Wall Street Regulator Ramps Up Enforcement

The Commodity Futures Trading Commission, once considered a toothless regulator, brought a record number of enforcement cases over the past year, as fines soared. In a statement on Friday, the agency said it levied $585 million in sanctions during its 2012 fiscal year, which ended Sept. 30, up from $450 million the year before.

The agency’s enforcement unit has won broad new powers from the Dodd-Frank act, allowing the agency to police the previously unregulated swaps market. The law also lowered the burden of proof in court, making it easier to bring cases. Read more here.

NY’s Attorney General Sues Bear Stearns

On October 1st, Eric Schneiderman, New York’s attorney general, brought a case against JPMorgan Chase’s Bear Stearns unit, accusing it in a 31-page filing of flogging worthless paper tied to mortgages to naïve investors. Adding to the texture of the case, Mr. Schneiderman is co-head of the Residential Mortgage-Backed Securities Working Group, a task-force established in January by the Obama administration… Read more here.

Derivatives Trading and Negative Voting

Securities regulators, practitioners, and legal commentators worry that derivatives may provide shareholders and creditors incentives to destroy value in their corporation. Read more here.

MARK YOUR CALENDARS

Events this week:

- "Managing Clients, Business, and the Law in BigLaw," A conversation with Tom Reid, Managing Partner of Davis Polk & Wardwell, 10/9, 6:30-7:45pm, Room 122
- “Local Food Policy and Social Entrepreneurship.” A discussion with Jennifer McTiernan, co-founder and former Executive Director of CitySeed (and current YLS 1L), 10/10, 12:10-1pm, A422 Ashmun
- “The Economy and the Election.” A panel discussion on taxes, expenditure and healthcare, chaired by President Levin, 10/10, 7-9pm, Luce Auditorium

Events next week:

- "Shaped by Booms and Busts: The Impact of Economic Conditions on Managerial Outcomes," Antoinette Schoar, Professor of Entrepreneurship and Professor of Finance, MIT Sloan Management School, 10/15, 4:30 pm, Faculty Lounge
- Andrew L. Shapiro, Founder, GreenOrder, 10/18, 1:10-2:30pm, Room 124

Ex-Glaxo VP on ‘The Criminalization of the Practice of Law’

Lauren Stevens, a former vice president and associate general counsel for GlaxoSmithKline PLC was indicted in 2010 on four counts of making false statements to the Food and Drug Administration. The charges stemmed from an investigation into whether the company had improperly promoted the antidepressant Wellbutrin for weight loss—an off-label use not approved by the FDA.

Ms. Stevens was ultimately acquitted last year by a Maryland federal judge who said she “never should have been prosecuted.” The decision was considered a blow to government efforts to pin blame for alleged corporate wrongdoing on individuals. But the case showed how documents that many attorneys assume are confidential could wind up in court. Read more here.

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With contributions from the YLBS Board and members