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# SEC Makeover Continues As Corporate Finance Head Bows Out

By **Max Stendahl**

Law360, New York (December 04, 2012, 3:23 PM ET) -- Meredith Cross will step down as the director of the U.S. Securities and Exchange Commission's corporate finance unit at the end of the year, the agency announced Tuesday, marking the second high-profile leadership shake-up at the SEC in as many weeks.

Cross, who has led the SEC's Division of Corporate Finance since June 2009, oversaw the unit's implementation of the sweeping Dodd-Frank Act and the Jumpstart Our Business Startups Act, an effort to loosen securities laws for small businesses. Cross also helped review prominent initial public offerings like Facebook Inc.'s notorious May 23 debut.

The announcement comes eight days after SEC Chairwoman Mary Schapiro said she would step down Dec. 14 and be replaced by SEC Commissioner Elisse Walter. In recent months, the SEC has also shuffled top leaders in its Office of Information Technology.

On Tuesday, Schapiro called Cross "an exceptional division director and a trusted adviser" during her 3 1/2-year tenure.

"Because of the efforts of Meredith and her staff, investors today get better, more meaningful information about the companies they invest in," Schapiro said in a statement. "She understands that the SEC's work matters for millions of Americans, and she helped to improve the way the agency does its job."

Cross thanked her staff and said her term had coincided with "historic changes" in securities markets and regulation.

"I am so proud of all we have accomplished together," she said.

Cross, a partner at WilmerHale in Washington from 1998 until 2009, plans to return to the private sector after leaving the SEC, the agency said. It did not specify her plans.

A WilmerHale representative could not be immediately reached for comment.

Cross has played a key role in some of the SEC's most noteworthy — and most contentious — Dodd-Frank actions. She pressed the agency to adopt rules setting up annual shareholder votes on executive compensation at public companies. She also recommended action on rules calling for greater disclosures about companies' use of conflict minerals and payments to foreign governments for the right to extract natural resources.

Cross took a lead role in implementing the JOBS Act after President Barack Obama signed it into law in April 2012. The SEC has yet to finalize key parts of the act, including measures allowing crowdfunding, in which companies raise smaller amounts of money from more investors without having to report to

regulators or file for an IPO.

Still, Cross's departure is not likely to significantly disrupt the corporate finance division's rulemaking on the JOBS Act and other issues going forward, according to Michael T. Campoli, an attorney and securities law compliance expert at Pryor Cashman LLP.

"The overall agenda and philosophy remain largely the same," he told Law360. "The deadlines for the rulemakings and other activities haven't changed."

Ultimately, Cross deserves credit for steering the SEC's corporate finance unit through the aftermath of the financial crisis, Campoli added.

"You have to tip your hat to Meredith Cross to her stewardship of the division during that time," he said.

The SEC did not immediately name a replacement for Cross on Tuesday.

The move comes at a difficult time for the agency, which is facing fresh scrutiny after a Republican Congressman released a series of emails Friday suggesting Schapiro delayed implementation of a controversial JOBS Act provision affecting private securities offerings in order to protect her legacy.

In a letter to the SEC, Rep. Patrick McHenry, R-N.C., suggested the delay was the result of pressure from special interest groups and Schapiro's desire to avoid being labeled as anti-investor. Schapiro at one point had sent Cross an email saying she didn't want to be "tagged as anti-investor" by implementing the provision without a comment period, according to McHenry.

The provision in question removes the ban on general solicitation and advertising for private securities offerings. The SEC said Monday the decision to delay the rule was made in line with its overall efforts to protect investors.

--Additional reporting by Maria Chutchian. Editing by Kat Laskowski.

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