

1 IN THE SUPREME COURT OF THE UNITED STATES

2 - - - - - x

3 MARC J. GABELLI AND BRUCE ALPERT, :

4 Petitioners : No. 11-1274

5 v. :

6 SECURITIES AND EXCHANGE :

7 COMMISSION :

8 - - - - - x

9 Washington, D.C.

10 Tuesday, January 8, 2013

11

12 The above-entitled matter came on for oral
13 argument before the Supreme Court of the United States
14 at 10:13 a.m.

15 APPEARANCES:

16 LEWIS LIMAN, ESQ., New York, New York; on behalf of
17 Petitioners.

18 JEFFREY B. WALL, ESQ., Assistant to the Solicitor
19 General, Department of Justice, Washington, D.C.;
20 on behalf of Respondent.

21

22

23

24

25

1	C O N T E N T S	
2	ORAL ARGUMENT OF	PAGE
3	LEWIS LIMAN, ESQ.	
4	On behalf of the Petitioners	3
5	ORAL ARGUMENT OF	
6	JEFFREY B. WALL, ESQ.	
7	On behalf of the Respondent	21
8	REBUTTAL ARGUMENT OF	
9	LEWIS LIMAN, ESQ.	
10	On behalf of the Petitioners	50
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 P R O C E E D I N G S

2 (10:13 a.m.)

3 CHIEF JUSTICE ROBERTS: We'll hear argument
4 first this morning in Case 11-1274, Gabelli and
5 Alpert v. the Securities and Exchange Commission.
6 Mr. Liman.

7 ORAL ARGUMENT OF LEWIS LIMAN
8 ON BEHALF OF THE PETITIONERS

9 MR. LIMAN: Mr. Chief Justice, and may it
10 please the Court:

11 This case concerns the statute dealing
12 exclusively with penalty claims brought by government
13 agencies to punish conduct made unlawful by statute.
14 Congress provided a clear and easily administered
15 statutory time limitation on the government's power to
16 punish: 5 years, except as otherwise provided by
17 Congress.

18 The case does not concern -- the statute
19 does not concern the government's power to seek remedial
20 remedies such as disgorgement and injunction.
21 Consistent with -- Congress's normal approach in penal
22 situations, Congress fixed a statute of limitations for
23 penalties. The court below, for the first time over the
24 century the statute has been in existence, sweepingly
25 concluded that unless Congress clearly directed

1 otherwise, the statute and the 5 years did not begin to
2 run from the time the defendant violated the law, the
3 ordinary rule for statutes providing for accrual, but
4 instead --

5 JUSTICE GINSBURG: Mr. Liman. Mr. Liman,
6 you -- you are typing this a penalty case. The
7 government says yes the accrual is the ordinary rule, but
8 discovery is the rule when there is fraud, and fraud is
9 alleged here. So how does the Court decide whether to
10 type this case a penalty case, as you urge, or a fraud
11 case, as the government urged -- urges, when both
12 captions fit?

13 MR. LIMAN: Your Honor, I think there are
14 two answers to that. First is that the Court doesn't
15 need to decide, Congress has decided. Congress made it
16 quite clear that the rule of accrual applied to all
17 penalty claims. And as this Court held in
18 Clark v. Martinez, the same word in a statute cannot be
19 given different interpretations depending on the
20 underlying statute to which it is applied.

21 The second reason, though, Justice Ginsburg,
22 is that it is not correct to say, and this Court has
23 never said, that either the Bailey rule or the injury
24 accrual rule applies to a statutory fraud claim where
25 the government is seeking to punish. That would --

1 JUSTICE KENNEDY: Excuse me.

2 Justice Ginsburg points out that you're talking about
3 the statute, but the statute uses the term "accrual."
4 Is it correct to say that the term "accrual" is not used
5 in statute of limitations for crimes -- generally -- for
6 crimes?

7 MR. LIMAN: For -- for crimes, the general
8 word that is used is time period from the violation.

9 JUSTICE KENNEDY: Right. And this -- and
10 this talks about accrual. So that is indicative -- is
11 indicative of the fact that Congress is using a civil
12 analogue in the drafting of this statute.

13 MR. LIMAN: Your Honor, it indicates that
14 Congress is using accrual as it is understood at common
15 law. Common law, it means when the claim becomes ripe
16 and the plaintiff has the ability to sue. What that
17 means is, as the D.C. Circuit said in 3M -- and we think
18 the D.C. Circuit got it right on this -- that you look
19 to the underlying statute pursuant to which the
20 government is seeking a penalty to see when the claim
21 became ripe.

22 In a penalty situation, and under the IAA,
23 which is what this concerns -- it doesn't concern a
24 common law fraud claim; it doesn't concern a claim where
25 there's even any element of deception that's required.

1 It's a breach of fiduciary duty. What the IAA says is
2 that the government can sue when the violation occurs.

3 Now --

4 JUSTICE SOTOMAYOR: Mr. Liman, I understand
5 your argument, but I have a fundamental difficulty,
6 okay?

7 Bailey and Exploration Company, with
8 statutes not too dissimilar from this one, who read the
9 discovery rule into a fraud claim, both for a civil
10 litigant and for the government. The only way that I
11 can tease out a potential difference between Exploration
12 and this case is somehow that the penalty in this case
13 is not for injury, but for punishment, as you called it.
14 Government as enforcer, rather than government as
15 victim.

16 Some of us would say that the common wheel
17 is injured whenever someone breaks a law, so that that
18 distinction between enforcer and victim makes no sense.

19 How do you answer that point?

20 MR. LIMAN: Justice Sotomayor, let me give
21 you the precise answer to that, which is that in this
22 case where the government is seeking a penalty, it is
23 not acting on behalf of underlying investors, and the
24 recovery is not one that is brought by way of damages or
25 disgorgement.

1 JUSTICE SOTOMAYOR: It's acting as a
2 sovereign to protect what it thinks is an ordered
3 society. And if you break that order, you are injuring
4 the society. That -- that's the best --

5 MR. LIMAN: Your Honor, I think that is the
6 articulation that the government would have to make. I
7 don't think it holds up, for several reasons. First of
8 all, it would represent an extreme departure from
9 anything this Court has ever held or, to our knowledge,
10 any court has ever held with respect to the application
11 of the discovery rule.

12 Second, when you're talking about penalty,
13 you're not talking about recovery to -- to victims.
14 Third, when we're talking about implying a rule, which
15 is what the government's argument is here -- it's not an
16 argument to follow the plain language, it's an argument
17 to depart from the plain language -- you should look at,
18 and the cases direct you to look at, the policy
19 concerns. And when you're talking about discover -- a
20 discovery rule with respect to the government as
21 enforcer, the rules don't work. They don't work for
22 several reasons.

23 First of all, when you've got an injury, a
24 party who is injured, the statute of limitations has a
25 natural start date that is not in control of the

1 plaintiff. There is a relationship to the underlying
2 violation. And that can be readily measured. None of
3 that is true when you're talking about the government in
4 a law enforcement capacity.

5 JUSTICE KAGAN: Mr. Liman, what you
6 suggested, when we talked about the discovery rule, is
7 that it has its basis in the notion that a defendant with
8 unclean hands who has committed deceptive conduct
9 preventing the plaintiff from understanding that he or
10 it has a cause of action -- you know, shouldn't be
11 entitled to the benefit of a statute of limitations.

12 And if that's the understanding that lies
13 behind the discovery rule, I guess the question for you
14 is, why doesn't it apply in this case, as well as, in
15 a case where the person bringing the action has
16 himself suffered a harm?

17 MR. LIMAN: Justice Kagan, I've got two
18 answers to that question as well. The first is that --
19 that I don't think is the basis for the -- for the
20 discovery rule at bottom. The basis for the discovery
21 rule -- if you look at this Court's opinion in -- in
22 Rotella, if you look at the Seventh Circuit in Cada, the
23 D.C. Circuit in Connor -- is the notion that when the
24 plaintiff cannot discover the injury, doesn't know that
25 it's been injured, and cannot reasonably know that the

1 plaintiff's been injured, the plaintiff cannot take the
2 steps that other plaintiffs would take to investigate
3 and determine whether they've got a cause of action.

4 That's not applicable in a government
5 enforcement context because you're not talking about
6 there the government as a victim. The government may
7 not know of the underlying transaction, will not know of
8 the underlying transaction, unless the government asks.

9 The second reason is that there is a strain
10 that -- in the Bailey line of cases -- that really
11 speaks in terms of equitable tolling and fraudulent
12 concealment, that sort of a notion of unclean -- unclean
13 hands. That's not in this case because the government
14 affirmatively took it out. But we would submit --

15 JUSTICE GINSBURG: How did the government
16 take it out? I mean, the point here is that there was a
17 concealment. There was a hiding of what was -- the
18 impermissible action.

19 MR. LIMAN: That's -- that's not correct,
20 Justice Ginsburg. If you'd look at the -- at the
21 opinion below and you look at the complaint, the essence
22 of the allegation, which we have not yet had a chance to
23 disprove before you on a motion to dismiss, is that
24 there were misrepresentations and omissions made to the
25 board of the mutual fund. There was no

1 misrepresentations made to the investing public. That
2 allegation is not in the complaint. It would not be
3 accurate. And there is no allegation whatsoever that
4 anything was hidden from the government or was in any
5 way concealed from the government. The records here
6 would have been available -- were available for the
7 government to look at, at any time.

8 JUSTICE SOTOMAYOR: Mr. Liman, finishing up
9 a point you were just on previously, what's your
10 position with respect to fraudulent concealment?
11 Doesn't your theory preclude even the application of
12 that to tolling of the statute?

13 MR. LIMAN: Your Honor, I think you could
14 and should conclude -- that if you reach that issue. I
15 don't think you need to reach that issue.

16 JUSTICE SOTOMAYOR: But tell me about --

17 MR. LIMAN: Our theory doesn't require you
18 to come to that conclusion.

19 JUSTICE SOTOMAYOR: This is -- it's nice for
20 you to say that. But tell me, having announced your
21 theory, how the next step is avoidable? Under what
22 theory would we say you can't have a discovery rule, but
23 you can have a fraudulent concealment rule?

24 MR. LIMAN: Your Honor, in the -- using the
25 same type of theory and the same methodology that the

1 Court employed in the RICO context, in the Claire case,
2 and in the Rotella case, one can read the statute, I
3 think you have to read the statute, here to say that
4 "accrue" means accrue. It's the time that the
5 government can first sue.

6 That does not necessarily resolve the
7 question of whether there are equitable exceptions that
8 the government or any party could affirmatively assert
9 to toll the statute of limitations, not to delay the
10 accrual of the statute of limitations.

11 JUSTICE SCALIA: Mr. -- Mr. Liman, you
12 acknowledge that a civil action could be brought
13 beginning from the time when the injured plaintiff
14 discovers the fraud, right?

15 MR. LIMAN: That's --

16 JUSTICE SCALIA: So you're really not
17 arguing for what you might call a total statute of
18 repose. It seems to me odd that the defendant would be
19 relieved from prosecution by the government, but not
20 relieved from a suit for sometimes very substantial
21 damages by -- by an injured plaintiff who doesn't have
22 to sue until he's discovered the fraud.

23 MR. LIMAN: Your Honor, respectfully, we
24 don't think that's not odd at all. If you look in the
25 securities context, there is a 5-year statute of repose.

1 And it would be odd to think that the same Congress that
2 passed that 5-year statute of repose limiting even the
3 ability of an injured plaintiff without the tools of the
4 government to bring a private suit for damages, that's
5 the --

6 JUSTICE SCALIA: Sure. But that 5 years
7 doesn't begin to run until the private plaintiff
8 discovers the fraud, right?

9 MR. LIMAN: That's -- that's not correct,
10 Your Honor.

11 JUSTICE SCALIA: No?

12 MR. LIMAN: Under Title 28 1658(b) the 5
13 years runs from the time of the violation. It's exactly
14 coextensive with 2462, and it's not an accident that it's
15 exactly coextensive.

16 JUSTICE GINSBURG: Mr. Liman, how does it
17 work with a disgorgement remedy? I take it that that's
18 still -- that you are not challenging the disgorgement?

19 MR. LIMAN: We are not challenging the
20 disgorgement in front of this Court, and if this Court
21 reverses the Second Circuit that -- that issue will
22 remain in the case and the SEC's claim for disgorgement
23 will remain, and that's really been the way --

24 JUSTICE GINSBURG: But you don't apply --
25 you don't say it's too late for them to sue for

1 disgorgement?

2 MR. LIMAN: 2462 applies exclusively with
3 respect to penalties, fines and forfeitures. It does
4 not apply with respect to equitable remedies.

5 JUSTICE GINSBURG: So is there any statute
6 of limitations on disgorgement?

7 MR. LIMAN: There is none. There is none.

8 JUSTICE BREYER: Does it apply to Social
9 Security? Does it apply to Veterans Affairs?

10 MR. LIMAN: The -- there is a Social
11 Security statute that --

12 JUSTICE BREYER: Does this statute apply to
13 Social Security?

14 MR. LIMAN: Yes.

15 JUSTICE BREYER: Does it apply to Veterans
16 Affairs? Yes or no or you don't know?

17 MR. LIMAN: I don't know on Veterans
18 Affairs.

19 JUSTICE BREYER: What about Social Security?

20 MR. LIMAN: Social Security, there is an
21 underlying statute --

22 JUSTICE BREYER: Then, I'm asking about this
23 statute. Does it apply?

24 MR. LIMAN: The answer is yes. The answer
25 is yes. It applies to a broad range of statutes, unless

1 Congress otherwise provided. In fact, there are very
2 few penalty statutes to which it does not apply.

3 JUSTICE BREYER: Defense Department?

4 MR. LIMAN: It does apply to a number of
5 Defense Department statutes. I'm hesitating --

6 JUSTICE BREYER: Antitrust?

7 MR. LIMAN: I'm not sure on antitrust. But
8 I believe that it applies to -- it does apply to a
9 number of unfair trade practices. Antitrust, there may
10 be a separate statute.

11 JUSTICE BREYER: FTC, you don't know?

12 MR. LIMAN: FTC, yes.

13 JUSTICE BREYER: It does apply to FTC, okay.
14 So Social Security, FTC. Veterans Affairs we don't
15 know, antitrust we don't know. Okay.

16 MR. LIMAN: One of the notable features,
17 Justice Breyer, is that if you look across the U.S.
18 Code, the government makes a point of saying: Well,
19 Congress uses penalty -- acknowledges that Congress has
20 used penalty when -- the word "penalty" when the
21 Congress has -- I'm sorry, it has used the word
22 "discovery" when Congress has wanted the statute to --

23 JUSTICE SOTOMAYOR: Mr. Liman, I'm a little
24 confused in your answer to Justice Scalia. You said
25 that the underlying case has a 5-year statute of repose

1 for a civil claim. If Bailey applies, however, those
2 claimants who have -- under your theory, who have been
3 directly injured. The presumption would apply of
4 discovery, if they were claiming a fraud.

5 MR. LIMAN: No -- no, Your Honor.

6 JUSTICE SOTOMAYOR: So are you just arguing
7 that under this statutory scheme there is no application
8 of the discovery?

9 MR. LIMAN: This -- this Court has held in
10 the Lampf case that Bailey and Holmberg do not apply to
11 securities fraud case.

12 JUSTICE SOTOMAYOR: Because of the
13 alternative language of 5 years.

14 MR. LIMAN: Well, in Lampf it was 1-year and
15 3-year.

16 JUSTICE SOTOMAYOR: Right.

17 MR. LIMAN: And in the Merck case, the Court
18 made clear that the 5 years was the statute of -- the
19 statute of repose.

20 JUSTICE SOTOMAYOR: That's what I thought
21 those involved.

22 JUSTICE BREYER: Medicare, Medicaid?

23 MR. LIMAN: Yes.

24 JUSTICE KAGAN: It is true, though, isn't
25 it, that Justice Scalia pointed to an anomaly that could

1 easily exist in other contexts because this isn't only a
2 statute about securities violations. So that you might
3 have in other contexts in which this statute applies a
4 world in which a private individual could sue, but the
5 government -- could sue after the -- the period of
6 time --

7 MR. LIMAN: Yes.

8 JUSTICE KAGAN: -- the 5 years, but the
9 government could not.

10 MR. LIMAN: Yes, Justice Kagan. And we
11 don't think that's an anomaly. We don't think it's an
12 anomaly for two reasons. First of all, in the private
13 context, as again I mentioned, the statute, the start
14 date for the statute of limitations is not in the
15 control of the plaintiff. That's a critical point.
16 It's critical in this Court's jurisprudence from Hubrick
17 forward. It -- there is a natural start date from when
18 the injury would be known to a reasonable plaintiff.
19 Not true with respect to the government, who may not
20 even know of the transaction. And -- but what it -- so
21 it's -- I don't think there's an anomaly because there
22 are different statutes of limitation.

23 JUSTICE KAGAN: And I take it that your view
24 would be that a case like Exploration, it's different
25 than this case because it does have a natural start

1 date; is that the idea?

2 MR. LIMAN: Number one, it does. And number
3 two, the relief being sought in Exploration was the
4 cancellation of a patent, so it was the government as a
5 party to a transaction. And what the Court really said
6 in Exploration, what the Court, in fact, said in
7 Exploration, is that there is no reason why the same
8 rule applied the same way couldn't benefit the
9 government, as well as the private plaintiff.

10 What the government is seeking here is not
11 the same rule and would not be applied in the same way
12 because you are talking about a transaction that is a,
13 frankly, a private transaction that there is no reason
14 that the government would know anything about. The
15 claim ultimately here is a claim about what was said in
16 a private conversation between the advisor to a mutual
17 fund and the mutual fund -- fund board.

18 So Exploration, what's notable is that the
19 government doesn't cite a single case where the
20 discovery rule has been applied to a party who is not a
21 victim or that it's been applied -- where it's been
22 applied and a penalty hasn't been -- a penalty has been
23 at issue. I mean, neither of those circumstances. We
24 are talking about a statute ultimately where the plain
25 language is clear and the government is invoking a

1 statutory canon not to try to interpret language of the
2 statute, not even to fill a gap in a statute, but to
3 override it. The canon that they say overrides the
4 plain language doesn't exist.

5 JUSTICE KENNEDY: In a civil -- in a civil
6 action brought by an injured investor or private party,
7 can that plaintiff, the injured investor, the private
8 party, in the ordinary course plead and rely upon an
9 earlier government determination that there had been a
10 violation and so that that's presumptive showing of
11 liability?

12 MR. LIMAN: Your Honor --

13 JUSTICE KENNEDY: In other words, the SEC
14 makes an investigation, finds a violation; can a private
15 investor then rely on that as a presumptive showing of
16 liability?

17 MR. LIMAN: Yeah. I think the lower courts
18 are mixed on the extent to which you can rely upon the
19 actual allegations in a complaint.

20 JUSTICE KENNEDY: No, not the allegation.
21 It's an ultimate finding.

22 MR. LIMAN: Absolutely.

23 JUSTICE KENNEDY: But then under your rule.
24 The plaintiff would be deprived of that.

25 MR. LIMAN: No, that's not correct,

1 Your Honor. Under our rule the plaintiff has exactly
2 the same rights, regardless of how this case is
3 determined. The plaintiff's cause of action will turn
4 upon the underlying --

5 JUSTICE KENNEDY: But if the government's
6 statute of limitations runs out and the private investor
7 is on his own, then the private investor doesn't have
8 the advantage that exists in other cases of reliance on
9 a -- SEC finding as a presumptive showing of liability.

10 MR. LIMAN: Your Honor, that -- that -- our
11 argument only applies with respect to penalty. The
12 government has huge powers with respect to disgorgement
13 and injunctive relief. So, if the government believes
14 that there is a wrongdoing, the government still has the
15 ability to bring a claim and the private investors still
16 have the ability to rely upon the government's
17 enforcement action and whatever findings come out of
18 that. So there is nothing in our argument that
19 diminished, to any degree, the recovery abilities of a
20 private plaintiff.

21 In fact, as we've highlighted, that 5-year
22 period for the -- in the securities laws puts a premium
23 on the SEC acting promptly. And I would note that
24 that's something that is not accidental. If you go back
25 in the legislative history and look to the SEC's

1 reaction to the Lampf decision, the SEC urged a 5-year
2 statute of repose, saying that that struck in the
3 private context the right balance between repose when
4 you're dealing with complex commercial transactions and
5 enforcement and -- and recovery.

6 There's -- the position that the SEC is
7 taking now is a novel position that to -- to our
8 knowledge has not been taken by other regulators and
9 hasn't been taken by the SEC until -- until quite
10 recently. This statute's been on the books for quite a
11 long time, and it's notable that agencies have not urged
12 that -- that interpretation.

13 JUSTICE GINSBURG: Are there no statutes,
14 Mr. Liman, that say the claim accrues when the injury is
15 discovered, that use both -- both terms?

16 MR. LIMAN: I'm sorry, Justice Ginsburg. I
17 missed the question.

18 JUSTICE GINSBURG: Are there no statutes
19 that use both terms, "accrues" and "discovery"? A
20 statute, for example, that says, this claim accrues when
21 the injury is discovered?

22 MR. LIMAN: There are statutes that use that
23 kind of language, and that's precisely our point because
24 it reflects that Congress recognizes the difference and
25 could, if Congress wanted, provide that a claim for the

1 violation of the IAA or for any other statute accrues
2 when it is discovered.

3 If there are no further questions, I would
4 like to reserve the remainder of my time.

5 CHIEF JUSTICE ROBERTS: Thank you, counsel.
6 Mr. Wall.

7 ORAL ARGUMENT OF JEFFREY B. WALL

8 ON BEHALF OF THE RESPONDENT

9 MR. WALL: Mr. Chief Justice and may it
10 please the Court:

11 I think Justice Kennedy started us off in
12 the right place by focusing on the statute and its use
13 of the term "accrual." And when counsel concedes that
14 that term had an established meaning at common law and
15 this statute picks it up, I think he gave away his case
16 because there were a cluster of concepts. One was the
17 general rule governing accrual: It accrues when the
18 plaintiff can -- has a right to sue.

19 But there was a specific principle for cases
20 of fraud and concealment. And I don't think there is
21 any basis in law or logic for Petitioner saying that
22 this statute meant to pick up one of those concepts and
23 not the other concept.

24 JUSTICE SCALIA: I don't think the common
25 law held that it didn't accrue. I think it was an

1 exception to the accrual rule, that, even though it
2 accrued earlier, we are going to allow a later suit
3 where -- where discovery is made later. I -- is that
4 the way those cases were framed, that it didn't accrue
5 until discovery?

6 MR. WALL: Justice Scalia, I don't want to
7 fight about it too much because from the government's
8 perspective, it doesn't matter --

9 JUSTICE SCALIA: Well, you are making the
10 argument, so you ought to fight about it.

11 MR. WALL: It doesn't matter how it's
12 labeled. It doesn't matter whether we label it as an
13 interpretation of the statute or an exception for cases
14 of fraud or concealment. The result is the same.

15 But I will say you are right, in some cases
16 it was described as an exception, but as long ago as
17 Kirby in 1887 and as recently as Merck --

18 JUSTICE SCALIA: And never in a criminal
19 case, right? Do you have a single case in which the
20 discovery rule was -- was applied in a criminal case
21 with respect to a penalty or a criminal sanction?

22 MR. WALL: No, not in --

23 JUSTICE SCALIA: Not a single one.

24 MR. WALL: Well, no. The criminal context
25 is fundamentally different. This Court has said that

1 those statutes are construed liberally in favor of
2 repose and are presumptively not subject to --

3 JUSTICE BREYER: Now, that's the question
4 because I certainly agree with Justice Scalia that this
5 is not an SEC statute, this is not a securities statute;
6 it is a statute that applies to all government actions,
7 which is a huge category across the board and it's about
8 200 years old.

9 And until 2004 I haven't found a single case
10 in which the government ever tried to assert the
11 discovery rule where what they were seeking was a civil
12 penalty, not to try to make themselves whole where they
13 are a victim, with one exception, a case called Maillard
14 in the 19th century where they did make that assertion.
15 They were struck down by the district court, and the
16 attorney general in his opinion said, the district
17 court's absolutely right; of course, the government
18 cannot effectively abolish the statute of limitations
19 where what they're trying to do is to gather something
20 that's so close to a criminal case.

21 So my question is: Is there any case at all
22 until the year 2004, approximately, in which the
23 government has either tried or certainly succeeded in
24 taking this general statute and applying the discovery
25 rule where they are not a victim, they are trying to

1 enforce the law for the civil penalty?

2 The reason I brought up Social Security,
3 Veteran's Affairs, Medicare, is it seems to me to have
4 enormous consequences for the government suddenly to try
5 to assert a quasi-criminal penalty and abolish the
6 statute of limitations, I mean, in a vast set of cases.
7 And that -- you know, I have overstated that last remark
8 a little bit, but I want you to see where I'm coming
9 from, which isn't so different from the -- from the
10 questions that have been put to you.

11 MR. WALL: Justice Breyer, most or many of
12 the penalty claims that are being brought under Section
13 2462 and other penalty statutes don't deal with fraud or
14 concealment, and I grant you that it is a problem --

15 JUSTICE BREYER: All I'm asking you for is
16 one case.

17 MR. WALL: So in -- it's a problem of fairly
18 recent vintage, to be sure --

19 JUSTICE BREYER: No, it is not a problem of
20 fairly recent vintage. I'd say for 200 years there is
21 no case. The only case, as far as I have been able to
22 discover, which is why I am asking, is that what created
23 the problem of recent vintage is that the Seventh
24 Circuit, I guess, or a couple of other circuits decided
25 that this discovery rule did apply to an effort by the

1 government to assert a civil penalty. That's what
2 created the problem. Before that there was no problem;
3 it was clear the government couldn't do it.

4 All right. Now, you will tell me that I'm
5 wrong by citing some cases that show I'm wrong. And
6 that's what I'm asking. I want to be told I'm wrong,
7 sort of.

8 (Laughter.)

9 MR. WALL: And I guess what I want to tell
10 you is there aren't cases out there one way or the
11 other. There aren't cases endorsing or declining to
12 adopt the discovery rule in the context of fraud or
13 concealment with civil penalty actions --

14 JUSTICE SCALIA: You'd expect that - you'd
15 expect there to be some cases in a couple of hundred
16 years.

17 JUSTICE BREYER: No, I haven't found one.

18 JUSTICE SCALIA: Fraud is nothing new, for
19 Pete's sake.

20 MR. WALL: Justice Scalia, it's not that --

21 JUSTICE SCALIA: This is brand-new assertion
22 by the government that -- tell -- is there much
23 difference between the rule you are arguing for and a
24 rule that there is no statute of limitations?

25 MR. WALL: Absolutely there is. Since --

1 look, in 1990 the Commission was given the right to seek
2 civil penalties, so it could only have brought these
3 actions for the last 20 years. In those 20-plus years,
4 we have seen 25 reported cases dealing with 2462 and
5 civil penalties. In 19 of those cases, the Commission
6 brought its action within 5 years of the end of the
7 fraud. It used the discovery rule only to reach back
8 and get the beginning of the fraud.

9 CHIEF JUSTICE ROBERTS: Well, but that
10 ignores the point that has been raised, is that this
11 statute does not just apply in the SEC context. How
12 many cases have you found across the board in the range
13 of those areas that Justice Breyer catalogued?

14 MR. WALL: There are cases from the 1980s
15 and 1990s dealing with concealment, and in our view the
16 justification is the same for concealment as fraud.

17 JUSTICE BREYER: I mean, we are asking the
18 same question, but in 30 seconds I am going to conclude
19 there is none. What I want is a case before the year
20 2000 in which the government sought a civil penalty and
21 was not trying to recover money or land that it had
22 lost, and I want the name of that case in which they
23 said that the discovery rule applies.

24 The two that you cited, Amy and the case of
25 Broderick's Will, did involve the government being

1 injured by losing land or losing money, something like
2 that. So I have those and I don't think they count, but
3 I will look at them again. Is there anything else you
4 would like to refer me to?

5 MR. WALL: Justice Breyer, I don't think
6 there is anything on either side of the ledger, I will
7 be very upfront, other than the Maillard case, which I
8 think even courts at the time, an exploration company,
9 the court of appeals recognized --

10 JUSTICE SCALIA: It's not a matter of there
11 being nothing on either side of the ledger. What's
12 extraordinary is that the government has never asserted
13 this, except in the 19th century, when it was rebuffed
14 and -- and repudiated its position. It isn't just that
15 there are no cases against you. It's you've never --
16 the government has never asserted it before.

17 MR. WALL: Justice Scalia, there were very
18 few civil penalty actions in which -- that involved
19 fraud or concealment, in which the government would have
20 needed to invoke it, or did invoke it and was rebuffed
21 by courts. I mean, this is a fairly modern problem, and
22 the question is do all of the same concepts that
23 compelled one answer in these other contexts compel the
24 same answer here or does a rule that blankets the
25 waterfront --

1 JUSTICE SOTOMAYOR: So, this is a very
2 modern problem, but how about the statute of Elizabeth,
3 which talked about penalties as being a criminal
4 sanction, but permitted private individuals, not the
5 government, to seek the penalties and keep it. So you
6 cite the statute of James, and I look at the statute of
7 Elizabeth, and try to find the analogy between which
8 one.

9 MR. WALL: Well, if this were a criminal
10 penalty, the government agrees --

11 JUSTICE SOTOMAYOR: Even though private
12 parties could keep the money back then.

13 MR. WALL: That's right. But what the
14 Court's been clear on is that there are civil penalties
15 and there are criminal penalties and which side of the
16 line it falls on invokes a different set of background
17 rules and legal norms. The Congress denominated this as
18 a civil penalty --

19 JUSTICE SOTOMAYOR: Could I move you to
20 another issue? If a party can defeat the government's
21 claim of discovery by showing that the government wasn't
22 reasonably diligent, how does a party ever accomplish
23 that? Aren't you going to raise the law enforcement
24 privilege, the -- some other privilege to block --
25 discovery?

1 MR. WALL: Justice Sotomayor, discovery is
2 playing itself out in cases like these in district
3 courts. Privilege has not been a very major issue and
4 the reason is defendants are by and large pointing to
5 things in the public domain -- private lawsuits, public
6 filings with the Commission, public statements -- to say
7 those put the Commission on constructive words --

8 JUSTICE SOTOMAYOR: Well, if they fail
9 there, don't you think that they are going to also fail
10 because they are not going to be able to look at your
11 records to figure out exactly what you knew or didn't
12 know?

13 MR. WALL: No, not invariably. I mean, the
14 way this plays itself out in the district court is the
15 Commission says that it didn't know and a defendant
16 points to something in the public domain and says either
17 that put you on constructive notice or --

18 CHIEF JUSTICE ROBERTS: So it depends really
19 on how many enforcement officers the SEC has, is it
20 reasonable for them to have been aware of the particular
21 item in some publication. Maybe if they've got 1,000
22 people reviewing it, but maybe not if they have 10; and
23 that's just not the -- I mean, it's not just the SEC;
24 it's all these other government areas.

25 It seems to me that it's going to be almost

1 impossible for somebody to prove that the government
2 should have known about something. And which part of
3 the government? I mean, it's a big, big government, and
4 particular agencies -- well, you say, well, the Defense
5 Contractor Board should have known, but does that mean
6 that the U.S. attorney's office or the Defense Counsel's
7 office should have known?

8 It seems to me that, at least with respect
9 to that aspect, you really are eliminating any real --
10 it's certainly not a lot of repose if the idea is, well,
11 I've got to establish that this particular government
12 agency should have known about this.

13 You certainly can't sit back and say, well,
14 5 years has gone by and --

15 MR. WALL: Mr. Chief Justice, they can't
16 point to a single case where it has been difficult here,
17 and it hasn't been difficult --

18 CHIEF JUSTICE ROBERTS: They can't point to
19 a single case?

20 MR. WALL: Where it's been difficult in
21 order to make that determination. And it hasn't proven
22 difficult --

23 CHIEF JUSTICE ROBERTS: So you think it's
24 significant if you can't point to a single case?

25 MR. WALL: Well, I think there are -- where

1 you should expect those cases to exist, yes.

2 JUSTICE KENNEDY: Are -- are there cases
3 discussing whether or not a government agency has been
4 diligent in pursuing a fraud, a fraud investigation?
5 You see, in the private context we have some sense of
6 what the plaintiff has to do to protect the plaintiff's
7 rights. He has to be diligent. But to transpose that
8 to a governmental agency -- suppose the agency's over --
9 overworked or underfunded? I don't -- which way do you
10 come out when the government says that?

11 MR. WALL: Justice Kennedy, not just this
12 statute. There are other statutes, the False Claims Act
13 and others, that have specific provisions requiring
14 courts to determine when a government official would
15 reasonably have been on notice of certain circumstances.
16 That hasn't proven difficult in those contexts. It's
17 not difficult here.

18 JUSTICE ALITO: Well I have the same question
19 that Justice Kennedy just asked? What if a claim could
20 have reasonably been discovered by a government agency if
21 it had more resources, but given the resources that it had
22 it couldn't have reasonably discovered the claim? Would
23 the discovery rule apply there?

24 MR. WALL: I -- I don't think so,
25 Justice Alito. I mean, I think we could say that there

1 might be circumstances where the Commission would be on
2 constructive notice and not a private plaintiff because
3 of its expertise. It would see something in the public
4 domain that should be meaningful to it that might not be
5 meaningful to a private plaintiff --

6 JUSTICE SCALIA: The False Claims Act
7 example you give is indeed a private plaintiff kind of a
8 case.

9 MR. WALL: That's --

10 JUSTICE SCALIA: Yes, you can say the
11 government, having been cheated, should have known it
12 was cheated. But we are talking here about prosecution,
13 essentially, prosecution for a civil penalty rather than
14 a criminal. By the way, doesn't the rule of lenity
15 apply whether the penalty is criminal or civil? So if I
16 think the word "accrual" is, at best, ambiguous,
17 shouldn't the tie go to the defendant?

18 MR. WALL: No. The court's been very -- I
19 mean, in all of the civil cases applying the fraud
20 discovery rule, the court has never looked to the
21 criminal analogies. The canon here is that ambiguities
22 get construed for the sovereign, not against it.

23 JUSTICE SCALIA: But my question is broader
24 than that. Does the rule of lenity not apply to all
25 penalties?

1 MR. WALL: I don't think it applies in the
2 context of a civil penalty. I don't think the -- I
3 don't think the --

4 JUSTICE SCALIA: Are you sure of that? My
5 belief is the contrary.

6 MR. WALL: I can't say that I focused on it
7 specifically, but I think if the Petitioner said --

8 JUSTICE SCALIA: Well, it's an important
9 issue in this case, surely. I mean, if "accrual" is
10 ambiguous and we have a rule of lenity, we should
11 interpret it to favor the defendant.

12 MR. WALL: Justice Scalia, I don't --
13 Petitioner certainly couldn't claim that this civil
14 penalty should have to be proved beyond a reasonable
15 doubt, or that they are entitled to a constitutional
16 right to counsel. I don't know why one legal norm among
17 them all should change in the civil context and not the
18 others.

19 JUSTICE BREYER: The reason would be that
20 the -- you know, once you start talking about applying
21 this to Social Security, for example, or to Medicare,
22 for example, or to DOD, for example, you have somebody
23 who did commit some fraud and they kept the money. You
24 know, she had five children not four, or she has five,
25 not six. And I can understand it being fair when the

1 government catches her -- you know, 18 years later, they
2 say, We want our money back. Okay. I say that's fair,
3 not necessarily merciful, but fair.

4 But then to go and say, and in addition we
5 want this civil penalty, even though -- of course, we
6 couldn't have discovered it. Don't you know there are 4
7 million people who get Social Security or 40 million or
8 something, and we can't police every one. And so
9 suddenly, I see I am opening the door, not just to
10 getting your money back, but to also you're having what
11 looked like criminal penalties years later without much
12 benefit of a statute of limitations.

13 That is at the back of my mind. And I'd
14 like to know, having brought it up front, what -- what
15 your response is.

16 MR. WALL: Absolutely. There are anomalies
17 on both sides of the coin and I just want to touch on
18 both very briefly. Take the example you gave. In that
19 situation, the defendant's fraud or concealment
20 would allow it or him to escape paying civil penalties,
21 but not private damages.

22 JUSTICE BREYER: That's right.

23 MR. WALL: This Court has never privileged a
24 private lawsuit above a government enforcement action in
25 the securities context --

1 JUSTICE BREYER: But this is not the
2 securities context. This is the context of -- that's
3 why I started down the road I was down.

4 MR. WALL: But even in that context, imagine
5 if there's a private right of action, the private
6 plaintiff will be able to recover damages and the
7 government will not --

8 JUSTICE BREYER: Yes, because you have two
9 people who are hurt, where two people have been hurt.
10 For example, I wrote the case in *Burk* and we had the
11 statute of limitations and Congress focused on this.
12 And it wrote a two-tier statute. And it wrote a
13 two-tier statute in large part because it was concerned
14 about the problem you mention. You have a victim. So
15 you're either going to let the defendant keep the money
16 or the victim gets it back. I understand that, but this
17 is not that context. This is like a criminal context,
18 where not only are you getting your money back, but you
19 also want to assess a kind of criminal penalty. And in
20 that situation, I see a pretty clear line and I don't
21 understand why the government is so anxious to change
22 what has long been the apparent --

23 MR. WALL: Justice Breyer imagine the opposite,
24 which is far more dangerous. Imagine a bank makes a bad
25 loan to a veteran, or a bank tells the FDIC that it's gotten

1 mortgage insurance to help lower income families buy
2 homes, and then that fraud or falsity escapes detection
3 for five years. The Veterans Administration or the FHA
4 then is barred from bringing a civil penalty action, and
5 there is no private right of action.

6 JUSTICE BREYER: That's correct, you have a
7 fraud and you can't put them in jail either, but you can
8 get your money back.

9 MR. WALL: But the reason there's no private
10 right of action in those contexts is, in part, because
11 government agencies can seek civil penalties. And I
12 cannot imagine that the Congress, which allowed agencies
13 to seek civil penalties, where here they had existing
14 remedies, would have thought that the only people who
15 could get away without paying them are the ones who
16 commit fraud or concealment and that remains hidden for
17 five years.

18 CHIEF JUSTICE ROBERTS: And the reason --
19 the reason there's no private action -- right of action
20 is not because the government could seek civil
21 penalties, it's because Congress hasn't provided a
22 private right of action.

23 MR. WALL: That's right because it thought
24 that the agencies could seek civil penalties and that
25 was sufficient.

1 JUSTICE BREYER: Oh, no, your case--

2 CHIEF JUSTICE ROBERTS: But it didn't -- it
3 didn't necessarily think, and that's why we have a case,
4 that they could seek civil penalties 10 years later,
5 18 years later, however long, so long as they were busy
6 doing other things and didn't have a chance to know.

7 MR. WALL: No question. And in the average
8 typical case, the time that Congress afforded is enough
9 and we're not here claiming any different, but that --

10 JUSTICE GINSBURG: And it is a generous
11 period. It's -- it's 5 years. And, Mr. Wall, maybe you
12 can explain the SEC's pursuit of this -- of this case.
13 The alleged fraud went on from 1999 to 2002. It was
14 discovered in 2003. The SEC waited from 2003 to 2008 to
15 commence suit. What -- what is the reason for -- for
16 the delay from the time of discovery till the time suit
17 is instituted?

18 MR. WALL: Justice Ginsburg, there was a lot
19 of back and forth between the parties, document
20 exchanges, they wanted to make additional submissions.
21 The government hoped that there would be a settlement
22 that would encompass all the defendants. Ultimately,
23 there was a settlement that only went to the fund and
24 Petitioners did not settle and then the government put
25 together and brought its case.

1 JUSTICE KAGAN: But, Mr. Wall, I'll go even
2 further than Justice Ginsburg. I mean this case actually
3 seems to me a good example when Mr. Liman said there's
4 no natural starting point and Justice Kennedy and
5 Justice Alito referred to just -- this is a -- this is a
6 decision about enforcement priorities. The government
7 had decided not to go after market timers. And it
8 changed its decision when a State attorney general
9 decided to do it, and it embarrassed them that they had
10 made that enforcement priority decision, and then the
11 government made a different enforcement priority
12 decision. But that's not the kind of situation that the
13 discovery rule was intended to operate on, is it?

14 MR. WALL: Justice Kagan, I don't think
15 that's fair. We didn't go -- it wasn't market timing
16 that we discovered. What General Spitzer announced was
17 there are advisors that are permitting market timing,
18 but misleading investors about it and they're doing it
19 in return for investments in other funds that they
20 manage, what are called sticky asset agreements, and
21 then we started doing market sweeps for those
22 agreements.

23 And I don't think we can ignore the evidence
24 here because we shouldn't decide the case based on
25 feverish hypotheticals. There are 25 reported cases

1 brought by the Commission involving this statute, 19
2 were brought within 5 years and they were just reaching
3 back to pick up the beginning of the fraud. And the
4 other six, including this case, the longest lag time was
5 six and a half years from the end of the fraud to
6 bringing the complaint.

7 And the reason is these are dynamic markets.
8 There's a lot going on in the public domain that puts
9 the commission on notice, inquiry or constructive, and
10 starts the clock running. Not only have we not seen a
11 10, a 15, a 20-year case, we haven't seen a 7-year case.

12 JUSTICE BREYER: Well, if all that's true,
13 and this is a point I want you to -- I'm not sure I am
14 right about this point, but remember your banking case
15 now, we're sounding like that, I thought -- doesn't the
16 doctrine of fraudulent concealment still apply? That
17 is, if the defendant, in fact, takes any affirmative
18 action to hide what's going on, the statute will be
19 tolled. Is that right?

20 MR. WALL: That's right, but that --

21 JUSTICE BREYER: All right. As long as
22 that's right, then in all your banking cases, there are
23 bank inspectors all over these banks, I hope -- you
24 know, about once a month or so --

25 MR. WALL: But Justice Breyer, that's --

1 JUSTICE BREYER: -- or once a year. And so
2 the chance of there -- the chance of this somehow
3 escaping notice without fraudulent concealment, which
4 would allow the government to extend the toll strikes me
5 as small, but am I right?

6 MR. WALL: Justice Breyer, I want to be
7 clear. In the government's view, the concealment would
8 apply, though Petitioners or others like them will be
9 back here making exactly the same arguments. The
10 government's point is just at equity fraud and
11 concealment were a pair and the justification was the
12 same for both.

13 JUSTICE KENNEDY: Well, perhaps I've missed
14 something. I -- I came in here thinking that both
15 parties were willing to concede for purposes of this
16 case that there was a fraudulent concealment. Is
17 that -- is that wrong?

18 MR. WALL: I -- I --

19 JUSTICE KENNEDY: I mean, for purposes of
20 presenting the statute of limitations issue that's
21 before us.

22 MR. WALL: I don't think the Petitioners are
23 disputing it here, but I think Mr. Liman acknowledged
24 earlier that, if pressed, his arguments could be
25 leveraged to get rid of the concealment doctrine, too.

1 JUSTICE SCALIA: He didn't concede that
2 there was fraudulent concealment. All he conceded is
3 that there was fraud, but later concealment to cover up
4 that fraud I don't think has been conceded.

5 MR. WALL: Oh, no, no, not -- I didn't --
6 I'm sorry, Justice Scalia. I wasn't trying to mislead.
7 This is not a concealment case. This is a fraud case.

8 JUSTICE BREYER: I thought it was the
9 opposite. In other words, I thought both parties, for
10 purposes of this argument, are assuming fraudulent
11 concealment has nothing to do with it. We are not to
12 consider fraudulent concealment.

13 MR. WALL: This is a fraud case, not a
14 concealment case.

15 JUSTICE BREYER: Am I right when I say that?

16 MR. WALL: Yes. I was just trying to say
17 that once you say there is a concealment exception, the
18 fraud exception follows from equity because they were of
19 a piece. And once you say there is not a fraud
20 exception, the same arguments will be leveraged to get
21 rid of a concealment exception. And the reason that
22 equity treated them as -- of a piece was the deception
23 was the same. The fraud was self-concealing or even if
24 it was non-fraud, the defendant could conceal, but
25 either way --

1 JUSTICE SCALIA: Except that concealment is
2 sort -- you know, it's sort of a self-starter. You --
3 you -- it -- it doesn't apply always. It applies when
4 there is concealment, and the person who is being
5 subjected to the longer statute of limitations is on
6 notice that if he fraudulently conceals, he's extending
7 the statute. So I -- I don't think that the one has to
8 go with the other. Maybe they're both equitable
9 doctrines, but that doesn't -- that doesn't mean that we
10 have to apply them to this statute.

11 MR. WALL: Justice Scalia, for 300 years,
12 English and American courts looking at this problem have
13 said where the defendant's misconduct, be it fraud or be
14 it concealment of a non-fraud, but where the defendant's
15 deception prevents a plaintiff from knowing that he, she
16 or it has a cause of action, equity suspends the running
17 of a statute of limitations. Those -- that has been --

18 JUSTICE SCALIA: And for 300 years, that has
19 been said only with respect to civil actions, not with
20 respect to the government's attempt to exact a penalty.

21 JUSTICE KENNEDY: That's correct.

22 MR. WALL: Justice Scalia, this is a civil
23 action. I don't think even Petitioners are disputing
24 that.

25 JUSTICE BREYER: I assume that we are on the

1 same ground, but I don't know that you have -- I mean,
2 I'm worried about your giving up the fraudulent
3 concealment. I mean, you wouldn't give up equitable
4 estoppel, would you?

5 MR. WALL: If I gave up anything on
6 fraudulent concealment, I didn't mean to.

7 JUSTICE BREYER: No, no, no. I mean -- I
8 mean, there's nothing --

9 (Laughter.)

10 MR. WALL: I want to be very clear, I give
11 up nothing.

12 JUSTICE BREYER: If we were to say -- if
13 we -- if the Court were to hold, it seemed to me, and
14 this is again tentative to get your response, but if the
15 -- if the Court were to hold the discovery doesn't --
16 rule doesn't apply, there's nothing in that that says
17 equitable -- equitable tolling doesn't apply, nothing in
18 that that says equitable estoppel doesn't apply, nothing
19 in that that says fraudulent concealment doesn't apply.

20 Now, you've shaken me a little bit on the
21 fraudulent concealment, but I don't know about the other
22 two.

23 MR. WALL: Well, all the same arguments are
24 going to apply. Petitioners --

25 JUSTICE BREYER: Oh, not the equitable

1 estoppel.

2 MR. WALL: Oh, sure.

3 JUSTICE BREYER: Equitable estoppel, the
4 person comes in and says, oh, yes, I'll tell you all
5 about what I did, but by the way, I won't assert a
6 statute of limitations defense, I promise. And the
7 Court says, hey, you just asserted one, you can't.

8 MR. WALL: Justice Breyer, Petitioners in a
9 future case would be back here saying: The text of the
10 statute says nothing about equitable estoppel. And even
11 if you've applied it to everybody else's actions, you
12 can't apply it to me because I'm somehow different.

13 JUSTICE SCALIA: And you will say nonsense
14 in that future case, won't you?

15 (Laughter.)

16 MR. WALL: That's -- I'll be as right then
17 as I am now.

18 (Laughter.)

19 MR. WALL: I mean, Petitioners' argument has
20 this sort air of unreality. You've applied it
21 everywhere else he says, but not to me. Think how odd
22 that is, Justice Scalia, that where you have a
23 background canon that says ambiguities get construed
24 for, and not against, the sovereign. When the sovereign
25 sues quasi-sovereign to enforce the laws, that is

1 somehow a subordinate interest and the sovereign alone
2 cannot take advantage of the Fraud Discovery Rule.

3 JUSTICE KAGAN: Mr. Wall, why is it that you
4 don't you have any cases? I mean, you said way back
5 when: This didn't come up, this is a modern problem.
6 So explain to me why this is a modern problem. This is
7 obviously an old statute. Are you saying that this
8 statute has not been used very -- was not used very much
9 until very, very recently?

10 MR. WALL: There are -- that's right. There
11 are very few cases that deal with this statute at all
12 and, obviously, in this context because the Commission's
13 only had the ability to bring civil penalties for about
14 20 years.

15 But I think that is not a problem unknown to
16 the law. Again and again, facing garden variety
17 limitations provisions written just like this one, this
18 Court applied the fraud discovery rule. And now they
19 come in and say, oh, but you've never applied it to this
20 statute. That's true, but everything about this statute
21 is identical as a matter of text and history to the
22 statute of Bailey.

23 The cause of action equally accrued there,
24 and this Court's applied it across bankruptcy, land,
25 patent cases --

1 JUSTICE KAGAN: But what you're running up
2 against is a skepticism, that -- you know, the
3 government, which has not -- asserted this power for 200
4 years, is now coming in and saying we want it. And
5 the question is why hasn't the government asserted this
6 power previously?

7 MR. WALL: I -- there are just very few
8 cases on it. I think there are very few civil penalty
9 actions that are being brought at all, certainly to
10 which this statute apply, and certainly that deal with
11 fraud or concealment and reach outside the 5-year
12 period. And I don't have a great answer for why there
13 aren't cases. All I can tell you is that -- it isn't
14 like there are cases rejecting our arguments. We just
15 see an absence of case law.

16 But what we do see are -- is cases like
17 Exploration Company, where the government comes in, is
18 really suing in a sovereign capacity, to redistribute
19 land from some private land owners to another by
20 annulling their patents. And this Court rejects
21 basically exactly the same arguments Petitioners are
22 making and says it applies equally to the government
23 when it brings an action as to private plaintiffs.

24 Now, an action for civil penalties? No, the
25 relief here is a little different, but if one looks back

1 at the briefs the arguments are exactly the same. They
2 made exactly the same claims that the sky was falling
3 there, and for 100 years they have not been true. There
4 is nothing important about this statute as a matter of
5 text, structure or anything else from the other statutes
6 to which this Court has again and again applied the
7 rule. And the justification is the same. It's the
8 defendant's misconduct which keeps the plaintiff from
9 knowing of her cause of action.

10 CHIEF JUSTICE ROBERTS: Counsel, you made
11 the point earlier that it would be very odd that it's
12 only the sovereign that doesn't benefit from the
13 discovery rule when other people can. But it's when
14 it's the sovereign that's bringing the action that the
15 concerns about repose are particularly presented. You
16 know, the sovereign, with all of its resources, can
17 decide to go after whomever it discovers, however many
18 years after -- whether it's the Social Security
19 recipient that Justice Breyer mentioned or -- or anyone
20 else.

21 So I at least don't find it unusual that
22 it's the sovereign in particular that doesn't get the
23 benefit of whenever you happen to find about it rule.

24 MR. WALL: No question in the typical case,
25 but what equity has always said is in cases of fraud or

1 concealment the defendant is not entitled to repose
2 until there is discovery of the fraud. And equity has
3 never looked at the identity of the plaintiff, the
4 elements of the cause of action, the plaintiff's status,
5 role, party to what happened in the case. That is
6 never --

7 CHIEF JUSTICE ROBERTS: Would you agree that
8 when we're talking about the interests in repose that
9 the one plaintiff we should be particularly
10 concerned about is the government?

11 MR. WALL: I -- I don't think that there's a
12 basis for separating as between private damages lawsuits
13 and civil penalties. I think when Congress sets a
14 statute of limitations, that's a limitation on the
15 various forms of --

16 JUSTICE SCALIA: What about criminal
17 penalties? Would your argument be different with regard
18 to criminal?

19 MR. WALL: Justice Scalia --

20 JUSTICE SCALIA: Incidentally, what makes
21 something a civil penalty? You just call it a civil
22 penalty and -- and you don't have to prove it beyond a
23 reasonable doubt, and you get the benefit of this
24 extension that you are arguing for?

25 MR. WALL: Justice Scalia, two very

1 important things. Yes, our argument would absolutely be
2 different in a criminal context. In cases like Marion
3 and Toussie, this Court has explained how statutes of
4 limitations function in the criminal context is very
5 different. They are presumptively not equitably tolled,
6 whereas civil statutes are presumptively equitably
7 tolled.

8 JUSTICE SCALIA: What makes -- what makes a
9 penalty a civil penalty?

10 MR. WALL: In Hudson v. United States --

11 JUSTICE SCALIA: I mean, a penalty is a
12 penalty as far as I'm concerned if the government's
13 taking money from me.

14 MR. WALL: Justice Scalia, the Court walked
15 through in Hudson v. United States the test for
16 denominating a civil from a criminal penalty. The main
17 thing is what Congress denominates it, although you can
18 look behind that.

19 JUSTICE SCALIA: That's nice.

20 MR. WALL: Here, there is no question that
21 this is a civil penalty. It was denominated by Congress
22 that way, it functions that way, it is phrased that way.
23 I think even Petitioners and all of their amici -- not a
24 single person on that side of the case has attempted to
25 argue this penalty is criminal rather than civil under

1 Hudson.

2 JUSTICE SCALIA: That isn't my point, that
3 it is criminal. My point is, it doesn't seem to me to
4 make a whole lot of difference as far as these issues
5 are concerned.

6 MR. WALL: Justice Scalia, the Court has
7 always said that whether the penalty is civil or
8 criminal carries with it a different set of legal rules
9 or norms, and no party has ever successfully come into
10 court and said, well, it may be civil, but it's a little
11 criminal-like, so I should borrow from the criminal
12 context.

13 CHIEF JUSTICE ROBERTS: What about the --
14 what about the Halper case?

15 MR. WALL: Mr. Chief Justice, I think Hudson
16 overruled Halper in large part, and no one here has
17 asked this Court to label this a criminal penalty. They
18 have asked the Court to call this a civil penalty and
19 yet say the fraud discovery rule does not apply. That,
20 there is no precedent for.

21 CHIEF JUSTICE ROBERTS: Thank you, counsel.
22 Mr. Liman, you have 5 minutes remaining.

23 REBUTTAL ARGUMENT OF LEWIS LIMAN

24 ON BEHALF OF THE Petitioners

25 MR. LIMAN: Just a few points in rebuttal.

1 First of all, with respect to whether this
2 is a criminal penalty and whether the rules of lenity
3 apply, this Court has held in the Commissioner v.
4 Ackerly case that the rule of lenity applies to civil
5 penalties.

6 Just as an --

7 CHIEF JUSTICE ROBERTS: I'm sorry. What
8 case?

9 MR. LIMAN: I believe it's Commissioner
10 against Ackerly. It's cited in one of the -- one of the
11 amicus briefs.

12 Second, the concession that you just heard a
13 moment ago, that the statute would not apply as the
14 government says it should apply if this was deemed to be
15 a criminal penalty, we submit under this Court's
16 reasoning in Clark v. Martinez, it just gave away the
17 store in the government's case because if it is
18 possible -- as the government has now admitted it's
19 possible -- and I don't want to get into all of the
20 permutations of Hudson -- but if it is possible that the
21 label of civil penalty does not -- is not dispositive as
22 to whether a penalty is civil or criminal, then, as the
23 Court held in Clark v. Martinez, the lowest common
24 denominator applies.

25 One has to interpret this statute so that it

1 is applicable across the range of statutes. And if
2 that's so, then it follows, it runs from accrual as that
3 word is commonly understood.

4 Next point. The government said that there
5 are no cases where the Court considered the -- the claim
6 that it is making. We would point the Court's attention
7 to the Rotella case, in which in the context of a
8 private plaintiff, who did not have the resources of the
9 government, the argument was made that the RICO statute
10 should have a discovery of the violation-type principle.

11 And the argument was made there that RICO
12 can encompass a pattern of fraudulent acts. And the
13 plaintiff in that case said, as the government says
14 here, fraud can be concealed, can be complex, can be
15 difficult to discover.

16 And the Court unanimously had a response to
17 that. The response was that, at least as soon as you
18 know the injury, where there is an injury element, the
19 difficulty of discovery of the actual violation doesn't
20 defer the running of the statute of limitations. It
21 would defeat the purposes of a statute of limitations.

22 The government also argued that the problems
23 of privilege are not significant ones. We would point
24 the Court's attention to the Joint Appendix in the
25 Second Circuit, where the government asserted privilege

1 with respect to our questions about its investigations
2 of the counterparty to this alleged quid -- quid pro
3 quo.

4 The Court also asked a question of whether
5 there are any cases in which courts have dealt with
6 government agencies being diligent, and the claim being
7 the government agency was not diligent. The Court has
8 dealt with that in a related context, in the
9 Heckler v. Cheney context. And in the Heckler v. Cheney
10 context the Court held that type of issue, how an
11 administrative agency treats facts that are -- that it
12 discovers and whether it chooses to bring a claim or
13 not, whether it chooses to believe that they are in
14 violation of a statute, the agency is charged with
15 administering is not fit for judicial review. No
16 different result should apply here.

17 Just two more points. The False Claims Act
18 has a -- which has an explicit discovery rule, also has
19 a statute of repose. It would be very odd, indeed, if
20 the one circumstance where Congress, one of the few
21 circumstances where Congress chose to use the word
22 "discovery," was where the government was injured, and
23 they -- Congress chose to impose a statute of repose,
24 where, as they say in the 100 or other statutes that use
25 language, fraud-like language, Congress intended there

1 to be discovery and no repose.

2 And that really ties into the last point,
3 which is that there are, by our count, if you look at
4 fraud, misleading, false statement-type statutes, there
5 are somewhere like 80 or 100-type statutes that use that
6 kind of language that would be applicable if this Court
7 affirms the Second Circuit.

8 This case was in -- the government says this
9 case was an outlier. There is no reason to believe this
10 case will remain an outlier.

11 Thank you.

12 CHIEF JUSTICE ROBERTS: Thank you, counsel.
13 Counsel.

14 The case is submitted.

15 (Whereupon, at 11:14 a.m., the case in the
16 above-entitled matter was submitted.)

17

18

19

20

21

22

23

24

25

A				
abilities 19:19 ability 5:16 12:3 19:15,16 45:13 able 24:21 29:10 35:6 abolish 23:18 24:5 above-entitled 1:12 54:16 absence 46:15 absolutely 18:22 23:17 25:25 34:16 49:1 accident 12:14 accidental 19:24 accomplish 28:22 accrual 4:3,7,16,24 5:3,4,10,14 11:10 21:13,17 22:1 32:16 33:9 52:2 accrue 11:4,4 21:25 22:4 accrued 22:2 45:23 accrues 20:14,19,20 21:1,17 accurate 10:3 Ackerly 51:4,10 acknowledge 11:12 acknowledged 40:23 acknowledges 14:19 Act 31:12 32:6 53:17 acting 6:23 7:1 19:23 action 8:10,15 9:3 9:18 11:12 18:6 19:3,17 26:6 34:24 35:5 36:4,5,10,19 36:19,22 39:18 42:16,23 45:23 46:23,24 47:9,14 48:4	actions 23:6 25:13 26:3 27:18 42:19 44:11 46:9 acts 52:12 actual 18:19 52:19 addition 34:4 additional 37:20 administered 3:14 administering 53:15 Administration 36:3 administrative 53:11 admitted 51:18 adopt 25:12 advantage 19:8 45:2 advisor 17:16 advisors 38:17 Affairs 13:9,16,18 14:14 24:3 affirmative 39:17 affirmatively 9:14 11:8 affirms 54:7 afforded 37:8 agencies 3:13 20:11 30:4 36:11,12,24 53:6 agency 30:12 31:3,8 31:20 53:7,11,14 agency's 31:8 ago 22:16 51:13 agree 23:4 48:7 agreements 38:20 38:22 agrees 28:10 air 44:20 Alito 31:18,25 38:5 allegation 9:22 10:2 10:3 18:20 allegations 18:19 alleged 4:9 37:13 53:2 allow 22:2 34:20 40:4	allowed 36:12 Alpert 1:3 3:5 alternative 15:13 ambiguities 32:21 44:23 ambiguous 32:16 33:10 American 42:12 amici 49:23 amicus 51:11 Amy 26:24 analogies 32:21 analogue 5:12 analogy 28:7 announced 10:20 38:16 annulling 46:20 anomalies 34:16 anomaly 15:25 16:11,12,21 answer 6:19,21 13:24,24 14:24 27:23,24 46:12 answers 4:14 8:18 antitrust 14:6,7,9,15 anxious 35:21 apparent 35:22 appeals 27:9 APPEARANCES 1:15 Appendix 52:24 applicable 9:4 52:1 54:6 application 7:10 10:11 15:7 applied 4:16,20 17:8 17:11,20,21,22 22:20 44:11,20 45:18,19,24 47:6 applies 4:24 13:2,25 14:8 15:1 16:3 19:11 23:6 26:23 33:1 42:3 46:22 51:4,24	apply 8:14 12:24 13:4,8,9,12,15,23 14:2,4,8,13 15:3 15:10 24:25 26:11 31:23 32:15,24 39:16 40:8 42:3,10 43:16,17,18,19,24 44:12 46:10 50:19 51:3,13,14 53:16 applying 23:24 32:19 33:20 approach 3:21 approximately 23:22 areas 26:13 29:24 argue 49:25 argued 52:22 arguing 11:17 15:6 25:23 48:24 argument 1:13 2:2,5 2:8 3:3,7 6:5 7:15 7:16,16 19:11,18 21:7 22:10 41:10 44:19 48:17 49:1 50:23 52:9,11 arguments 40:9,24 41:20 43:23 46:14 46:21 47:1 articulation 7:6 asked 31:19 50:17 50:18 53:4 asking 13:22 24:15 24:22 25:6 26:17 asks 9:8 aspect 30:9 assert 11:8 23:10 24:5 25:1 44:5 asserted 27:12,16 44:7 46:3,5 52:25 assertion 23:14 25:21 assess 35:19 asset 38:20 Assistant 1:18	assume 42:25 assuming 41:10 attempt 42:20 attempted 49:24 attention 52:6,24 attorney 23:16 38:8 attorney's 30:6 available 10:6,6 average 37:7 avoidable 10:21 aware 29:20 a.m 1:14 3:2 54:15
				B
				B 1:18 2:6 21:7 back 19:24 26:7 28:12 30:13 34:2 34:10,13 35:16,18 36:8 37:19 39:3 40:9 44:9 45:4 46:25 background 28:16 44:23 bad 35:24 Bailey 4:23 6:7 9:10 15:1,10 45:22 balance 20:3 bank 35:24,25 39:23 banking 39:14,22 bankruptcy 45:24 banks 39:23 barred 36:4 based 38:24 basically 46:21 basis 8:7,19,20 21:21 48:12 beginning 11:13 26:8 39:3 behalf 1:16,20 2:4,7 2:10 3:8 6:23 21:8 50:24 belief 33:5 believe 14:8 51:9 53:13 54:9

believes 19:13 benefit 8:11 17:8 34:12 47:12,23 48:23 best 7:4 32:16 beyond 33:14 48:22 big 30:3,3 bit 24:8 43:20 blankets 27:24 block 28:24 board 9:25 17:17 23:7 26:12 30:5 books 20:10 borrow 50:11 bottom 8:20 brand-new 25:21 breach 6:1 break 7:3 breaks 6:17 Breyer 13:8,12,15 13:19,22 14:3,6,11 14:13,17 15:22 23:3 24:11,15,19 25:17 26:13,17 27:5 33:19 34:22 35:1,8,23 36:6 37:1 39:12,21,25 40:1,6 41:8,15 42:25 43:7,12,25 44:3,8 47:19 briefly 34:18 briefs 47:1 51:11 bring 12:4 19:15 45:13 53:12 bringing 8:15 36:4 39:6 47:14 brings 46:23 broad 13:25 broader 32:23 Broderick's 26:25 brought 3:12 6:24 11:12 18:6 24:2,12 26:2,6 34:14 37:25 39:1,2 46:9	BRUCE 1:3 Burk 35:10 busy 37:5 buy 36:1 <hr/> C <hr/> C 2:1 3:1 Cada 8:22 call 11:17 48:21 50:18 called 6:13 23:13 38:20 cancellation 17:4 canon 18:1,3 32:21 44:23 capacity 8:4 46:18 captions 4:12 carries 50:8 case 3:4,11,18 4:6 4:10,10,11 6:12,12 6:22 8:14,15 9:13 11:1,2 12:22 14:25 15:10,11,17 16:24 16:25 17:19 19:2 21:15 22:19,19,20 23:9,13,20,21 24:16,21,21 26:19 26:22,24 27:7 30:16,19,24 32:8 33:9 35:10 37:1,3 37:8,12,25 38:2,24 39:4,11,11,14 40:16 41:7,7,13,14 44:9,14 46:15 47:24 48:5 49:24 50:14 51:4,8,17 52:7,13 54:8,9,10 54:14,15 cases 7:18 9:10 19:8 21:19 22:4,13,15 24:6 25:5,10,11,15 26:4,5,12,14 27:15 29:2 31:1,2 32:19 38:25 39:22 45:4	45:11,25 46:8,13 46:14,16 47:25 49:2 52:5 53:5 catalogued 26:13 catches 34:1 category 23:7 cause 8:10 9:3 19:3 42:16 45:23 47:9 48:4 century 3:24 23:14 27:13 certain 31:15 certainly 23:4,23 30:10,13 33:13 46:9,10 challenging 12:18 12:19 chance 9:22 37:6 40:2,2 change 33:17 35:21 changed 38:8 charged 53:14 cheated 32:11,12 Cheney 53:9,9 Chief 3:3,9 21:5,9 26:9 29:18 30:15 30:18,23 36:18 37:2 47:10 48:7 50:13,15,21 51:7 54:12 children 33:24 chooses 53:12,13 chose 53:21,23 Circuit 5:17,18 8:22 8:23 12:21 24:24 52:25 54:7 circuits 24:24 circumstance 53:20 circumstances 17:23 31:15 32:1 53:21 cite 17:19 28:6 cited 26:24 51:10 citing 25:5	civil 5:11 6:9 11:12 15:1 18:5,5 23:11 24:1 25:1,13 26:2 26:5,20 27:18 28:14,18 32:13,15 32:19 33:2,13,17 34:5,20 36:4,11,13 36:20,24 37:4 42:19,22 45:13 46:8,24 48:13,21 48:21 49:6,9,16,21 49:25 50:7,10,18 51:4,21,22 claim 4:24 5:15,20 5:24,24 6:9 12:22 15:1 17:15,15 19:15 20:14,20,25 28:21 31:19,22 33:13 52:5 53:6,12 claimants 15:2 claiming 15:4 37:9 claims 3:12 4:17 24:12 31:12 32:6 47:2 53:17 Claire 11:1 Clark 4:18 51:16,23 clear 3:14 4:16 15:18 17:25 25:3 28:14 35:20 40:7 43:10 clearly 3:25 clock 39:10 close 23:20 cluster 21:16 Code 14:18 coextensive 12:14 12:15 coin 34:17 come 10:18 19:17 31:10 45:5,19 50:9 comes 44:4 46:17 coming 24:8 46:4 commence 37:15 commercial 20:4	commission 1:7 3:5 26:1,5 29:6,7,15 32:1 39:1,9 Commissioner 51:3 51:9 Commission's 45:12 commit 33:23 36:16 committed 8:8 common 5:14,15,24 6:16 21:14,24 51:23 commonly 52:3 company 6:7 27:8 46:17 compel 27:23 compelled 27:23 complaint 9:21 10:2 18:19 39:6 complex 20:4 52:14 conceal 41:24 concealed 10:5 52:14 concealment 9:12 9:17 10:10,23 21:20 22:14 24:14 25:13 26:15,16 27:19 34:19 36:16 39:16 40:3,7,11,16 40:25 41:2,3,7,11 41:12,14,17,21 42:1,4,14 43:3,6 43:19,21 46:11 48:1 conceals 42:6 concede 40:15 41:1 conceded 41:2,4 concedes 21:13 concept 21:23 concepts 21:16,22 27:22 concern 3:18,19 5:23,24 concerned 35:13 48:10 49:12 50:5
--	---	--	--	---

concerns 3:11 5:23 7:19 47:15 concession 51:12 conclude 10:14 26:18 concluded 3:25 conclusion 10:18 conduct 3:13 8:8 confused 14:24 Congress 3:14,17 3:22,25 4:15,15 5:11,14 12:1 14:1 14:19,19,21,22 20:24,25 28:17 35:11 36:12,21 37:8 48:13 49:17 49:21 53:20,21,23 53:25 Congress's 3:21 Connor 8:23 consequences 24:4 consider 41:12 considered 52:5 Consistent 3:21 constitutional 33:15 constructive 29:7 29:17 32:2 39:9 construed 23:1 32:22 44:23 context 9:5 11:1,25 16:13 20:3 22:24 25:12 26:11 31:5 33:2,17 34:25 35:2 35:2,4,17,17 45:12 49:2,4 50:12 52:7 53:8,9,10 contexts 16:1,3 27:23 31:16 36:10 Contractor 30:5 contrary 33:5 control 7:25 16:15 conversation 17:16 correct 4:22 5:4 9:19 12:9 18:25	36:6 42:21 counsel 21:5,13 33:16 47:10 50:21 54:12,13 Counsel's 30:6 count 27:2 54:3 counterparty 53:2 couple 24:24 25:15 course 18:8 23:17 34:5 court 1:1,13 3:10,23 4:9,14,17,22 7:9 7:10 11:1 12:20,20 15:9,17 17:5,6 21:10 22:25 23:15 27:9 29:14 32:20 34:23 43:13,15 44:7 45:18 46:20 47:6 49:3,14 50:6 50:10,17,18 51:3 51:23 52:5,16 53:4 53:7,10 54:6 courts 18:17 27:8,21 29:3 31:14 42:12 53:5 court's 8:21 16:16 23:17 28:14 32:18 45:24 51:15 52:6 52:24 cover 41:3 created 24:22 25:2 crimes 5:5,6,7 criminal 22:18,20 22:21,24 23:20 28:3,9,15 32:14,15 32:21 34:11 35:17 35:19 48:16,18 49:2,4,16,25 50:3 50:8,11,17 51:2,15 51:22 criminal-like 50:11 critical 16:15,16	D 3:1 damages 6:24 11:21 12:4 34:21 35:6 48:12 dangerous 35:24 date 7:25 16:14,17 17:1 deal 24:13 45:11 46:10 dealing 3:11 20:4 26:4,15 dealt 53:5,8 deception 5:25 41:22 42:15 deceptive 8:8 decide 4:9,15 38:24 47:17 decided 4:15 24:24 38:7,9 decision 20:1 38:6,8 38:10,12 declining 25:11 deemed 51:14 defeat 28:20 52:21 defendant 4:2 8:7 11:18 29:15 32:17 33:11 35:15 39:17 41:24 48:1 defendants 29:4 37:22 defendant's 34:19 42:13,14 47:8 defense 14:3,5 30:4 30:6 44:6 defer 52:20 degree 19:19 delay 11:9 37:16 denominated 28:17 49:21 denominates 49:17 denominating 49:16 denominator 51:24 depart 7:17 Department 1:19	14:3,5 departure 7:8 depending 4:19 depends 29:18 deprived 18:24 described 22:16 detection 36:2 determination 18:9 30:21 determine 9:3 31:14 determined 19:3 difference 6:11 20:24 25:23 50:4 different 4:19 16:22 16:24 22:25 24:9 28:16 37:9 38:11 44:12 46:25 48:17 49:2,5 50:8 53:16 difficult 30:16,17,20 30:22 31:16,17 52:15 difficulty 6:5 52:19 diligent 28:22 31:4,7 53:6,7 diminished 19:19 direct 7:18 directed 3:25 directly 15:3 discover 7:19 8:24 24:22 52:15 discovered 11:22 20:15,21 21:2 31:20,22 34:6 37:14 38:16 discovers 11:14 12:8 47:17 53:12 discovery 4:8 6:9 7:11,20 8:6,13,20 8:20 10:22 14:22 15:4,8 17:20 20:19 22:3,5,20 23:11,24 24:25 25:12 26:7 26:23 28:21,25 29:1 31:23 32:20	37:16 38:13 43:15 45:2,18 47:13 48:2 50:19 52:10,19 53:18,22 54:1 discussing 31:3 disgorgement 3:20 6:25 12:17,18,20 12:22 13:1,6 19:12 dismiss 9:23 dispositive 51:21 disprove 9:23 disputing 40:23 42:23 dissimilar 6:8 distinction 6:18 district 23:15,16 29:2,14 doctrine 39:16 40:25 doctrines 42:9 document 37:19 DOD 33:22 doing 37:6 38:18,21 domain 29:5,16 32:4 39:8 door 34:9 doubt 33:15 48:23 drafting 5:12 duty 6:1 dynamic 39:7 D.C 1:9,19 5:17,18 8:23
<hr/>				
E				
<hr/>				
E 2:1 3:1,1 earlier 18:9 22:2 40:24 47:11 easily 3:14 16:1 effectively 23:18 effort 24:25 either 4:23 23:23 27:6,11 29:16 35:15 36:7 41:25 element 5:25 52:18				

<p> elements 48:4 eliminating 30:9 Elizabeth 28:2,7 else's 44:11 embarrassed 38:9 employed 11:1 encompass 37:22 52:12 endorsing 25:11 enforce 24:1 44:25 enforcement 8:4 9:5 19:17 20:5 28:23 29:19 34:24 38:6 38:10,11 enforcer 6:14,18 7:21 English 42:12 enormous 24:4 entitled 8:11 33:15 48:1 equally 45:23 46:22 equitable 9:11 11:7 13:4 42:8 43:3,17 43:17,18,25 44:3 44:10 equitably 49:5,6 equity 40:10 41:18 41:22 42:16 47:25 48:2 escape 34:20 escapes 36:2 escaping 40:3 ESQ 1:16,18 2:3,6,9 essence 9:21 essentially 32:13 establish 30:11 established 21:14 estoppel 43:4,18 44:1,3,10 everybody 44:11 evidence 38:23 exact 42:20 exactly 12:13,15 19:1 29:11 40:9 </p>	<p> 46:21 47:1,2 example 20:20 32:7 33:21,22,22 34:18 35:10 38:3 exception 22:1,13 22:16 23:13 41:17 41:18,20,21 exceptions 11:7 Exchange 1:6 3:5 exchanges 37:20 exclusively 3:12 13:2 Excuse 5:1 exist 16:1 18:4 31:1 existence 3:24 existing 36:13 exists 19:8 expect 25:14,15 31:1 expertise 32:3 explain 37:12 45:6 explained 49:3 explicit 53:18 exploration 6:7,11 16:24 17:3,6,7,18 27:8 46:17 extend 40:4 extending 42:6 extension 48:24 extent 18:18 extraordinary 27:12 extreme 7:8 </p> <hr/> <p style="text-align: center;">F</p> <hr/> <p> facing 45:16 fact 5:11 14:1 17:6 19:21 39:17 facts 53:11 fail 29:8,9 fair 33:25 34:2,3 38:15 fairly 24:17,20 27:21 falling 47:2 </p>	<p> falls 28:16 false 31:12 32:6 53:17 54:4 falsity 36:2 families 36:1 far 24:21 35:24 49:12 50:4 favor 23:1 33:11 FDIC 35:25 features 14:16 feverish 38:25 FHA 36:3 fiduciary 6:1 fight 22:7,10 figure 29:11 filings 29:6 fill 18:2 find 28:7 47:21,23 finding 18:21 19:9 findings 19:17 finds 18:14 fin 13:3 finishing 10:8 first 3:4,23 4:14 7:7 7:23 8:18 11:5 16:12 51:1 fit 4:12 53:15 five 33:24,24 36:3 36:17 fixed 3:22 focused 33:6 35:11 focusing 21:12 follow 7:16 follows 41:18 52:2 forfeitures 13:3 forms 48:15 forth 37:19 forward 16:17 found 23:9 25:17 26:12 four 33:24 framed 22:4 frankly 17:13 fraud 4:8,8,10,24 </p>	<p> 5:24 6:9 11:14,22 12:8 15:4,11 21:20 22:14 24:13 25:12 25:18 26:7,8,16 27:19 31:4,4 32:19 33:23 34:19 36:2,7 36:16 37:13 39:3,5 40:10 41:3,4,7,13 41:18,19,23 42:13 45:2,18 46:11 47:25 48:2 50:19 52:14 54:4 fraudulent 9:11 10:10,23 39:16 40:3,16 41:2,10,12 43:2,6,19,21 52:12 fraudulently 42:6 fraud-like 53:25 front 12:20 34:14 FTC 14:11,12,13,14 function 49:4 functions 49:22 fund 9:25 17:17,17 17:17 37:23 fundamental 6:5 fundamentally 22:25 funds 38:19 further 21:3 38:2 future 44:9,14 </p> <hr/> <p style="text-align: center;">G</p> <hr/> <p> G 3:1 Gabelli 1:3 3:4 gap 18:2 garden 45:16 gather 23:19 general 1:19 5:7 21:17 23:16,24 38:8,16 generally 5:5 generous 37:10 getting 34:10 35:18 Ginsburg 4:5,21 5:2 </p>	<p> 9:15,20 12:16,24 13:5 20:13,16,18 37:10,18 38:2 give 6:20 32:7 43:3 43:10 given 4:19 26:1 31:21 giving 43:2 go 19:24 32:17 34:4 38:1,7,15 42:8 47:17 going 22:2 26:18 28:23 29:9,10,25 35:15 39:8,18 43:24 good 38:3 gotten 35:25 governing 21:17 government 3:12 4:7,11,25 5:20 6:2 6:10,14,14,22 7:6 7:20 8:3 9:4,6,6,8 9:13,15 10:4,5,7 11:5,8,19 12:4 14:18 16:5,9,19 17:4,9,10,14,19 17:25 18:9 19:12 19:13,14 23:6,10 23:17,23 24:4 25:1 25:3,22 26:20,25 27:12,16,19 28:5 28:10,21 29:24 30:1,3,3,11 31:3 31:10,14,20 32:11 34:1,24 35:7,21 36:11,20 37:21,24 38:6,11 40:4 46:3 46:5,17,22 48:10 51:14,18 52:4,9,13 52:22,25 53:6,7,22 54:8 governmental 31:8 government's 3:15 3:19 7:15 19:5,16 </p>
---	--	--	---	---

22:7 28:20 40:7,10 42:20 49:12 51:17 grant 24:14 great 46:12 ground 43:1 guess 8:13 24:24 25:9	hurt 35:9,9 hypotheticals 38:25	51:25 interpretation 20:12 22:13 interpretations 4:19 invariably 29:13 investigate 9:2 investigation 18:14 31:4 investigations 53:1 investing 10:1 investments 38:19 investor 18:6,7,15 19:6,7 investors 6:23 19:15 38:18 invoke 27:20,20 invokes 28:16 invoking 17:25 involve 26:25 involved 15:21 27:18 involving 39:1 issue 10:14,15 12:21 17:23 28:20 29:3 33:9 40:20 53:10 issues 50:4 item 29:21	16:8,10,23 38:1,14 45:3 46:1 keep 28:5,12 35:15 keeps 47:8 Kennedy 5:1,9 18:5 18:13,20,23 19:5 21:11 31:2,11,19 38:4 40:13,19 42:21 kept 33:23 kind 20:23 32:7 35:19 38:12 54:6 Kirby 22:17 knew 29:11 know 8:10,24,25 9:7 9:7 13:16,17 14:11 14:15,15 16:20 17:14 24:7 29:12 29:15 33:16,20,24 34:1,6,14 37:6 39:24 42:2 43:1,21 46:2 47:16 52:18 knowing 42:15 47:9 knowledge 7:9 20:8 known 16:18 30:2,5 30:7,12 32:11	44:15,18 law 4:2 5:15,15,24 6:17 8:4 21:14,21 21:25 24:1 28:23 45:16 46:15 laws 19:22 44:25 lawsuit 34:24 lawsuits 29:5 48:12 ledger 27:6,11 legal 28:17 33:16 50:8 legislative 19:25 lenity 32:14,24 33:10 51:2,4 leveraged 40:25 41:20 LEWIS 1:16 2:3,9 3:7 50:23 liability 18:11,16 19:9 liberally 23:1 lies 8:12 Liman 1:16 2:3,9 3:6 3:7,9 4:5,5,13 5:7 5:13 6:4,20 7:5 8:5 8:17 9:19 10:8,13 10:17,24 11:11,15 11:23 12:9,12,16 12:19 13:2,7,10,14 13:17,20,24 14:4,7 14:12,16,23 15:5,9 15:14,17,23 16:7 16:10 17:2 18:12 18:17,22,25 19:10 20:14,16,22 38:3 40:23 50:22,23,25 51:9 limitation 3:15 16:22 48:14 limitations 3:22 5:5 7:24 8:11 11:9,10 13:6 16:14 19:6 23:18 24:6 25:24 34:12 35:11 40:20
H	I	J	L	
half 39:5 Halper 50:14,16 hands 8:8 9:13 happen 47:23 happened 48:5 harm 8:16 hear 3:3 heard 51:12 Heckler 53:9,9 held 4:17 7:9,10 15:9 21:25 51:3,23 53:10 help 36:1 hesitating 14:5 hey 44:7 hidden 10:4 36:16 hide 39:18 hiding 9:17 highlighted 19:21 history 19:25 45:21 hold 43:13,15 holds 7:7 Holmberg 15:10 homes 36:2 Honor 4:13 5:13 7:5 10:13,24 11:23 12:10 15:5 18:12 19:1,10 hope 39:23 hoped 37:21 Hubrick 16:16 Hudson 49:10,15 50:1,15 51:20 huge 19:12 23:7 hundred 25:15	impose 53:23 impossible 30:1 Incidentally 48:20 including 39:4 income 36:1 indicates 5:13 indicative 5:10,11 individual 16:4 individuals 28:4 injunction 3:20 injunctive 19:13 injured 6:17 7:24 8:25 9:1 11:13,21 12:3 15:3 18:6,7 27:1 53:22 injuring 7:3 injury 4:23 6:13 7:23 8:24 16:18 20:14 20:21 52:18,18 inquiry 39:9 inspectors 39:23 instituted 37:17 insurance 36:1 intended 38:13 53:25 interest 45:1 interests 48:8 interpret 18:1 33:11	James 28:6 January 1:10 JEFFREY 1:18 2:6 21:7 Joint 52:24 judicial 53:15 jurisprudence 16:16 justification 26:16 40:11 47:7	label 22:12 50:17 51:21 labeled 22:12 lag 39:4 Lampf 15:10,14 20:1 land 26:21 27:1 45:24 46:19,19 language 7:16,17 15:13 17:25 18:1,4 20:23 53:25,25 54:6 large 29:4 35:13 50:16 late 12:25 Laughter 25:8 43:9	
	K	Kagan 8:5,17 15:24		

42:5,17 44:6 45:17 48:14 49:4 52:20 52:21 limiting 12:2 line 9:10 28:16 35:20 litigant 6:10 little 14:23 24:8 43:20 46:25 50:10 loan 35:25 logic 21:21 long 20:11 22:16 35:22 37:5,5 39:21 longer 42:5 longest 39:4 look 5:18 7:17,18 8:21,22 9:20,21 10:7 11:24 14:17 19:25 26:1 27:3 28:6 29:10 49:18 54:3 looked 32:20 34:11 48:3 looking 42:12 looks 46:25 losing 27:1,1 lost 26:22 lot 30:10 37:18 39:8 50:4 lower 18:17 36:1 lowest 51:23	Martinez 4:18 51:16 51:23 matter 1:12 22:8,11 22:12 27:10 45:21 47:4 54:16 mean 9:16 17:23 24:6 26:17 27:21 29:13,23 30:3,5 31:25 32:19 33:9 38:2 40:19 42:9 43:1,3,6,7,8 44:19 45:4 49:11 meaning 21:14 meaningful 32:4,5 means 5:15,17 11:4 meant 21:22 measured 8:2 Medicaid 15:22 Medicare 15:22 24:3 33:21 mention 35:14 mentioned 16:13 47:19 merciful 34:3 Merck 15:17 22:17 methodology 10:25 million 34:7,7 mind 34:13 minutes 50:22 misconduct 42:13 47:8 mislead 41:6 misleading 38:18 54:4 misrepresentations 9:24 10:1 missed 20:17 40:13 mixed 18:18 modern 27:21 28:2 45:5,6 moment 51:13 money 26:21 27:1 28:12 33:23 34:2 34:10 35:15,18	36:8 49:13 month 39:24 morning 3:4 mortgage 36:1 motion 9:23 move 28:19 mutual 9:25 17:16 17:17	occurs 6:2 odd 11:18,24 12:1 44:21 47:11 53:19 office 30:6,7 officers 29:19 official 31:14 oh 37:1 41:5 43:25 44:2,4 45:19 okay 6:6 14:13,15 34:2 old 23:8 45:7 omissions 9:24 once 33:20 39:24 40:1 41:17,19 ones 36:15 52:23 opening 34:9 operate 38:13 opinion 8:21 9:21 23:16 opposite 35:23 41:9 oral 1:12 2:2,5 3:7 21:7 order 7:3 30:21 ordered 7:2 ordinary 4:3,7 18:8 ought 22:10 outlier 54:9,10 outside 46:11 override 18:3 overrides 18:3 overruled 50:16 overstated 24:7 overworked 31:9 owners 46:19	48:9 parties 28:12 37:19 40:15 41:9 party 7:24 11:8 17:5 17:20 18:6,8 28:20 28:22 48:5 50:9 passed 12:2 patent 17:4 45:25 patents 46:20 pattern 52:12 paying 34:20 36:15 penal 3:21 penalties 3:23 13:3 26:2,5 28:3,5,14 28:15 32:25 34:11 34:20 36:11,13,21 36:24 37:4 45:13 46:24 48:13,17 51:5 penalty 3:12 4:6,10 4:17 5:20,22 6:12 6:22 7:12 14:2,19 14:20,20 17:22,22 19:11 22:21 23:12 24:1,5,12,13 25:1 25:13 26:20 27:18 28:10,18 32:13,15 33:2,14 34:5 35:19 36:4 42:20 46:8 48:21,22 49:9,9,11 49:12,16,21,25 50:7,17,18 51:2,15 51:21,22 people 29:22 34:7 35:9,9 36:14 47:13 period 5:8 16:5 19:22 37:11 46:12 permitted 28:4 permitting 38:17 permutations 51:20 person 8:15 42:4 44:4 49:24 perspective 22:8 Pete's 25:19
M Maillard 23:13 27:7 main 49:16 major 29:3 making 22:9 40:9 46:22 52:6 manage 38:20 MARC 1:3 Marion 49:2 market 38:7,15,17 38:21 markets 39:7		N N 2:1,1 3:1 name 26:22 natural 7:25 16:17 16:25 38:4 necessarily 11:6 34:3 37:3 need 4:15 10:15 needed 27:20 neither 17:23 never 4:23 22:18 27:12,15,16 32:20 34:23 45:19 48:3,6 new 1:16,16 25:18 nice 10:19 49:19 nonsense 44:13 non-fraud 41:24 42:14 norm 33:16 normal 3:21 norms 28:17 50:9 notable 14:16 17:18 20:11 note 19:23 notice 29:17 31:15 32:2 39:9 40:3 42:6 notion 8:7,23 9:12 novel 20:7 number 14:4,9 17:2 17:2	P P 3:1 PAGE 2:2 pair 40:11 part 30:2 35:13 36:10 50:16 particular 29:20 30:4,11 47:22 particularly 47:15	
	O O 2:1 3:1 obviously 45:7,12			

Petitioner 21:21 33:7,13 Petitioners 1:4,17 2:4,10 3:8 37:24 40:8,22 42:23 43:24 44:8,19 46:21 49:23 50:24 phrased 49:22 pick 21:22 39:3 picks 21:15 piece 41:19,22 place 21:12 plain 7:16,17 17:24 18:4 plaintiff 5:16 8:1,9 8:24 9:1 11:13,21 12:3,7 16:15,18 17:9 18:7,24 19:1 19:20 21:18 31:6 32:2,5,7 35:6 42:15 47:8 48:3,9 52:8,13 plaintiffs 9:2 46:23 plaintiff's 9:1 19:3 31:6 48:4 playing 29:2 plays 29:14 plead 18:8 please 3:10 21:10 point 6:19 9:16 10:9 14:18 16:15 20:23 26:10 30:16,18,24 38:4 39:13,14 40:10 47:11 50:2,3 52:4,6,23 54:2 pointed 15:25 pointing 29:4 points 5:2 29:16 50:25 53:17 police 34:8 policy 7:18 position 10:10 20:6 20:7 27:14 possible 51:18,19	51:20 potential 6:11 power 3:15,19 46:3 46:6 powers 19:12 practices 14:9 precedent 50:20 precise 6:21 precisely 20:23 preclude 10:11 premium 19:22 presented 47:15 presenting 40:20 pressed 40:24 presumption 15:3 presumptive 18:10 18:15 19:9 presumptively 23:2 49:5,6 pretty 35:20 preventing 8:9 prevents 42:15 previously 10:9 46:6 principle 21:19 52:10 priorities 38:6 priority 38:10,11 private 12:4,7 16:4 16:12 17:9,13,16 18:6,7,14 19:6,7 19:15,20 20:3 28:4 28:11 29:5 31:5 32:2,5,7 34:21,24 35:5,5 36:5,9,19 36:22 46:19,23 48:12 52:8 privilege 28:24,24 29:3 52:23,25 privileged 34:23 pro 53:2 problem 24:14,17 24:19,23 25:2,2 27:21 28:2 35:14 42:12 45:5,6,15	problems 52:22 promise 44:6 promptly 19:23 prosecution 11:19 32:12,13 protect 7:2 31:6 prove 30:1 48:22 proved 33:14 proven 30:21 31:16 provide 20:25 provided 3:14,16 14:1 36:21 providing 4:3 provisions 31:13 45:17 public 10:1 29:5,5,6 29:16 32:3 39:8 publication 29:21 punish 3:13,16 4:25 punishment 6:13 purposes 40:15,19 41:10 52:21 pursuant 5:19 pursuing 31:4 pursuit 37:12 put 24:10 29:7,17 36:7 37:24 puts 19:22 39:8	<hr/> R <hr/> R 3:1 raise 28:23 raised 26:10 range 13:25 26:12 52:1 reach 10:14,15 26:7 46:11 reaching 39:2 reaction 20:1 read 6:8 11:2,3 readily 8:2 real 30:9 really 9:10 11:16 12:23 17:5 29:18 30:9 46:18 54:2 reason 4:21 9:9 17:7 17:13 24:2 29:4 33:19 36:9,18,19 37:15 39:7 41:21 54:9 reasonable 16:18 29:20 33:14 48:23 reasonably 8:25 28:22 31:15,20,22 reasoning 51:16 reasons 7:7,22 16:12 rebuffed 27:13,20 rebuttal 2:8 50:23 50:25 recipient 47:19 recognized 27:9 recognizes 20:24 records 10:5 29:11 recover 26:21 35:6 recovery 6:24 7:13 19:19 20:5 redistribute 46:18 refer 27:4 referred 38:5 reflects 20:24 regard 48:17 regardless 19:2	regulators 20:8 rejecting 46:14 rejects 46:20 related 53:8 relationship 8:1 reliance 19:8 relief 17:3 19:13 46:25 relieved 11:19,20 rely 18:8,15,18 19:16 remain 12:22,23 54:10 remainder 21:4 remaining 50:22 remains 36:16 remark 24:7 remedial 3:19 remedies 3:20 13:4 36:14 remedy 12:17 remember 39:14 reported 26:4 38:25 repose 11:18,25 12:2 14:25 15:19 20:2,3 23:2 30:10 47:15 48:1,8 53:19 53:23 54:1 represent 7:8 repudiated 27:14 require 10:17 required 5:25 requiring 31:13 reserve 21:4 resolve 11:6 resources 31:21,21 47:16 52:8 respect 7:10,20 10:10 13:3,4 16:19 19:11,12 22:21 30:8 42:19,20 51:1 53:1 respectfully 11:23 Respondent 1:20
---	--	---	--	--

2:7 21:8 response 34:15 43:14 52:16,17 result 22:14 53:16 return 38:19 reverses 12:21 review 53:15 reviewing 29:22 RICO 11:1 52:9,11 rid 40:25 41:21 right 5:9,18 11:14 12:8 15:16 20:3 21:12,18 22:15,19 23:17 25:4 26:1 28:13 33:16 34:22 35:5 36:5,10,19,22 36:23 39:14,19,20 39:21,22 40:5 41:15 44:16 45:10 rights 19:2 31:7 ripe 5:15,21 road 35:3 ROBERTS 3:3 21:5 26:9 29:18 30:18 30:23 36:18 37:2 47:10 48:7 50:13 50:21 51:7 54:12 role 48:5 Rotella 8:22 11:2 52:7 rule 4:3,7,8,16,23 4:24 6:9 7:11,14 7:20 8:6,13,20,21 10:22,23 17:8,11 17:20 18:23 19:1 21:17 22:1,20 23:11,25 24:25 25:12,23,24 26:7 26:23 27:24 31:23 32:14,20,24 33:10 38:13 43:16 45:2 45:18 47:7,13,23 50:19 51:4 53:18 rules 7:21 28:17	50:8 51:2 run 4:2 12:7 running 39:10 42:16 46:1 52:20 runs 12:13 19:6 52:2 <hr/> S S 2:1 3:1 sake 25:19 sanction 22:21 28:4 saying 14:18 20:2 21:21 44:9 45:7 46:4 says 4:7 6:1 20:20 29:15,16 31:10 43:16,18,19 44:4,7 44:10,21,23 46:22 51:14 52:13 54:8 Scalia 11:11,16 12:6 12:11 14:24 15:25 21:24 22:6,9,18,23 23:4 25:14,18,20 25:21 27:10,17 32:6,10,23 33:4,8 33:12 41:1,6 42:1 42:11,18,22 44:13 44:22 48:16,19,20 48:25 49:8,11,14 49:19 50:2,6 scheme 15:7 SEC 18:13 19:9,23 20:1,6,9 23:5 26:11 29:19,23 37:14 second 4:21 7:12 9:9 12:21 51:12 52:25 54:7 seconds 26:18 Section 24:12 securities 1:6 3:5 11:25 15:11 16:2 19:22 23:5 34:25 35:2 Security 13:9,11,13	13:19,20 14:14 24:2 33:21 34:7 47:18 SEC's 12:22 19:25 37:12 see 5:20 24:8 31:5 32:3 34:9 35:20 46:15,16 seek 3:19 26:1 28:5 36:11,13,20,24 37:4 seeking 4:25 5:20 6:22 17:10 23:11 seen 26:4 39:10,11 self-concealing 41:23 self-starter 42:2 sense 6:18 31:5 separate 14:10 separating 48:12 set 24:6 28:16 50:8 sets 48:13 settle 37:24 settlement 37:21,23 Seventh 8:22 24:23 shaken 43:20 show 25:5 showing 18:10,15 19:9 28:21 side 27:6,11 28:15 49:24 sides 34:17 significant 30:24 52:23 single 17:19 22:19 22:23 23:9 30:16 30:19,24 49:24 sit 30:13 situation 5:22 34:19 35:20 38:12 situations 3:22 six 33:25 39:4,5 skepticism 46:2 sky 47:2	small 40:5 Social 13:8,10,13,19 13:20 14:14 24:2 33:21 34:7 47:18 society 7:3,4 Solicitor 1:18 somebody 30:1 33:22 soon 52:17 sorry 14:21 20:16 41:6 51:7 sort 9:12 25:7 42:2,2 44:20 Sotomayor 6:4,20 7:1 10:8,16,19 14:23 15:6,12,16 15:20 28:1,11,19 29:1,8 sought 17:3 26:20 sounding 39:15 sovereign 7:2 32:22 44:24,24 45:1 46:18 47:12,14,16 47:22 speaks 9:11 specific 21:19 31:13 specifically 33:7 Spitzer 38:16 start 7:25 16:13,17 16:25 33:20 started 21:11 35:3 38:21 starting 38:4 starts 39:10 State 38:8 statements 29:6 statement-type 54:4 States 1:1,13 49:10 49:15 status 48:4 statute 3:11,13,18 3:22,24 4:1,18,20 5:3,3,5,12,19 7:24 8:11 10:12 11:2,3	11:9,10,17,25 12:2 13:5,11,12,21,23 14:10,22,25 15:18 15:19 16:2,3,13,14 17:24 18:2,2 19:6 20:2,20 21:1,12,15 21:22 22:13 23:5,5 23:6,18,24 24:6 25:24 26:11 28:2,6 28:6 31:12 34:12 35:11,12,13 39:1 39:18 40:20 42:5,7 42:10,17 44:6,10 45:7,8,11,20,20 45:22 46:10 47:4 48:14 51:13,25 52:9,20,21 53:14 53:19,23 statutes 4:3 6:8 13:25 14:2,5 16:22 20:13,18,22 23:1 24:13 31:12 47:5 49:3,6 52:1 53:24 54:4,5 statute's 20:10 statutory 3:15 4:24 15:7 18:1 step 10:21 steps 9:2 sticky 38:20 store 51:17 strain 9:9 strikes 40:4 struck 20:2 23:15 structure 47:5 subject 23:2 subjected 42:5 submissions 37:20 submit 9:14 51:15 submitted 54:14,16 subordinate 45:1 substantial 11:20 succeeded 23:23 successfully 50:9
--	--	--	--	--

<p>suddenly 24:4 34:9 sue 5:16 6:2 11:5,22 12:25 16:4,5 21:18 sues 44:25 suffered 8:16 sufficient 36:25 suggested 8:6 suing 46:18 suit 11:20 12:4 22:2 37:15,16 suppose 31:8 Supreme 1:1,13 sure 12:6 14:7 24:18 33:4 39:13 44:2 surely 33:9 suspends 42:16 sweepingly 3:24 sweeps 38:21</p> <hr/> <p style="text-align: center;">T</p> <hr/> <p>T 2:1,1 take 9:1,2,16 12:17 16:23 34:18 45:2 taken 20:8,9 takes 39:17 talked 8:6 28:3 talking 5:2 7:12,13 7:14,19 8:3 9:5 17:12,24 32:12 33:20 48:8 talks 5:10 tease 6:11 tell 10:16,20 25:4,9 25:22 44:4 46:13 tells 35:25 tentative 43:14 term 5:3,4 21:13,14 terms 9:11 20:15,19 test 49:15 text 44:9 45:21 47:5 Thank 21:5 50:21 54:11,12 theory 10:11,17,21 10:22,25 15:2</p>	<p>thing 49:17 things 29:5 37:6 49:1 think 4:13 5:17 7:5,7 8:19 10:13,15 11:3 11:24 12:1 16:11 16:11,21 18:17 21:11,15,20,24,25 27:2,5,8 29:9 30:23,25 31:24,25 32:16 33:1,2,3,7 37:3 38:14,23 40:22,23 41:4 42:7 42:23 44:21 45:15 46:8 48:11,13 49:23 50:15 thinking 40:14 thinks 7:2 Third 7:14 thought 15:20 36:14 36:23 39:15 41:8,9 tie 32:17 ties 54:2 till 37:16 time 3:15,23 4:2 5:8 10:7 11:4,13 12:13 16:6 20:11 21:4 27:8 37:8,16,16 39:4 timers 38:7 timing 38:15,17 Title 12:12 told 25:6 toll 11:9 40:4 tollled 39:19 49:5,7 tolling 9:11 10:12 43:17 tools 12:3 total 11:17 touch 34:17 Toussie 49:3 trade 14:9 transaction 9:7,8 16:20 17:5,12,13</p>	<p>transactions 20:4 transpose 31:7 treated 41:22 treats 53:11 tried 23:10,23 true 8:3 15:24 16:19 39:12 45:20 47:3 try 18:1 23:12 24:4 28:7 trying 23:19,25 26:21 41:6,16 Tuesday 1:10 turn 19:3 two 4:14 8:17 16:12 17:3 26:24 35:8,9 43:22 48:25 53:17 two-tier 35:12,13 type 4:10 10:25 53:10 typical 37:8 47:24 typing 4:6</p> <hr/> <p style="text-align: center;">U</p> <hr/> <p>ultimate 18:21 ultimately 17:15,24 37:22 unanimously 52:16 unclean 8:8 9:12,12 underfunded 31:9 underlying 4:20 5:19 6:23 8:1 9:7,8 13:21 14:25 19:4 understand 6:4 33:25 35:16,21 understanding 8:9 8:12 understood 5:14 52:3 unfair 14:9 United 1:1,13 49:10 49:15 unknown 45:15 unlawful 3:13 unreality 44:20</p>	<p>unusual 47:21 upfront 27:7 urge 4:10 urged 4:11 20:1,11 urges 4:11 use 20:15,19,22 21:12 53:21,24 54:5 uses 5:3 14:19 U.S 14:17 30:6</p> <hr/> <p style="text-align: center;">V</p> <hr/> <p>v 1:5 3:5 4:18 49:10 49:15 51:3,16,23 53:9,9 variety 45:16 various 48:15 vast 24:6 veteran 35:25 Veterans 13:9,15 13:17 14:14 36:3 Veteran's 24:3 victim 6:15,18 9:6 17:21 23:13,25 35:14,16 victims 7:13 view 16:23 26:15 40:7 vintage 24:18,20,23 violated 4:2 violation 5:8 6:2 8:2 12:13 18:10,14 21:1 52:19 53:14 violations 16:2 violation-type 52:10</p> <hr/> <p style="text-align: center;">W</p> <hr/> <p>waited 37:14 walked 49:14 Wall 1:18 2:6 21:6,7 21:9 22:6,11,22,24 24:11,17 25:9,20 25:25 26:14 27:5 27:17 28:9,13 29:1</p>	<p>29:13 30:15,20,25 31:11,24 32:9,18 33:1,6,12 34:16,23 35:4,23 36:9,23 37:7,11,18 38:1,14 39:20,25 40:6,18 40:22 41:5,13,16 42:11,22 43:5,10 43:23 44:2,8,16,19 45:3,10 46:7 47:24 48:11,19,25 49:10 49:14,20 50:6,15 want 22:6 24:8 25:6 25:9 26:19,22 34:2 34:5,17 35:19 39:13 40:6 43:10 46:4 51:19 wanted 14:22 20:25 37:20 Washington 1:9,19 wasn't 28:21 38:15 41:6 waterfront 27:25 way 6:10,24 10:5 12:23 17:8,11 22:4 25:10 29:14 31:9 32:14 41:25 44:5 45:4 49:22,22,22 went 37:13,23 We'll 3:3 we're 7:14 37:9 39:15 48:8 we've 19:21 whatsoever 10:3 wheel 6:16 willing 40:15 word 4:18 5:8 14:20 14:21 32:16 52:3 53:21 words 18:13 29:7 41:9 work 7:21,21 12:17 world 16:4 worried 43:2</p>
--	---	--	---	--

wouldn't 43:3	20 26:3 45:14			
written 45:17	20-plus 26:3			
wrong 25:5,5,6	20-year 39:11			
40:17	200 23:8 24:20 46:3			
wrongdoing 19:14	2000 26:20			
wrote 35:10,12,12	2002 37:13			
	2003 37:14,14			
X	2004 23:9,22			
x 1:2,8	2008 37:14			
Y	2013 1:10			
Yeah 18:17	21 2:7			
year 23:22 26:19	2462 12:14 13:2			
40:1	24:13 26:4			
years 3:16 4:1 12:6	25 26:4 38:25			
12:13 15:13,18	28 12:12			
16:8 23:8 24:20	3			
25:16 26:3,3,6	3 2:4			
30:14 34:1,11 36:3	3M 5:17			
36:17 37:4,5,11	3-year 15:15			
39:2,5 42:11,18	30 26:18			
45:14 46:4 47:3,18	300 42:11,18			
York 1:16,16	4			
1	4 34:6			
1,000 29:21	40 34:7			
1-year 15:14	5			
10 29:22 37:4 39:11	5 3:16 4:1 12:6,12			
10:13 1:14 3:2	15:13,18 16:8 26:6			
100 47:3 53:24	30:14 37:11 39:2			
100-type 54:5	50:22			
11-1274 1:4 3:4	5-year 11:25 12:2			
11:14 54:15	14:25 19:21 20:1			
15 39:11	46:11			
1658(b) 12:12	50 2:10			
18 34:1 37:5	7			
1887 22:17	7-year 39:11			
19 26:5 39:1	8			
19th 23:14 27:13	8 1:10			
1980s 26:14	80 54:5			
1990 26:1				
1990s 26:15				
1999 37:13				
2				