



AI seems to be everywhere at the moment.

Companies are touting new technologies and tools, states and federal agencies are proposing rules to regulate its use, and workers across a wide range of industries are worried about how it might affect their jobs. (For more on legal considerations for AI and other emerging technologies, check out our [Age of Disruption blog](#).)

SEC Chair Gary Gensler is among the recent voices chiming in on AI—with an analogy comparing “AI washing” to traveling salesman/con artist Professor Harold Hill in *The Music Man*. In an [Office Hours](#) video and transcript posted on September 4, Chair Gensler notes:

When new technologies come along they can create buzz. And that buzz is used, possibly, to make false claims to investors, similar to Professor Hill. Yet, embedded in our securities laws is a basic bargain based on truthfulness. Investors get to decide in what they invest as long as there is full, fair, and truthful disclosure.

The video is a good reminder that our existing securities laws apply to all kinds of emerging issues and topics. No need for new SEC rules requiring companies to ensure that disclosures to investors about their businesses do not make an untrue statement of material fact or omit a material fact necessary in order to render the statements made not misleading.

The office hours video is an example of the SEC's emphasis on providing guidance and statements in a transparent manner that is easy for all to access. In August, Chair Gensler posted his first such [video](#)—on the potential for brokers to face conflicts of interest when using AI-powered tools. The SEC also [updated its website](#) in July for better functionality and user experience, and we've seen other recent examples of useful guidance to alert public companies to how the SEC staff is considering new disclosure issues (including Corp Fin Director Erik Gerding's [Cyber Materiality statement](#)).

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