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Securities Enforcement Update November 12, 2026

SEC Announces Fiscal Year 2026 Enforcement Results: A Year in Transition and Pieces in Place for 2027

The SEC announced its FY 2026 Enforcement Results on the same day Enforcement Director David Woodcock delivered remarks at the Annual A.A. Sommer Lecture. Read together, the results and Director Woodcock's remarks signal a Division ready to move beyond a transition year, with its priorities, personnel and investigative tools in place to identify misconduct and advance investigations more quickly.

On November 10, 2026, the SEC announced its enforcement results for fiscal year 2026: 348 total enforcement actions, consisting of 235 standalone actions, 47 follow-on administrative proceedings, and 66 delinquent-filing proceedings. The Commission obtained orders for approximately $1.095 billion in monetary relief — $752 million in disgorgement and prejudgment interest and $343 million in civil penalties and returned approximately $731 million to more than 250,000 harmed investors.

The figures are lower than FY 2025 on nearly every measure, as Director Woodcock, who stepped into his role in May 2026, previewed in September when he called FY 2026 a "transition year." The announcement emphasizes the Division's new units and process reforms, along with a focus on cooperation and remediation going forward. Chairman Atkins stated in the press release: "Enforcement actions and financial remedies are important measures of activity, but they are not the only or most telling measures." Director Woodcock reinforced the point in remarks the same day at the A.A. Sommer Lecture, noting that "activity and effectiveness are not the

same." His central message was forward-looking: "we have all the pieces in place for an enforcement program of the highest caliber."

Highlights

1. **Volume and dollars are both down, dollars more so.** Total actions fell about 24% from FY 2025's 456, and money ordered ($1.095 billion) is roughly 60% below FY 2025's approximately $2.7 billion (excluding the Stanford International Bank ponzi scheme matter which accounted for nearly $15 billion in sanctions). Civil penalties ($343 million) are about one-quarter of FY 2025's approximately $1.3 billion.
2. **The case mix is unchanged.** Investment advisers and investment companies (28%), delinquent filings (19%), securities offerings (18%), and broker-dealers (10%) again account for about 75% of all actions. Among civil actions and standalone proceedings, advisers and funds (34%), offerings (27%), and insider trading (16%) lead.
3. **Individuals remain a focus.** According to the release, about two-thirds of standalone actions charged at least one individual, matching the FY 2025 figure.
4. **Cooperation credit is real.** The release highlights no-penalty outcomes for CBIZ and Ammo because of cooperation and remediation, in line with the revised Enforcement Manual — but also penalties levied for failure to promptly remediate deficiencies, including a $100 million penalty against Western Asset Management.
5. **The pieces are in place for the year ahead.** New units, targeted hiring, advanced analytics and a revised Enforcement Manual point to a Division equipped to generate new investigations and move matters forward more quickly. Director Woodcock's remarks expressly previewed earlier detection, stronger evidence development, and more cross-border activity. The emphasis is putting these capabilities to work in FY 2027.

What the Results Signal

A back-loaded year. The results show that most of the enforcement activity came at year-end: 59 of the 66 delinquent-filing proceedings were instituted between August 26 and September 22; 38 civil actions against purported advisers were filed on a single day, August 27, under one litigation release (the release describes 45 entities charged in total — 42 in the District of Colorado, two in the Southern District of New York, and one in the Northern District of New York — for allegedly filing false Forms ADV to feign legitimacy and lure retail investors); and eight broker-dealer proceedings were filed on September 30. Without those 38 actions, the adviser and investment company category would fall from 97 actions to 59.

Offering fraud, insider trading, and individuals. Securities offerings (64 actions naming 171 parties) and insider trading (39 actions naming 87 parties) are where the Division's emphasis on individual accountability is most visible. The release highlights Ponzi and offering frauds led by founders and CEOs, including Goliath Ventures (at least $425 million from more than 1,300 investors) and AKL Transport and Southern Truck Leasing (at least $127 million from approximately 765 investors), as well as affinity frauds and a growing focus on the pre-IPO secondary market, where it charged private fund advisers Adit Ventures and Meyer Global Management and a boiler-room operator. The Retail Fraud Working Group, which uses "super intelligence" or "SI"-enabled analytics, has already generated more than a dozen new investigations. The insider trading docket again spans large rings (including the 21-defendant

action we described in our Mid-Year Update) and small-dollar cases, consistent with our Mid-Year Update) and small-dollar cases, consistent with our observation that there is no de minimis floor.

Advisers, private funds, and broker-dealers. Advisers and funds remain the largest category (97 actions). The release highlights a $100 million penalty against Western Asset Management. The release also highlights a group of compliance "guardrail" cases that bear directly on the FY 2027 exam priorities: Regulation S-P and S-ID (M Holdings Securities), Regulation SCI (the New York Stock Exchange, after it failed to conduct opening auctions in more than 2,800 securities), SAR failures (Merrill Lynch and Canaccord Genuity), blue sheet data (Wedbush Securities), Regulation Best Interest (David Lerner Associates, which we discussed at mid-year, involving at least 253 mutual-fund "switch" recommendations), the Custody Rule, and Schedule 13D filings. Broker-dealers accounted for 35 actions in total, 19 of them follow-on proceedings.

Accounting and gatekeepers. Issuer reporting, audit, and accounting matters made up 30 actions (9%), including Archer-Daniels-Midland and its former executives, which Director Woodcock cited as a template in May; Travel + Leisure; Key Tronic; RYVYL; and the auditor settlement with EisnerAmper that we previously flagged for its no-penalty, remediation-based resolution. Because the Financial Reporting and Accounting Unit was announced only in August , these numbers largely pre-date its work, although the release says it is already identifying problems earlier in the reporting cycle.

Emphasis on cooperation and process. The release reports that the Commission imposed no penalty on CBIZ and Ammo in light of cooperation and remediation, and halved the penalty of an insider trader who self-reported. It also describes the rescission of the "gag rule" (Rule 202.5(e)) and the revised Enforcement Manual — including its standardized Wells process and simultaneous consideration of settlement offers and waiver requests — as part of its program reforms. The release also reports targeted hiring of attorneys, accountants, technologists and data specialists to deepen expertise and accelerate investigations, alongside the formation of the Retail Fraud Working Group, the Financial Reporting and Accounting Unit, the Office of Super Intelligence and Analytics (SI-enabled anomaly detection and accelerated document and transcript review), a reorganized Trial Unit, and new memoranda of understanding with the CFTC and FDA. It also says senior officers now meet with leadership every two months on investigation timelines, milestones, and staffing — consistent with the emphasis on speed in Director Woodcock's September remarks.

Director Woodcock's Sommer Lecture: Five Pieces in Place

Hours after the release, Director Woodcock delivered remarks at the 26th Annual A.A. Sommer Lecture at Fordham Law School. He acknowledged that "[c]ase counts declined this past year," attributing the decline in part to the lengthy government shutdown and in part to "a transition in personnel, priorities, and the allocation of investigative resources." He then said that Chairman Atkins "has given us room to focus on strengthening the program rather than maximizing any single year's totals," and that "activity and effectiveness are not the same." The remainder of the speech described five pieces that are now in place and how the Division intends to use them:

1. **Purpose.** Priorities are misconduct that harms investors or degrades market integrity: fraud in all its forms, market manipulation, insider trading, financial reporting misconduct, and abuses of investor trust, with emphasis on retail investors and individual accountability. Director Woodcock specifically highlighted the Financial Reporting and Accounting Unit, Retail Fraud Working Group and reorganized Trial Unit as a means to detect misconduct earlier, develop evidence more effectively and bring stronger cases. He also said the Division will pursue violations of investor-protection safeguards — "we will not wait until investor losses pile up before we take these violations seriously" — while stating that Enforcement "should not substitute for transparent rulemaking."

2. **Capability.** The Division is investing in supervisors through its new leadership training program and in identifying risks early and completing investigative milestones "in a timely and efficient manner."

3. **Modernization.** The newly established Office of Super Intelligence & Analytics will identify patterns, review large volumes of documents, and trace financial flows. The point, he said, "is not to replace careful human judgment" but to give staff "better information, sooner."

4. **Coordination.** The Cross-Border Task Force realized "early returns" last year, and "you should expect to see even more enforcement activity being driven by this effort." The Division is also strengthening coordination with criminal authorities and other regulators.
5. **Disciplined, fair execution.** "Delay has consequences," but so does unfairness: the updated Manual and the more robust Wells process are meant to ensure that "meaningful self-reporting, cooperation, and remediation receive serious consideration, just as misconduct receives a serious response," with staff "moving as fairly as they do urgently."

Director Woodcock closed by saying that "many other promising pieces are in place, and you will hear more about those in the months to come." The speech tracks the themes of his September remarks, and in each section he told the audience what to expect. We read that as a deliberate signal that the Division is ready to move: its substantive priorities are clear, its new groups are in place to generate leads, and its personnel and technology investments, as well as certain process changes are intended to accelerate investigative work. Clients should prepare for that next phase of enforcement activity.

Practical Takeaways

1. **Plan for a faster investigation.** Do not be surprised if testimony is sought before document production is complete. Be prepared for firm deadlines, and for individuals — not only entities — to be in the Staff's sights. Assume that the Enforcement Division is using SI to enhance efficiency. And the Division appears to be adding to its ranks, as we've seen several notices of job openings for Enforcement.

2. **Decide early on self-reporting and remediation.** The release reinforces that no-penalty outcomes are available for cooperation and remediation, that known deficiencies left unremediated are punished, and that the Staff is watching Forms 8-K, media reports, and TCRs. Credit for coming in first depends on moving before the Staff calls.

3. **Treat exam findings as potential enforcement leads.** Advisers, private fund managers, and broker-dealers should test valuation, fee and expense allocation, conflicts disclosure, Reg BI, and cross-border AML controls now, and engage counsel early on serious deficiency letters.

4. **Issuers and auditors: refresh financial reporting controls.** Continue robust reviews of periodic reports, test internal controls over financial reporting, and respond thoroughly to complaints alleging accounting irregularities, particularly with the new unit now in place.

5. **Keep up with filings.** The year-end clustering of delinquent-filing and Form ADV cases is a reminder that routine reporting obligations remain enforceable and are easy for the Staff to detect.

We will continue to monitor the Division of Enforcement's activity and are available to discuss what these results and the Division's process changes mean for pending or anticipated investigations.

The following Gibson Dunn lawyers prepared this update: Jina Choi, Tina Samanta, Mark Schonfeld, and Marian Fowler.

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