

Space SPAC Draws SEC Enforcement Action for Allegedly Misleading Disclosures and Due Diligence Failures

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As one of the first of an expected series of potential enforcement actions, the SEC has brought an enforcement action against a SPAC and its major participants, highlighting enhanced regulatory scrutiny of SPACs and underscoring the importance of following appropriate diligence and other practices in the de-SPAC process. Given the rapid growth in this sector over the past few years, the SEC's Enforcement Division has a working group focused on the area, combined with staff guidance and remarks earlier this year on SPACs relating to the use of projections, accounting methodologies and celebrity involvement with SPACs. With this in mind, this client alert offers a few practice considerations for fund managers in the area.

[Read the full client alert here.](#)

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