

Learning Objectives

- Identify anti-fraud regulations enforced by the SEC.
- Recognize the SEC's role in accounting and reporting compliance.
- Recognize the characteristics of executives that oversee firms releasing fraudulent financial reports.
- Identify proxies used to measure executives' characteristics.

Chapter 1: The U.S. Securities and Exchange Commission's Role

- U.S. Securities and Exchange Commission
 - The Securities Act of 1933
 - The Securities Exchange Act of 1934
- SEC Enforcement
 - Section 13(b)
 - Section 17(a)
 - Section 10(b)

Chapter 2: Executives of AAER Targets

- Example Case: Comscore
- Management Traits
 - Overconfidence
 - Masculine Facial Features
 - Legal Infractions
 - Fraud Exposure
- Consequences