

Press Coverage | June 1, 2026

The Sec's 'Gag Rule' Is Gone. Settlements Could Be More Complex.

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Jay A. Dubow

Jay Dubow, co-leader of Troutman Pepper Locke's [Securities Investigations + Enforcement](#) Practice Group, was quoted in the June 1, 2026, *Pensions & Investments* article, "[The Sec's 'Gag Rule' Is Gone. Settlements Could Be More Complex.](#)"

"For some parties on the margins, it may make it more palatable to settle with the SEC, if you can turn around and say, 'Well, I just settled, because economically it was cheaper to pay whatever fine ... even though I would have ultimately been proven right,'" said Jay Dubow, a partner and co-leader of Troutman Pepper Locke's securities investigations and enforcement practice group.

The shift will affect how parties evaluate the collateral consequences of settling charges with the SEC, including reputational risk, disclosure strategy, and follow-on litigation, Dubow added.

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The 9th Circuit upheld the gag rule in August, but the NCLA filed a petition in March to have the case heard before the U.S. Supreme Court. Given the SEC's decision to rescind the rule, the Supreme Court is unlikely to take up the case because it's moot, according to Dubow.

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Could a future SEC reinstate the rule?

Without a court ruling striking down the rule, a future SEC could reinstate it, Dubow said.

If firms aggressively deny charges they've settled with the SEC, the commission under different leadership may walk back the gag rule rescission, Dubow added. "It wouldn't surprise me if a future SEC (examines) how it's been handled, what parties have done, and potentially reconsider that rule," he said.

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