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WHITE PAPER

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SEC Enforcement in Financial Reporting and Disclosure: Mid-Year 2020 Update

We are pleased to present our annual mid-year update on financial reporting and issuer disclosure enforcement activity for 2020. This White Paper focuses on the U.S. Securities and Exchange Commission's ("SEC") enforcement activity for the first half of 2020 but also discusses other recent developments, including relevant Supreme Court cases and SEC rulemaking activity. Overall, even in an unusual year marked by the COVID-19 pandemic, the SEC continues to prioritize protection of "retail investors."

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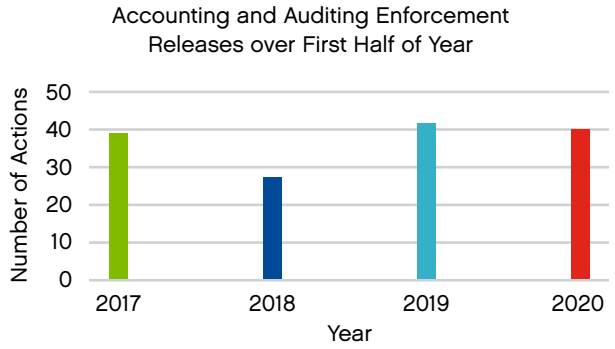
The first half of 2020 has been unusual, to say the least, but one area of consistency has been in Securities and Exchange Commission ("SEC") enforcement, which remained steady during the first half of 2020. Whether due to Chairman Jay Clayton's consistent emphasis on protection of the retail investor or to other market circumstances, the SEC's Enforcement Division continued to hold companies and their directors and officers accountable in instances involving fraudulent financial reporting and disclosures.

While February and March of this year were slower than one year earlier, enforcement activity overall was consistent with the first half of 2019.[1] For example, the Enforcement Division released only two Accounting and Auditing Enforcement Releases during March 2020—eight fewer than in March 2019—but still published 40 total accounting and auditing releases during the first two quarters of 2020, only two fewer than in 2019.[2] As such, COVID-19-related initiatives did not detract from ongoing litigation and investigations.[3] The latter part of 2020 may show a shift to matters directly related to the pandemic and to those that result from the economic uncertainty and fluctuations in the markets.



This update will recap the SEC's enforcement activity—both in the COVID-19 context and otherwise—and will include significant developments with respect to the SEC's ability to seek disgorgement in enforcement actions, as well as proposed and adopted amendments designed to improve companies' financial and MD&A disclosures.

ENFORCEMENT REVIEW

Accounting and Disclosure Cases

In the first half of 2020, the SEC continued to scrutinize issuers' public disclosures and brought several actions against companies and their directors and officers stemming from misconduct related to improper accounting practices and/or false or misleading public filings:

- On January 16, 2020, the SEC charged a construction management consulting company, and two of its former executives, for engaging in fraudulent accounting practices and failing to maintain accurate books and records.[4] This conduct allegedly caused the company to artificially boost its net earnings between May 2014 and March 2017. Specifically, the SEC asserted that when two accountants identified $5 million in unreported losses, the accountants attempted to "bleed" the losses out over time to minimize the effect of those losses on the company's financial statements, thereby inflating the company's periodic reports for several quarters.[5] The complaint alleged that the company and the two accountants violated the antifraud provisions of the Securities Act of 1933 ("Securities Act"), as well as the reporting, books and records, and internal accounting control provisions of the Securities Exchange Act of 1934 ("Exchange Act") and the Rules promulgated thereunder. It also charged that the two accountants aided and abetted the company's Exchange Act violations.[6] The company and one accountant consented to the entrance of permanent injunctions from future violations of the securities laws and to civil penalties of $500,000 and $75,000, respectively. In addition, the accountant consented to a permanent suspension from appearance and practice before the SEC.[7] Litigation against the second accountant is ongoing in the Eastern District of Pennsylvania after the case was transferred from the Southern District of New York.[8]

- On February 6, 2020, the SEC obtained a partial consent judgment against a former executive of a health care industry company[9] who was alleged to have fraudulently misled investors in the process of raising almost half a billion dollars in capital. The alleged fraud involved the overstatement of the company's revenues by millions of dollars in its audited financial statements for 2015 and 2016.[10] The SEC charged the former executive, and the three other former executives, with directly violating and aiding and abetting the company's violation of the antifraud provisions of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and the corresponding Rule 10b-5.[11] The former executive consented to a judgment permanently enjoining him from future violations, and further consented

to civil penalties, the monetary value of which will be determined by the Northern District of Illinois. Litigation continues against the remaining former executives.

- On February 19, 2020, the SEC announced settled charges against a prominent alcoholic-beverage company for allegedly withholding from investors information regarding known trends relating to its North American subsidiary's shipments of unnecessary products to distributors.[12] According to the SEC, employees of the subsidiary pressured distributor clients to purchase more products than necessary in an effort to meet sales targets, and the omission of this information from the company's public filings misled the investment public about the company's financial condition and success with respect to certain key performance metrics.[13] The SEC charged the company with violating the antifraud provisions of Securities Act and certain reporting provisions under Section 13 of the Exchange Act. Without admitting or denying the allegations of the SEC's complaint, the company agreed to cease and desist from further violations and to pay a $5 million penalty.[14]

- On February 27, 2020, in a litigated matter, the SEC alleged that a publicly traded utility company and two of its former executives misled investors regarding a failed nuclear power plant expansion project.[15] According to the SEC, the corporation allegedly represented to investors that the project was on track for completion and would qualify for a $1 billion tax credit, when the company allegedly knew that the project was severely behind schedule and, thus, it was unlikely that the company would achieve the tax credits—thereby allegedly inflating the company's stock price and enabling the sale of more than $1 billion in debt securities.[16] The SEC's complaint alleges violations of the antifraud provisions of the both the Securities Act and the Exchange Act by all defendants and violations of the reporting provisions of Section 13(a) of the Exchange Act and certain Rules promulgated thereunder by the corporate defendant. It also charged one of the former executives with aiding and abetting the corporate defendant's violations and with violating Exchange Act Rule 13a-14.[17] Litigation is pending in the District of South Carolina.[18]

- On April 8, 2020, the SEC charged three former executives of a performance apparel company with violations arising from allegedly fraudulent accounting practices. Specifically, the SEC asserted that the former executives inflated the corporation's revenue by prematurely recognizing revenue and recognizing revenue that was never earned. For example, the company allegedly recognized $1 million in revenue from a single client for products that the client never ordered and that the company never delivered. These practices allegedly caused the corporation's publicly reported quarterly revenue to be inflated by as much as 24%.[19] The SEC's complaint alleged that the former executives violated the antifraud provisions of the Securities Act, the Exchange Act, and certain Rules promulgated under the latter, with an alternative charge that one of the former executives aided and abetted the primary violations by the other two former executives. The complaint also charged the three former executives with violating the reporting, books and records, and internal accounting control provisions of Section 13 of the Exchange Act and certain Rules promulgated thereunder. Two of the three executives consented to a settlement including a permanent injunction against future violations, director and officer bars, and monetary penalties. Litigation against the third executive remains ongoing in the Northern District of Texas.[20]

- On April 28, 2020, the SEC brought settled fraud charges against two former executives of a publicly traded oil-and-gas company for allegedly misclassifying certain expenses in order to manipulate a key publicly reported metric regarding the cost of oil and processing. This practice was allegedly not reported to the company's external auditor and caused the company's financial statements to be materially inaccurate between FY 2012 and Q1 2014, a development that led the company to restate its financials for September 2014.[21] The former executives agreed to injunctions against violating the record-keeping and internal controls provisions of Section 13(b)(5) of the Securities Exchange Act of 1934 and Rule 13b2-1 thereunder. One of the executives also consented to being permanently enjoined from violating Exchange Act Rule 13b2-2, to monetary penalties of $100,000, and to reimburse the company pursuant to Section 304(a) of the Sarbanes-Oxley Act of 2002. The other executive also consented to being permanently enjoined from violating the antifraud provisions of the Securities Act and to monetary penalties of $55,000.[22]

- On June 17, 2020, the SEC brought settled charges against an international insurance company and its former CFO for allegedly omitting material facts about how the company estimated its insurance losses and reserves from its public filings with the SEC. Specifically, among other omissions, the SEC alleged that the company failed to disclose that the former CFO did not properly consider certain actuarial analyses and diverged from the company's actuarial estimates, failed to disclose the specific factors or assumptions supporting the former CFO's accounting judgments, failed to maintain sufficient supporting documentation for management's best estimate, and failed to disclose certain loss contingencies arising from the former CFO's accounting judgments.[23] The SEC charged each defendant with violating Section 17(a)(2) and (3) of the Securities Act, and with violating or aiding and abetting violations of the reporting, recordkeeping, and internal controls provisions of the federal securities laws The company and the former CFO agreed to permanent injunctions against future violations of these provisions and to pay penalties of $10.3 million and $75,000, respectively. The former CFO also agreed to disgorge $140,000 and pay $22,499 in prejudgment interest.[24]

- Finally, on June 23, 2020, the SEC settled charges with a publicly traded real estate investment trust on grounds that it allegedly intentionally overstated its adjusted funds from operation, a key non-GAAP performance metric.[25] The SEC's complaint charged the trust with violations of the antifraud provisions of the Securities Act and the Exchange Act of 1934 and of the reporting and books and records provisions of the Exchange Act. The trust agreed to pay an $8 million civil penalty and to the entry of a cease-and-desist order against it.[26]

Updates on Previously Discussed Enforcement Actions

Previous editions of this publication[27] have highlighted the SEC's ongoing enforcement activity with respect to American Depository Receipts ("ADRs"), as well as its charges against nine defendants who participated in a scheme to hack the SEC's Electronic Data Gathering, Analysis, and Retrieval System ("EDGAR") and use nonpublic information for illegal trading. The first half of 2020 saw new developments on each of these fronts:

SEC Continues ADR Enforcement Activity with 15th Action Targeting Abusive "Pre-Released ADR" Practices. On February 6, 2020, the SEC announced an agreement with a securities broker requiring the securities broker to pay more than $500,000 to settle charges of improperly handled pre-released American Depository Receipts ("ADRs"). The SEC found that the securities broker improperly borrowed pre-released ADRs from other brokers when it should have known that those brokers did not own the corresponding foreign shares. The Commission also found that the securities broker failed to reasonably supervise its securities lending desk personnel over the matter of borrowing pre-released ADRs from the other brokers.[28] Without admitting or denying the SEC's findings, the securities broker agreed to disgorgement of more than $326,000 of ill-gotten gains, as well as a $179,353 monetary penalty and $80,970 in prejudgment interest.[29]

This case marked the SEC's 15th action against financial institutions or brokers concerning the abuse of pre-released ADRs. Those cases have focused on alleged misconduct with respect to ADR practices, which led to the release of "phantom ADRs," i.e., ADRs not actually backed by a foreign security, into the ADR marketplace. Enforcement of this alleged misconduct has resulted in payment of more than $432 million in monetary remedies.[30]

SEC Reaches Settlement with Two Defendants in EDGAR Hacking Scheme. On April 9, 2020, the SEC announced that it reached a settlement with two of the nine defendants, both traders who had benefited from the alleged EDGAR hacking scheme. With the consent of each defendant, the SEC obtained judgments permanently barring either from further violations the antifraud provisions of the securities laws. Pursuant to the settlement, the defendants were also required to pay disgorgement with prejudgment interest of their ill-gotten gains. One of the defendants agreed to pay a civil penalty of $148,804, while the SEC reserved the issue of a civil penalty against the other defendant for further determination upon motion by the SEC before the District of New Jersey.[31]

LIU V. SEC, THE SEC'S DISGORGEMENT AUTHORITY, AND DOJ/SEC FCPA RESOURCE GUIDE

The ability to seek disgorgement is a critical piece of the SEC's enforcement authority, enabling it to recover ill-gotten gains in connection with violations of federal securities laws.[32] The SEC's authority to seek this remedy, however, came into question following the Supreme Court's decision in *Kokesh v. SEC*, 581 U.S. _____ (2017), in which the Court held that disgorgement

is a "penalty" for purposes of the statutes of limitations codified under 28 U.S.C. § 2462.[33]

In *Liu v. SEC*, 591 U.S. _____ (June 23, 2020), the petitioners, who defrauded investors of nearly $27 million dollars, argued that—given the holding in *Kokesh*—disgorgement did not constitute equitable relief under 15 U.S.C. § 78u(d)(5) because disgorgement is a "penalty" and equitable remedies are, by definition, not punitive.[34] The Supreme Court disagreed and held that the SEC can continue to seek disgorgement from wrongdoers, while narrowing the remedy to net profits that are returned to victims. The Court also rejected a series of practices that had been commonplace including the SEC's ability to hold defendants jointly and severally liable for disgorgement, and its refusal to offset disgorgement by deducting legitimate business expenses. And, in at least some cases, the SEC may not deposit disgorged profits in the U.S. Treasury rather than return the funds to victims. One immediate result of the *Liu* decision is that the SEC may no longer have the authority to seek disgorgement in cases where there is no obvious ill-gotten gain or no clear victim to whom funds should be returned such as FCPA cases, internal controls and books and records cases, and insider trading cases.[35]

This newly uncertain landscape is reflected in the recent second edition of the DOJ's and SEC's joint FCPA Resource Guide. The Resource Guide explicitly refers to the principles established in *Kokesh* and *Liu*, but does not discuss the government's view on the impact of *Kokesh* and *Liu* on civil FCPA resolutions moving forward.[36]

SEC RULEMAKING ACTIVITY AND GUIDANCE

We highlight here the SEC's efforts, through rulemaking activity and the release of interpretive guidance, with respect to two initiatives during the first half of 2020. First, we examine the SEC's continued initiative to improve and modernize companies' disclosures pursuant to Regulation S-K and Regulation S-X. Then, we detail the relief and guidance the SEC provided with respect to financial reporting and disclosure amid the COVID-19 pandemic.

Modernizing and Improving Disclosures Under Regulations S-K and S-X

On January 30, 2020, the SEC voted to propose a set of amendments to the disclosure requirements set forth in Regulation S-K.[37] The proposal would eliminate disclosure of certain financial data while also enhancing Management's Discussion and Analysis ("MD&A") disclosures. The SEC's objective in amending the provisions of Regulation S-K in the manner described below is to "modernize, simplify, and enhance the financial disclosure requirements by reducing duplicative disclosure and focusing on material information in order to improve these disclosures for investors and simplify compliance efforts for registrants."[38]

The proposed amendments are intended to eliminate certain disclosure obligations under Regulation S-K, including the requirements under Items 301-303 to provide selected yearly financial data for the last five fiscal years and quarterly financial data for the last two years, to disclose certain oil and gas producing activities, and to discuss the impact of inflation and price changes on the registrant's net sales, revenue, and income unless they are part of a known and material trend or uncertainty.[39] The amendments also provide a rewritten and streamlined set of instructions for MD&A, codify certain SEC guidance on MD&A, and add obligations to disclose information regarding certain financial data and accounting estimates.[40]

More recently, on May 21, 2020, the SEC adopted amendments to Regulation S-X with respect to financial disclosure requirements for the acquisition and disposition of businesses, as well as with respect to the tests used to determine whether a subsidiary or an acquired or disposed business is "significant."[41] The SEC's stated purpose for the amendments is to "improve for investors the financial information about acquired or disposed businesses, facilitate more timely access to capital, and reduce the complexity and costs to prepare the disclosure." The amendments will take effect on January 1, 2021, but voluntary compliance is permitted in advance.[42]

COVID-19

Among the many consequences of the pandemic are market volatility and "get rich quick" schemes. The SEC has reiterated its commitment to protecting investors and adapting to a crisis that has posed significant challenges for reporting companies. The SEC's priorities in responding to COVID-19 include "maintaining continuity of its operations[,] monitoring market functions and system risks[,] providing prompt, targeted regulatory relief and guidance to issuers, investment advisers and other registrants

impacted by COVID-19 to facilitate continuing operations[,] including in connection with the execution of their business continuity plans (BCPs), and maintaining [its] enforcement and investor protection efforts, particularly with regard to the protection of our critical market systems and our most vulnerable investors."[43] Here, we highlight the SEC's guidance and activity with respect to financial reporting and disclosures and detail several enforcement actions involving COVID-19-related misrepresentations.

COVID-19 Guidance. SEC Chairman Jay Clayton began outlining the SEC's COVID-19 response through comments made in a January 30, 2020, public statement, in which he announced that he had asked the SEC staff to provide guidance to issuers regarding their disclosures concerning current and forward-looking effects of COVID-19.[44] Chairman Clayton acknowledged that while the effects of the pandemic were and are difficult to assess or predict, "how issuers plan for that uncertainty and how they choose to respond to events as they unfold can nevertheless be material to an investment decision."[45]

Several weeks later, the SEC, with the Public Company Accounting Oversight Board, issued a Joint Statement on the Effects of the Coronavirus Pandemic, calling on issuers to collaborate with their audit committees and auditors to maintain robust financial reporting, auditing, and review processes to the greatest extent possible. The Joint Statement emphasized potential disclosure of subsequent events in the notes to the financial statements pursuant to Accounting Standards Codification 855 and the general policy to grant relief from filing deadlines where circumstances beyond the control of the issuer prevent timely or substantively sufficient filings.[46]

The SEC acted on that general policy on March 4, 2020, when it issued an order granting all reporting issuers affected by the pandemic an additional 45 days to file certain disclosure reports, required under the Exchange Act, that were originally due between March 1 and April 30, 2020.[47] The relief was conditioned upon the issuer filing a Form 8-K or Form 6-K explaining why the extension was necessary, providing the estimated filing date, disclosing any risk factors regarding the material impact of COVID-19 on the issuer's business, and explicitly stating that the relief relied upon was pursuant to the March 4, 2020, order.[48] In connection with the order, Chairman Clayton expressed understanding of the challenges associated with COVID-19, but also reemphasized the paramount importance of companies providing investors with insight regarding material risks to business and operations and their plans for addressing those risks.[49]

On March 25, 2020, the SEC extended this relief by 45 days until July 1, 2020.[50] On March 25, 2020, the Division of Corporation Finance also issued guidance for assessing and evaluating materiality as well as for reporting earnings and financial in light of unforeseen charges and expenses, including the situational use of non-GAAP metrics. And, on April 8, 2020, Chairman Clayton and the Director of the Division of Corporation Finance issued a joint statement positing that ongoing disruptions may render historical information (ordinarily the lion's share of public company disclosure) for the recently ended quarter substantially less relevant than for prior quarters, and calling for robust forward-looking disclosure.[51]

Most recently, on June 23, 2020, the Division of Corporation Finance supplemented its March 25, 2020, guidance encouraging companies to evaluate whether to include discussions regarding operational changes, liquidity, and capital resources in their MD&A disclosures.[52]

COVID-19 Enforcement Activity. Consistent with its insistence on the disclosure of material risks to protect vulnerable investors, the SEC also devoted substantial time and resources to COVID-related fraud-enforcement efforts during the second quarter of 2020. These cases have largely involved alleged misrepresentations by or about microcap companies regarding the availability and effectiveness of products designed to protect against or cure the virus:

- On April 28, 2020, the SEC announced charges against a microcap company and its CEO on grounds that the company allegedly made several public statements indicating that it was able to obtain and sell a large number of medical masks to protect against the virus, when in fact the company never obtained or even ordered any masks and had no contract with any supplier or manufacture of masks. The SEC's complaint, filed in the Southern District of Florida, alleges that the company and its CEO violated the antifraud provisions of Exchange Act Section 10(b) and Rule 10b-5 promulgated thereunder and seeks injunctive relief, civil monetary penalties, and a director and officer bar against the CEO.[53]

- On May 14, 2020, the SEC announced charges against a biotechnology company that allegedly issued a press release stating that it was offering finger-prick COVID-19 tests that could be used for "Homes, Schools, Hospitals, Law Enforcement, Military, Public Servants, or anyone wanting immediate and private results," when in fact the tests were not intended for such broad use and could only be administered by a medical professional. Moreover, the company allegedly failed to disclose that its tests were not authorized by the FDA. The SEC's complaint, filed in the Southern District of New York, alleges that the company violated the antifraud provisions of Exchange Act Section 10(b) and Rule 10b-5 promulgated thereunder and seeks injunctive relief and civil monetary penalties.[54]

- On the same day, the SEC also announced charges against a microcap company and its CEO, alleging that the company, through the CEO, allegedly issued false and misleading press releases concerning a "multi-national public-private-partnership" to sell thermal instruments designed to detect fevers and touting the importance of this technology, which it claimed was "99.99 percent accurate" and was "designed to be deployed IMMEDIATELY in each State." However, the complaint alleges that the company was not party to any such agreement with any public or private entities. The SEC's complaint against the microcap company and its CEO charges them with violating Exchange Act Section 10(b) and Rule 10b-5 promulgated thereunder and seeks permanent injunctive relief and civil penalties, as well as a director and officer bar.[55]

- On June 9, 2020, the SEC charged a penny stock trader with allegedly engaging in a "pump-and-dump" scheme whereby he made hundreds of misleading online statements regarding a biotechnology company—including repeated assertions that the company had developed an "approved COVID-19 blood test"—in order to inflate the stock price of the company, in which he had a considerable investment position. The SEC's complaint, filed in the Northern District of California, alleges that the trader violated the antifraud provisions of Exchange Act Section 10(b) and Rule 10b-5 promulgated thereunder and seeks permanent injunctions, civil monetary penalties, a penny stock bar, and disgorgement with prejudgment interest against the trader.[56]

- And, finally, on June 11, 2020, the SEC brought an emergency action against five individuals and six offshore entities, alleging a fraudulent scheme involving illegal sales of multiple microcap companies' stock, including four under SEC trading suspension orders. The SEC's complaint alleges that these sales were often inflated by false and misleading information concerning COVID-19. For example, the SEC alleges that the defendants employed several "promotions" that included assertions regarding several of the companies' abilities to produce various COVID-19-related products such as facemasks and automated kiosks for retail stores. The SEC's complaint, filed in the District of Massachusetts, charges all of the individual defendants with violating the antifraud provisions of the Securities Act and Exchange Acts, one of the individual defendants with violating the registration provisions, certain of the entity defendants with violations of the antifraud provisions, and certain of the entity defendants with registration violations. The SEC seeks injunctive relief, disgorgement plus prejudgment interest, civil penalties, and penny stock bars. Parallel criminal charges against one of the individual defendants are pending in the District of Massachusetts.[57]

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ENDNOTES

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2 *Id.*

3 "Keynote Address: Securities Enforcement Forum West 2020" (May 12, 2020).

4 Litigation Release No. 24720 (Jan. 17, 2020).

5 *Id.*

6 *Id.*

7 *Id.*

8 *SEC v. Hill Int'l, Inc.*, No. 20 CIV. 447 (PAE), 2020 WL 2029591, at *1 (S.D.N.Y. Apr. 28, 2020).

9 Litigation Release No. 24735 (Feb. 11, 2020).

10 *Id.*

11 *Id.*

12 "SEC Charges Global Alcohol Producer with Disclosure Failures" (Feb. 19, 2020).

13 *Id.*

14 *Id.*

15 Litigation Release No. 24751 (Feb. 27, 2020).

16 *Id.*

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18 *Id.*

19 Litigation Release No. 24792 (Apr. 8, 2020).

20 *Id.*

21 Litigation Release No. 24809 (Apr. 28, 2020).

22 *Id.*

23 "Insurance Company and Former CFO Charged With Faulty Loss Reserves Disclosures" (June 17, 2020).

24 *Id.*

25 "SEC Settles Fraud Charges with Vereit" (June 23, 2020).

26 *Id.*

27 *SEC Enforcement in Financial Reporting and Disclosure: 2019 Mid-Year Update*, Jones Day (July 2019); *SEC Enforcement in Financial Reporting and Disclosure: 2019 Year-End Update*, Jones Day (January 2020).

28 "ABN AMRO Clearing Chicago Charged With Improper Handling of ADRs" (Feb. 6, 2020).

29 *Id.*

30 *Id.*; *See also* "SEC Enforcement of Pre-Released ADRs."

31 "Foreign National and American Trader Settle Fraud Charges in EDGAR Hacking Case" (Apr. 9, 2020).

32 See *SEC Enforcement in Financial Reporting and Disclosure: 2019 Year-End Update*, *supra*.

33 *See id.*; *U.S. Supreme Court Significantly Limits SEC's Power to Recover Disgorgement*, Jones Day (June 2017).

34 *See also U.S. Supreme Court Allows Profits-Based SEC Disgorgement Awards*, Jones Day (June 2020).

35 *Id.*

36 *DOJ and SEC Publish Second Edition of the FCPA Resource Guide*, Jones Day (July 2020).

37 "SEC Proposes Amendments to Modernize and Enhance Financial Disclosures" (Jan. 30, 2020).

38 *Id.*

39 *SEC Proposes Amendments to Modernize and Enhance Financial Disclosures*, Jones Day (Feb. 2020).

40 *Id.*

41 For more information, *see* "SEC Adopts Amendments to Improve Financial Disclosures about Acquisitions and Dispositions of Businesses" (May 21, 2020).

42 *Id.*

43 "SEC Coronavirus (COVID-19) Response" (July 1, 2020).

44 "Statement on Proposed Amendments to Modernize and Enhance Financial Disclosures; Other Ongoing Disclosure Modernization Initiatives; Impact of the Coronavirus; Environmental and Climate-Related Disclosure" (Jan. 30, 2020).

45 *Id.*

46 "Statement on Continued Dialogue with Audit Firm Representatives on Audit Quality in China and Other Emerging Markets; Coronavirus—Reporting Considerations and Potential Relief" (Feb. 19, 2020).

47 "SEC Provides Conditional Regulatory Relief and Assistance for Companies Affected by the Coronavirus Disease 2019 (COVID-19)" (Mar. 4, 2020).

48 *Id.*

49 *Id.*

50 "SEC Extends Conditional Exemptions From Reporting and Proxy Delivery Requirements for Public Companies, Funds, and Investment Advisers Affected By Coronavirus Disease 2019 (COVID-19)" (Mar. 25, 2020).

51 *SEC Chairman and Director of Corporation Finance Issue Joint Statement Calling for Robust Forward-Looking Disclosure*, Jones Day (Apr. 2020).

52 "Coronavirus (COVID-19)—Disclosure Considerations Regarding Operations, Liquidity, and Capital Resources" (June 23, 2020).

53 Litigation Release No. 24807 (Apr. 28, 2020).

54 Litigation Release No. 24819 (May 14, 2020).

55 Litigation Release No. 24820 (May 14, 2020).

56 "SEC Charges California Trader Engaged in Manipulative Trading Scheme Involving COVID-19 Claims" (June 9, 2020).

57 "SEC Charges Microcap Fraud Scheme Participants Attempting to Capitalize on the COVID-19 Pandemic" (June 11, 2020).

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