

In The News

John Faust Explains Latter-day Saints' SEC Settlement

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In an editorial published this week by the *Deseret News*, Akerman Partner John Faust explains the U.S. Securities and Exchange Commission's recent headline-making investigation into the Church of Jesus Christ of Latter-day Saints and its investment adviser, Ensign Peak Advisors. It was announced this week that Ensign Peak will pay \$4 million to settle regulatory claims that it used shell companies to prevent public disclosure of the church's investment portfolio in equity securities. The SEC also levied a \$1 million fine against the Latter-day Saints.

In the editorial, Faust and his co-author, James Anderson of Willkie, Farr & Gallagher, explain why this failure to file accurate Forms 13F supports the conclusion that the alleged violation was largely technical. Form 13F is a quarterly stockholdings report required by the SEC of any investment managers managing more than \$100 million of equity securities. Because these reports are made public, Faust and Anderson explain, they are closely watched by other investors looking to benefit from the work of larger investment managers.

"No other industry is required to publish its most sensitive and valuable trade secrets on a quarterly basis," Faust and Anderson wrote.

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<https://www.deseret.com/opinion/2023/2/22/23610459/church-sec-settlement-investment-forms>