Jerry Silk Discusses Defendant Accountability in The New York Times

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The New York Times Pulitzer Prize-winning journalist Gretchen Morgenson set her sights on the regulation of the financial sector in her Market Watch column “Making Them Pay (and Confess).”

Critics of the S.E.C and other government agencies claim that current government enforcement practices allow defendants to avoid culpability by not forcing them to admit to wrongdoing and thus protecting them from legal liability. Admissions not only hold defendants accountable but make their crimes a matter of public record.

BLB&G partner Jerry Silk, interviewed for the column, acknowledges the current difficulties of prosecuting civil securities cases and the potential impact of changing these regulatory practices. ''There are so many obstacles placed on investors trying to bring claims when a fraud is committed. Having the ability to rely on admissions by corporate defendants in government actions will help insure that meritorious cases are not dismissed on technical procedural grounds.''

Mr. Silk represents institutional investors on matters involving federal and state securities laws, accountants' liability and the fiduciary duties of corporate officials. As head of the firm's Subprime Litigation Group, Mr. Silk he counsels institutional clients on potential legal claims and is leading the efforts to address the substantial shareholder losses resulting from the collapse of the subprime mortgage sector. He is currently advising institutional investors worldwide on their rights with respect to claims involving transactions in residential mortgage-backed securities (RMBS) and collateralized debt obligations (CDOs).

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