before commission,

8:52

Beneficial ownership records of certain individuals, **8:22**

PRIVACY ACT-Cont'd

Records—Cont'd

Complaint processing system records, **8:31** Periodic reports filed by issuers, **8:23**

Proposed sales of securities records, 8:24

Registration exemption applications, 8:19

Registration exemption notifications, 8:20

Registration statements, 8:18

Reports, periodic reports filed by issuers, 8:23

Routine uses, 8:17 et seq., App. 8E

SEC documentary materials available to public, App. 8A

SEC's system of records, 8:15

Solicitation

Acquisition, solicitation and tender offer records, **8:21**

Proxy soliciting materials, 8:25

Specific routine uses, 8:17 et seq.

Studies, hearings and proceedings, 8:42

Tender offer, acquisition and solicitation records, 8:21

PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Joint explanatory statement of the Committee of Conference, App. 2G

PROSECUTION

Corporate charging guidelines, revision, **App. 7H**Criminal and related enforcement practice,
federal prosecution of business organizations, **App. 7F**, **App. 7G**

Principles of federal prosecution of business organizations, **App. 7G**

Thompson Memorandum, federal prosecution of business organizations, **App. 7F**

PROXY SOLICITING MATERIALS

Privacy Act, 8:25

QUASI-INSIDER PRINCIPLE

Insider trading, SEC enforcement program, 2:17

QUASI-JUDICIAL PROCEEDINGS

See Administrative Remedies (this index)

RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT

See Criminal and Related Enforcement Practice (this index)

RECORDS

Privacy Act. See Privacy Act (this index)
Right to Financial Privacy Act, customer records,
procedures for agency access to, 8:58, 8:59

RECOVERY OF EXPENSES AND ATTORNEYS FEES

Offensive strategies in defending against an SEC investigation, 3:53

REFUSAL ORDERS

See Administrative Remedies (this index)

REGISTRATION

Blue sky enforcement. See Blue Sky Enforcement (this index)

Privacy Act. See Privacy Act (this index)

Revoking or suspending registration of a security, 4:11

SEC enforcement program, materially false and misleading registration, **2:31**

REGULATION FD

SEC enforcement program, 2:6, App. 2H

REGULATION S-K

Injunctions, letters regarding clarification of meaning of item 401(f)(3), **App. 5C**

REMEDIES

Administrative remedies. See Administrative Remedies (this index)

Investigations, remedial action. Investigations (this index)

Racketeer Influenced and Corrupt Organizations Act, criminal remedies, 7:35

Securities Enforcement Remedies Act. See Securities Enforcement Remedies Act (this index)

Securities Law Enforcement Remedies Act of 1990, **App. 6A, App. 6B**

REVISIONS

Criminal and related enforcement practice, revisions to corporate charging guidelines, **App. 7H**

RICO (RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT)

See Criminal and Related Enforcement Practice (this index)

RIGHT TO FINANCIAL PRIVACY ACT

Generally, 8:56, 8:57

Application to the SEC, 8:62 to 8:66

Bypass provisions, 8:60

Customer records, procedures for agency access to, **8:58**, **8:59**

Defenses to subpoena enforcement actions, **9:15** Enforcement. SEC enforcement staff's position, infra

Exemptions, 8:61

Historical background, 8:56

Hunt v. SEC, 8:63 to 8:65, 8:72

Procedures for agency access to customer records, **8:58**, **8:59**

Ruggles v. SEC, 8:66

SEC enforcement staff's position

Generally, 8:67

RIGHT TO FINANCIAL PRIVACY ACT —Cont'd

SEC enforcement staff's position—Cont'd Customer notice and challenge provisions, 8:68

Interagency cooperation, 8:70

Investigation directed at banks, 8:69

Legislative recommendations, 8:71

Subpoena, defenses to subpoena enforcement actions. **9:15**

RULE 2(E) AND RULE 102(E)

See Administrative Remedies (this index)

SANCTIONS

See Administrative Remedies (this index)

SARBANES-OXLEY ACT OF 2002

SEC enforcement program, App. 2J

SEC ADMINISTRATIVE REMEDIES

See Administrative Remedies (this index)

SEC ENFORCEMENT PROGRAM

See Enforcement Program (this index)

SEC INJUNCTIONS

See Injunctions (this index)

SEC INVESTIGATIONS

See Investigations (this index)

SECONDARY LIABILITY

Administrative remedies, duty to supervise, controlling person provisions, and respondeat doctrine, **4:38**

Futures trading, regulation of, 12:16

SEC SUBPOENA ENFORCEMENT PRACTICE

See Subpoena, SEC enforcement practice (this index)

SECTION 15(C)(4) DISCIPLINARY PROCEEDINGS

Administrative remedies, 4:8

SECTION 21(A), REPORTS OF INVESTIGATION

Administrative remedies, 4:17

SECURITIES ENFORCEMENT REMEDIES ACT

Generally, App. 6A, App. 6B

See also Penny Stock Reform Act of 1990 (this index)

Accounting and disgorgement orders in SEC administrative proceedings, **6:12**

Analysis of monetary penalties in SEC administrative proceedings, **6:11**

Analysis of permanent cease and desist authority, **6:15**

SECURITIES ENFORCEMENT REMEDIES ACT—Cont'd

Analysis of temporary ceases and desist authority, **6:17**

Analysis of the civil penalties provisions, 6:9

Cease and desist authority, **6:13**

Civil penalties provisions, 6:8, 6:9

Financial or monetary penalties

Civil actions, 6:8

SEC administrative proceedings, 6:10, 6:11

Statement of SEC concerning, App. 6C

Monetary penalties. Financial or monetary penalties, supra

Negligence, enforcement of violations, 6:15

Officer and duty bars, 6:18

Permanent cease and desist authority, 6:15

Permanent cease and desist orders, 6:14

Possible ramifications, **6:19**

Securities Law Enforcement Remedies Act of 1990, **App. 6A, App. 6B**

Temporary ceases and desist orders, 6:16, 6:17

SECURITIES LITIGATION UNIFORM STANDARDS ACT

Blue Sky enforcement, 13:29

SELF-REGULATORY ORGANIZATIONS ENFORCEMENT PRACTICE

Generally, 1:13, 14:1

Administrative remedies, disciplinary authority over, **4:9**

Amicus curiae brief arguing against court injunction of NASD disciplinary proceeding against securities broker and dealer, **App.** 14A

Appeal to SEC, 14:10

Appeal to SRO board of governors, 14:9

Consent proceedings, ramifications of, 14:5

Disciplinary hearings and procedures, 14:7

Exhaustion of administrative remedies, 14:8

Informal practices, 14:6

Judicial review of SEC's order, 14:11

Procedural framework of SRO enforcement, 14:4

SEC oversight and SRO enforcement, 14:3

Settlements, ramifications of, 14:5

Statutory authority for enforcement, 14:2

Summary disciplinary measures, ramifications of, 14:5

SETTLEMENT OF SEC INVESTIGATIONS

See Investigations (this index)

SHAREHOLDERS SUITS, APPLICABILITY OF PRIVILEGE IN

See Attorney Client Privilege and the Work Product Doctrine (this index)

SIMULTANEOUS REPRESENTATION

See Multiple Representation and Conflicts of Interest (this index)

SOLICITATION

See Privacy Act (this index)

SPECIAL COUNSEL

Multiple representation and conflict of interest, SEC amicus curiae brief whether corporation must select independent counsel to pursue litigation recommended by court appointed special counsel, **App. 10**C

STATE "BLUE SKY" ENFORCEMENT PRACTICE

See Blue Sky Enforcement (this index)

STATUTE OF LIMITATIONS

Administrative remedies, legal standards, 4:20

STIPULATIONS

SEC investigations, stipulation of settlement and final order, **App. 3L**

STOP ORDERS

Administrative remedies. See Administrative Remedies (this index)

Blue Sky enforcement, issuance of stop order, 13:12

SEC investigations, remedial action, 3:34

SUBPOENA, SEC ENFORCEMENT PRACTICE

Generally, 1:8, 9:1

Abuse of process as justification for denying enforcement of subpoena in ESM Government Securities Case, SEC brief re, App. 9A

Administrative requirements for issuing, 9:3
Attorney-client privilege, defense, 9:13

Bad faith and abuse of process, defense, 9:14

Briefs. See Briefs (this index)

Burden on parties opposing subpoena, 9:5

Criminal and related enforcement practice. See Criminal and Related Enforcement Practice (this index)

Defenses to subpoena enforcement actions Generally, **9:9**

Attorney-client privilege, 9:13

Bad faith and abuse of process, 9:14

Fifth Amendment defense, 9:12

First Amendment defense, 9:10

Fourth Amendment defense, 9:11

Right of Financial Privacy Act, 9:15

Determination of "relevancy" of information sought, **9:4**

Fifth Amendment defense, 9:12

First Amendment defense, 9:10

Fourth Amendment defense, 9:11

Investigations. See Investigations (this index)

SUBPOENA, SEC ENFORCEMENT PRACTICE—Cont'd

Media, SEC policy statement concerning subpoenas to members of, App. 9B

News media, SEC policy statement concerning subpoenas to members of, App. 9B

Notice of third party subpoena

Generally, 9:6

Conflict among circuits concerning notice to targets, 9:7

Supreme Court decision in SEC v. Jerry T. O'Brien, Inc., 9:8

Right of Financial Privacy Act, defense, 9:15

Scope of SEC's subpoena powers, 9:16

Supreme Court standards, 9:2

Third party. Notice of third party subpoena, supra

SUCCESSIVE REPRESENTATION

See Multiple Representation and Conflicts of Interest (this index)

TAX SHELTERS

SEC enforcement program, 2:36

TENDER OFFER, ACQUISITION AND SOLICITATION RECORDS

Privacy Act, 8:21

THIRD PARTY SUBPOENA

See Subpoena, SEC enforcement practice (this index)

THOMPSON MEMORANDUM

Federal prosecution of business organizations, App. 7F

TRADING SUSPENSION

Administrative remedies, summarily suspending trading in a security, **4:10**

SEC investigations possible remedial action, 3:31

UNDERTAKINGS

Administrative remedies, 4:40, 4:41

UNIFORM SECURITIES ACT

Blue Sky enforcement, 13:3, App. 13A

VICARIOUS DISQUALIFICATION

See Multiple Representation and Conflicts of Interest (this index)

WAIVER OF ATTORNEY CLIENT PRIVILEGE

See Attorney Client Privilege and the Work Product Doctrine (this index)

WAIVER OF LIABILITY FOR MULTIPLE REPRESENTATION AND CONFLICTS OF INTEREST

Law firms, formal waiver procedures (SEC Release No. 15064), **App. 10A**

WASHINGTON PUBLIC POWER SUPPLY SYSTEM SECURITIES CASE

SEC formal order of investigation, App. 2B

WELLS SUBMISSION

See Investigations (this index)

WITNESSES

Formal investigations. See Investigations (this index)

WORK PRODUCT DOCTRINE

See Attorney Client Privilege and the Work Product Doctrine (this index)

WORK PRODUCT PRIVILEGE

SEC investigations, 3:25