

SEC's School District Enforcement Action

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This issue of the Hawkins Advisory analyzes the SEC enforcement actions of July 29 relating to an Indiana school district and related violations of Rule 10-5 and Rule 15c2-12.

On July 29, 2013, the Securities and Exchange Commission (the "SEC"), in an administrative proceeding,¹ accepted a settlement offer made by City Securities Corporation (the "Underwriter") and imposed a cease-and-desist order. The SEC found that the Underwriter committed numerous violations of the federal securities laws. Concurrently, the SEC in administrative proceedings imposed cease-and-desist orders on (i) the supervisor (the "Supervisor") of the Underwriter's public finance department and (ii) the issuer (and obligated person),² West Clark Community Schools, Indiana (the "School District"), whose misleading disclosures were the basis for the enforcement actions ("Order" or "Orders," as the context indicates³).

Practice

- Disclosure Counsel