

SEC Continues Enforcement Program Targeting Late Beneficial Ownership Reports

Regulatory & Compliance on **September 26, 2024**

Following its adoption almost one year ago of amended rules accelerating filing deadlines for Schedules 13G and 13D (and the imminent effectiveness of the new deadlines for 13Gs), the SEC has continued to bring enforcement cases focusing on the timing of initial filings, amendments, and transitions from Schedule 13G to 13D, as well as Section 16 filings. The latest development is the SEC's announcement of settled enforcement cases against 23 persons, including investment firms and individual officers and directors for untimely filings, as well as two public companies for contributing to their insiders' violations and failing to disclose the delinquent filings as required. The penalties ranged from \$10,000 to \$200,000 for the individuals involved in the proceedings and from \$40,000 to \$750,000 for the entities involved. This follows a similar set of enforcement cases that the SEC announced in September of last year, as well as the SEC's recent set of actions targeting delinquent Form 13F filers.

In addition to the "Enforcement Sweep," the SEC's Division of Corporation Finance has recently also issued comment letters to 13D filers, including asking about the timeliness of their filings. A comment letter is not enforcement-oriented, and probes whether any changes should be made to SEC filings in order to conform to the agency's disclosure rules. The staff of the Division of Corporation Finance routinely reviews public company annual and quarterly reports and similar filings, but in the past has rarely if ever reviewed and commented upon filings under Section 13(d).

Pursuant to Section 13(d) of the Securities Exchange Act of 1934, Schedules 13G and 13D are filed by investors beneficially owning in excess of 5% of a public company's outstanding shares. Under Section 16 of the Exchange Act, Forms 3, 4 and 5 are filed by officers and directors, and investors beneficially owning more than 10% of the issuer's outstanding shares.

For a summary of recent SEC history on this subject, see our previous posts:

[SEC Strengthens Regulation 13D-G Rules for Beneficial Ownership Reporting](#)

[New filing deadlines for Schedule 13G effective September 30](#)

[SEC Settlement Highlights Risks for 13G Filers When Moving from Passive to Active Status](#)

[View original.](#)

Related Professionals

- **Frank Zarb**
Partner
- **Joshua M. Newville**
Partner
- **Louis Rambo**
Partner