

Scott Seaman Quoted in Law360 Article Discussing Bear Stearns Disgorgement Insurance Coverage Case

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Hinshaw attorney Scott Seaman, a Chicago-based partner and co-chair of the firm's national Insurance Services Group, was quoted by Jeff Sistrunk of *Law360* in an article titled "NY Ruling Undercuts SEC Disgorgement Coverage." The article reviews the decision last week by a New York Appeals Court that determined that a \$140 million Bear Stearns disgorgement paid as part of a settlement with the SEC represented a penalty and therefore was not covered by insurance. The Court applied the U.S. Supreme Court decision in *Securities and Exchange Commission v. Charles Kokesch* in its ruling.

Seaman said the appellate panel made the right call. "Generally, disgorgement is imposed as a consequence of a wrong against the public as opposed to particular people, it is intended to punish and deter, and often the victims are not directly compensated," he noted. "That is a penalty whether an insured is disgorged of its own ill-gotten gains or those generated for customers."

Read "[NY Ruling Undercuts SEC Disgorgement Coverage](#)," on the *Law360* website (*subscription may be required*)

"NY Ruling Undercuts SEC Disgorgement Coverage" was published by *Law360*, September 26, 2018.

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