

# SEC Poised to Settle With Record Number of Individuals

By [Richard Moy](#), *BoardIQ*, September 11, 2012

Fulfilling its promise to hold more people accountable for wrongdoing, the Securities and Exchange Commission settled 286 cases with individuals in the first half of this year, putting it on pace to settle with 572 individuals in 2012 – more than any year since 2005, a [new study from NERA Economic Consulting](#) finds.

Total SEC settlements this year also increased 13% from 2011 because of more settlements with individuals, specifically in cases involving Ponzi schemes and insider trading. While this marks a noticeable spike, NERA Vice President James Overdahl cautions against jumping to conclusions: It reflects only the past six months of activity, not enough time to indicate a complete regime change.

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The increase in SEC settlements and settlement values can also be explained simply by the increase in enforcement actions brought by the agency, making it clear the commission has been far more aggressive since the financial crisis, says Niels Holch, founding partner of **Holch & Erickson** and executive director of the **Coalition of Mutual Fund Investors**.

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Although it might be easy to assume the increase in settlements would indicate benefits of settling instead of going to trial, Holch says that is difficult to evaluate, even if the SEC might have a chance to set new legal precedents.

“The agency never reveals its strategy,” he says, “so it is hard for outsiders to draw any conclusions.”