

MEDIA MENTIONS

Schulte co-managing partner Marc Elovitz quoted in *The Wall Street Journal*

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Schulte Roth & Zabel co-managing partner Marc Elovitz recently spoke with *The Wall Street Journal* for their article, “Court Hands Private Equity, Hedge Funds a Win on SEC Fee Rules.”

The US Court of Appeals for the Fifth Circuit struck down a set of SEC rules that intended to govern the terms private equity and hedge fund firms set with their investors. The rules, which were issued last year, aimed to increase transparency around the disclosure of fees and limit preferential deals for certain clients.

In relation to the Court’s pivotal actions, Marc explains, “In the past, regulated industries, particularly the private funds industry, have been loath to be at odds with their primary regulator.” The Court’s ruling “vindicates the approach that if something is harmful to the economy and to the industry and lacks a basis, then challenging it in court may be necessary at times.”

The Court stated that the SEC lacked the authority to enforce those rules and found that the statute the SEC relied upon when determining the new rules only applied to retail customers, not private funds. As a result, the SEC is reviewing the decision and identifying next steps, potentially including an appeal to the US Supreme Court.

[Read the article here.](#)

Related People



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