



In a recent [speech](#), SEC Chair Mary Jo White put directors of public companies on notice of their responsibility as "essential" and "important" gatekeepers upon whom their investors and the SEC rely.

Chair White described directors as the SEC's "partners" in preventing, detecting, and stopping violations of the federal securities laws. She set forth a laundry list of responsibilities she believes lie with directors, including strong corporate compliance programs, comprehensive review of shareholder proposals, and active oversight of senior management. She reminded directors that the SEC will pursue directors when necessary, citing two enforcement actions the SEC brought against audit committee chairs. Chair White trumpeted the virtues of self-reporting wrongdoing to the SEC and said directors should be considering this for non-material events, even where disclosure counsel's view is that the event does not require public disclosure. She added that for a company to receive credit for cooperating with the SEC the cooperation must be significant, i.e., a "sincere and

through partnering with the Division of Enforcement to uncover all the facts is required." Chair White also reminded directors of the potential whistleblowers in their midst, and warned directors to foster a culture that encourages and empowers employees to report wrongdoing. She warned directors against retaliation, noting the SEC's authority to bring enforcement actions against companies that retaliate against whistleblowers, citing a [recent SEC action](#). Chair White clearly has high expectations and a standard of conduct she will impose on directors. Her views about the responsibilities of directors and the SEC's expectations of them should be carefully considered by all directors of public companies.

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