

“Save your messages: SEC's focus on document retention continues into 2024” by Jonathan D. Uslaner and Mathews R. de Carvalho Published in *Reuters*

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In this *Reuters* article, “Save your messages: SEC's focus on document retention continues into 2024,” BLB&G partner Jonathan Uslaner and associate Mathews de Carvalho discuss the vital importance of companies collecting and preserving relevant documents, including texts, WhatsApp, WeChat, and other forms of "off-channel" messages, as dictated by legal record-keeping requirements. Although these securities laws are in effect, the SEC has observed an increase in broker-dealers and investment advisers using off-channel communications on their personal devices, as well as messaging applications that can automatically delete conversations after a certain amount of time. The SEC is issuing substantial fines to crack down on these infringements. To date, the agency has brought forward at least 40 enforcement actions and issued approximately \$1.6 billion in penalties.

Jon and Mat stress that it is imperative that investors who bring lawsuits for violations of the securities laws are able to obtain documents to support their claims, saying, “If wrongdoers can hide evidence simply by using off-channel messaging platforms, violations of the securities laws may go undetected for years and wrongdoers unpunished — a result that would be devastating for the integrity of the world's capital markets.”