

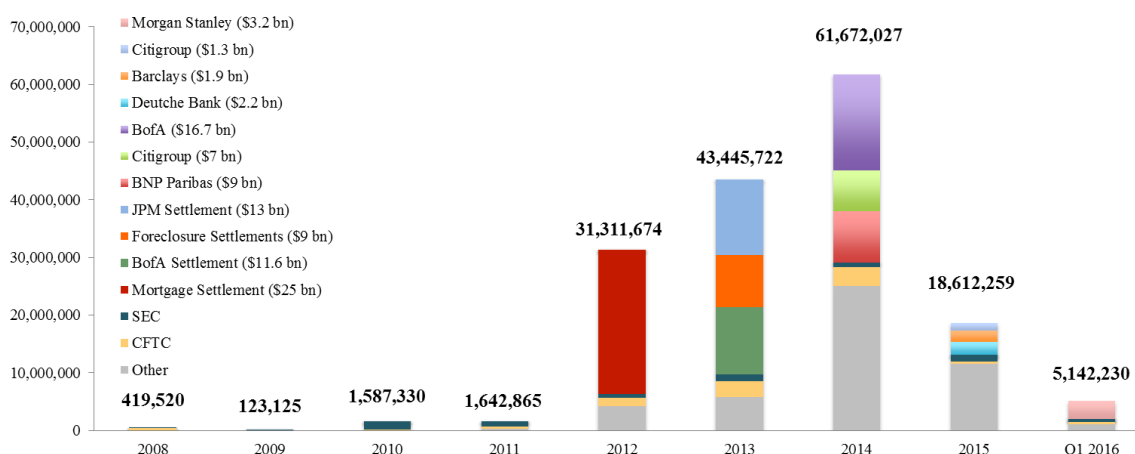
# COMMITTEE ON CAPITAL MARKETS REGULATION

## COMMITTEE RELEASES QUARTERLY FINANCIAL PENALTIES DATA

CAMBRIDGE, Mass., April 15, 2016—The Committee on Capital Markets Regulation today released data on the total public financial penalties imposed on financial institutions in the United States for Q1 2016. Public financial penalties include public class action settlements that arise from class action lawsuits brought by the government (*e.g.*, state attorneys general) and regulatory penalties that follow enforcement actions by regulatory agencies including the SEC, CFTC, and others.

In the first quarter of 2016, total public financial penalties amounted to \$5.1 billion. To resolve charges that they misled investors in mortgage-backed securities, Morgan Stanley faced the largest penalty of the quarter, which totaled \$3.2 billion. Morgan Stanley's penalty was the largest penalty faced by a financial institution since 2014, when total public financial penalties amounted to a record \$61.7 billion. The \$5.1 billion in penalties of Q1 2016 is 92% larger than the \$2.7 billion in penalties assessed last quarter. The data show that financial institutions in the U.S. continue to face historically unprecedented public financial penalties.

**Public Settlements and Regulatory Penalties on Financial Institutions (\$ thousands)**



The Committee on Capital Markets Regulation is an independent and nonpartisan 501(c)(3) research organization dedicated to improving the regulation of U.S. capital markets. The Committee's membership includes thirty-five leaders drawn from the finance, investment, business, law, accounting, and academic communities. The Committee is chaired jointly by R. Glenn Hubbard (Dean, Columbia Business School) and John L. Thornton (Chairman, The Brookings Institution) and directed by Prof. Hal S. Scott (Nomura Professor and Director of the Program on International Financial Systems, Harvard Law School).

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