

## David Smyth Quoted in Inside Counsel on Standard for SEC's Aiding and Abetting Cases

12.09.2012

The article discussed the Second Circuit's reversal of a decision that would have required the SEC to establish proximate causation to satisfy the "substantial assistance" test, a requirement that would have raised the bar for aiding and abetting claims in SEC civil enforcement actions.

"If Apuzzo had gone the other way ... it would have been big trouble for the SEC. It would be just about as hard as proving a primary violation. They would have to show that the defendant was a critical link in the chain of the actual violation," said David Smyth, who authors the blog *Cady Bar the Door*, offering commentary on SEC and related issues.

Smyth served on the staff of the SEC for six years, ultimately as Assistant Director in the Division of Enforcement. He now represents corporate clients in financial services litigation and in response to government enforcement proceedings by federal and state authorities.