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**Economic Experts Examine Efficacy of SEC Controls in [www.sechistorical.org](http://www.sechistorical.org) Audio Broadcast**

Washington, D.C. July 27, 2010...Three independent economic consultants from NERA Economic Consulting shed light on the evolving role of the SEC in settling violations and strengthening corporate controls in an audio broadcast now available at [www.sechistorical.org](http://www.sechistorical.org). The consultants were part of an annual program, The Best of NERA, held today. An edited transcript will be added later.

The program took a hard look at what kind of impact the Sarbanes-Oxley Act of 2002 (SOX) has made on the nature of SEC settlements since its inception. Given that SOX was passed to strengthen corporate accounting controls by increasing SEC regulation, Dr. Elaine Buckberg, Senior Vice President, NERA Economic Consulting, pointed out that companies pay more in penalties than in disgorgement of ill-gotten profits to affected parties, and that SEC settlements with top companies over misstatements are lower since 2007. Additionally, she noted that 72% of SEC settlements with companies involve no financial component.

Christopher Laursen, Senior Consultant, NERA Economic Consulting, went behind the scenes to examine how the Federal Reserve and U.S. Treasury bailouts helped to ensure that structured finance (corporate debt issuances) did not default. He discussed the rationales behind structured finance, in both improving investor diversification and reducing borrowing costs.

Referencing civil fraud charges against some Wall Street firms that created mortgage deals that soon went sour, Dr. Chudozie Okongwu, Senior Vice President, NERA Economic Consulting, discussed conflicts of interest among various agents involved in such structured finance deals. Using examples from the SEC's recent lawsuits against Goldman Sachs and Magnetar Capital, he presented an enlightening dichotomy on what information can be controlled and known and what is uncontrollable or unknowable.

The program was moderated by Professor Lisa Fairfax, Leroy Sorenson Merrifield Research Professor of Law, The George Washington University Law School. Professor Fairfax's scholarly interests include corporate governance, shareholder activism and securities fraud.

The SEC Historical Society, which builds and administers the virtual museum and archive at [www.sechistorical.org](http://www.sechistorical.org), partners with NERA Economic Consulting on the broadcast. Selection of the presenters and sponsorship of the broadcast is made possible by NERA Economic Consulting; the SEC Historical Society selects the academic moderator for the program.

NERA Economic Consulting ([www.nera.com](http://www.nera.com)) is a global firm of experts dedicated to applying economic, finance and quantitative principles to complex business and legal challenges.

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