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Supreme Court Securities Fraud Ruling Further Limits SEC's Enforcement Authority, With Rippling Effects on the Administrative State To Come



In a 6-3 decision in *SEC v. Jarkesy*, the Supreme Court of the United States ruled that respondents to a U.S. Securities and Exchange Commission in-house enforcement action alleging securities fraud and seeking civil penalties have a right to a federal jury trial under the Seventh Amendment. The decision by Chief Justice John Roberts, which seemingly applies to federal agencies generally, represents yet another curtailment of the SEC's authority.

On the heels of the 2018 *Lucia* decision and the 2023 *Axon* decision, the Court continues to chip away at the SEC's enforcement authority. The decision also narrows the "public rights" exception that permits federal agencies to conduct in-house enforcement actions without a jury trial in certain circumstances.

[Read the full Update here.](#)

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