

ARTICLE

Supreme Court Imposes a Five-Year Statute of Limitations on SEC Disgorgement Claims

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This article discusses the US Supreme Court's unanimous ruling that disgorgement sought by the Securities and Exchange Commission (SEC) is a penalty subject to the federal five-year statute of limitations. Prior to this decision, most courts determined that disgorgement was an "equitable remedy" designed to deprive wrongdoers of unjust enrichment. With this new characterization of disgorgement as a "penalty," however, it will be less likely that courts will continue to grant this remedy. The SEC also has long attempted to avoid rulings on the application of the statute of limitations to its enforcement actions. This decision suggests that it's time the SEC complies.

[Read the "Supreme Court Imposes a Five-Year Statute of Limitations on SEC Disgorgement Claims" article here.](#)

CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



Richard D. Marshall

+1.212.940.8765

richard_marshall@katten.com

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