

Law School Dean To Lead SEC's Corporation Finance Division

By Tom Zanki

Law360 (June 14, 2021, 6:08 PM EDT) -- The U.S. Securities and Exchange Commission on Monday appointed a law professor to head the agency's Division of Corporation Finance, leading a key department that oversees the quality of corporate disclosures as the SEC looks to beef up its rulebook.

Renee Jones most recently served as a professor and associate dean at Boston College Law School, where she taught courses regarding corporations, securities regulation, startup company governance and financial regulation. She has written several essays including a 2017 piece called "The Unicorn Governance Trap," which was critical of governance structures at large private companies called "unicorns," or those valued at \$1 billion or more.



Renee Jones

The SEC's corporation finance division reviews public company disclosures to ensure materiality and accuracy. Jones assumes the helm as the Democratic-led SEC moves toward bolstering disclosure requirements, including mandating that companies reveal more information about climate risks and related environmental, social and governance, or ESG, topics.

Jones takes over for John Coates, the division's recent interim director, who was named the SEC's general counsel Monday. SEC Chairman Gary Gensler said Jones' "leadership will be invaluable as the division facilitates disclosure under our current rules and undertakes rule modernization to meet the challenges of today."

"Robust public disclosure has been a hallmark of effective securities regulation since the 1930s," Gensler said in a statement. "Renee brings deep expertise in corporate governance and securities law to the Division of Corporation Finance."

Before joining Boston College in 2002, Jones practiced law for eight years at the Boston firm Hill & Barlow, representing private and public companies on corporate and securities matters. She will lead a division that employs a staff of nearly 400, including lawyers and accountants.

"The division plays an essential role in ensuring investors have the information they need to make informed investment decisions," Jones said in a statement. "I will work tirelessly to execute our rules and make sound recommendations that will help the SEC realize its mission."

By picking a leader from academia, the SEC is departing from recent precedent. The division's last few directors spanning the Trump and Obama administrations, including Bill Hinman, Keith Higgins and Meredith Cross, joined the SEC after serving as partners at corporate law firms.

"She has an interesting background, both in private practice and as a law professor," said Covington & Burling LLP counsel David Martin, a former director of the SEC's corporation finance division. "That brings an interesting perspective to a lot of new areas that she'll be working on based on the Gensler agenda."

Dentons partner Walter Van Dorn also noted President Biden's administration has looked beyond large law firms to fill many regulatory posts, including from government and academia. In terms of policy, Van Dorn added that the selection is consistent with Biden's preference for candidates whose focus is "more on the regulatory side than on the laissez-faire side."

In fact, the SEC's corporation finance department has been stepping up regulatory scrutiny of capital markets over the past few months.

Coates issued several statements this year revealing that the SEC was taking a hard look at the surge in special purpose acquisition companies, which are shell vehicles that acquire private companies and take them public. Coates warned that SPACs should not assume they won't be held liable if they tout misleading forward-looking projections involving their acquisition targets.

Coates and the SEC's accounting chief separately issued statements demonstrating that regulators are scrutinizing accounting matters involving SPAC transactions, which have cooled since the recent regulatory announcements.

Coates, a former Wachtell Lipton Rosen & Katz partner, also has an academic background, having taught economics and law at Harvard University. He also served on the SEC's Investor Advisory Committee, which recommends policy on investor protection to the full agency.

--Editing by Stephen Berg.