

# When the Inevitable Happens: When to Self-Report Securities Law Violations and What to Expect When You Do

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In this article, published by *The Investment Lawyer*, Lorraine Echavarria discusses the benefits of self-reporting violations to the Securities and Exchange Commission (SEC); the SEC's treatment of different types of violations after they are self-reported; the practical considerations companies should weigh before self-reporting; and the ways the SEC can encourage more self-reporting in the future.

**Excerpt:** An anonymous compliance hotline within your investment adviser suddenly receives complaints about a market-beating portfolio manager. Your in-house compliance and legal team investigate and learn this portfolio manager may have been the beneficiary of some particularly timely information in advance of certain corporate announcements, leading to his highly successful year trading in the fund he manages. He denies doing anything wrong and accuses the (still anonymous) whistleblower of being jealous of his success. As images from episodes of "Billions" scroll through your mind, you try to decide what to do. Do you self-report? Do you tell the SEC? [Read the full article.](#)

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