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## D.C. Circuit Court Holds That the SEC's Administrative Courts Are Constitutional

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On August 9, 2016, the United States Court of Appeals for the District of Columbia Circuit affirmed the constitutionality of the administrative forum increasingly used by the Securities and Exchange Commission ("SEC") to adjudicate SEC enforcement actions. In *Raymond J. Lucia Cos., Inc. v. SEC*, the D.C. Circuit became the first federal circuit court to hold that the Administrative Law Judges ("ALJs") who preside over SEC administrative actions do so in compliance with the requirements of the United States Constitution. While the decision represents the views of only one appellate court, and does not preclude a contrary decision from any court outside the D.C. Circuit, it nonetheless serves as a bellwether for similar disputes currently working their way through other federal and administrative courts.

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