

Securities Regulation Daily Wrap Up, TOP STORY—Mary Jo White Sworn In As SEC Chairman, (Apr. 10, 2013)

Securities Regulation Daily Wrap Up

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By Mark S. Nelson, J.D.

The SEC has [announced](#) that Mary Jo White was sworn in as SEC chairman early today in a ceremony at which SEC Secretary Elizabeth M. Murphy administered the oath of office. Ms. White is the 31st person to lead the SEC. On April 8, 2013, the Senate confirmed Ms. White to finish the remainder of former Chairman Mary L. Schapiro's term, which ends June 5, 2014. The Senate must still act on President Barack Obama's nomination of Ms. White to serve a full term.

Taking the helm. Ms. White replaces Elisse B. Walter, whom Mr. Obama designated as chairman to replace Mary L. Shapiro, who left the SEC last December. Ms. Walter is still a SEC commissioner. Chairman White said in the SEC's press release that "[i]t is an honor to lead the talented and dedicated SEC staff on behalf of America's investors and markets."

Ms. White also spoke of the global significance of U.S. securities regulations. "Our markets are the envy of the world precisely because of the SEC's work effectively regulating the markets, requiring comprehensive disclosure, and vigorously enforcing the securities laws," said Ms. White.

Once sworn in, Ms. White chaired her first open meeting at which the Commission unanimously adopted rules to protect investors from identity theft. Ms. White briefly [remarked](#) at the meeting that she "looked forward" to working with her fellow commissioners and the SEC staff. She also praised now-former Chairman Walter. Said Ms. White, "I would also like to specifically thank my predecessor in this office, Elisse Walter, who has been so helpful in welcoming me to the agency and in providing strong leadership to the agency."

The road ahead. Ms. White will lead an SEC that has been challenged to finish its Dodd-Frank rules while moving ahead on crowdfunding and other market innovations required by the JOBS Act. Money market mutual fund reforms loom as Treasury and FSOC have recently pressed the SEC to act. Ms. White also will encounter a regulatory environment where Congress and private industry groups have questioned the SEC's rulemaking cost-benefit analyses and Dodd-Frank mandates.

Ms. White will leave her partner position at the law firm Debevoise & Plimpton LLP. Her prior law firm biography states that she focused on white-collar defense and investigations, securities, corporate governance, healthcare, and consumer finance. Ms. White rejoined Debevoise & Plimpton in 2002 after serving as U.S. Attorney in New York City, where she prosecuted high-profile white collar criminal and terrorism cases. Ms. White also was a director of the NASDAQ Stock Market where she was on the company's Executive, Audit and Policy Committee.

At the January 24, 2013, White House event announcing Ms. White's nomination, President Obama praised her prior achievements as U.S. Attorney in New York. The President singled out her prosecutions of the Gambino crime syndicate and the terrorists who bombed the World Trade Center and U.S. African embassies. Said the president, "You don't want to mess with Mary Jo."

The President also said Ms. White was ready to lead the SEC. Quoting an unnamed former SEC chairman, the President said that "Mary Jo 'does not intimidate easily.'" President Obama said Ms. White will face daunting tasks at the SEC, but the agency must continue its work to ensure that taxpayers do not pay for market participants' "irresponsible behavior." Said the President, "I am absolutely confident that Mary Jo has the experience and the resolve to tackle these complex issues and protect the American people in a way that is smart and in a way that is fair."

Future Senate action. The Senate has not yet acted on the president's nomination of Ms. White to also serve a full term ending June 5, 2019. The Senate Banking Committee on March 19, 2013, reported Ms. White favorably to the full Senate. However, according to the banking committee's [announcement](#) for that executive session, it voted only on the president's nomination of Ms. White to finish Ms. Schapiro's term ending in 2014.

In 2009, the Senate confirmed Ms. White's predecessor, Ms. Schapiro, to finish former Chairman Christopher Cox's term, as well as a full term, in a two-step process that had the Senate vote on each nomination four days apart.

Thus far, Ms. White has been widely supported by senators. Only Sen. Sherrod Brown (D-Ohio) dissented from the banking committee's vote. In a press release, Sen. Brown expressed his concern that Ms. White may be too close to the firms she will be expected to regulate if confirmed.

Said Sen. Brown, "I don't question Mary Jo White's integrity or skill as an attorney. But I do question Washington's long-held bias towards Wall Street and its inability to find watchdogs outside of the very industry that they are meant to police. Mary Jo White will have plenty of opportunities to prove me wrong. I hope she will."

The full Senate confirmed Ms. White to her current 14 month term by unanimous consent.

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