Evolution of Administrative Adjudication Post-*Jarkesy*

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On June 27, 2024 the US Supreme Court released its 6-3 decision in *SEC v. Jarkesy, et al.*, ending the Securities and Exchange Commission's (SEC) long-standing use of in-house Administrative Law Judge (ALJ) tribunals in cases involving allegations of fraud in which the SEC seeks civil penalties. The majority held that the Seventh Amendment entitles the defendant to trial by jury when the SEC seeks civil penalties for securities fraud, thus requiring that the action be brought in a court of law. This effectively closes one of the SEC's key enforcement avenues for seeking financial penalties when it believes investors have been misled and forces the SEC to bring more of its actions in courts of law.

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