

S.E.C. Charges and Fines Revlon for Misleading Shareholders

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The billionaire takeover artist Ronald O. Perelman has made his fortune doing big, messy deals that often end up in nasty legal disputes.

One of those messy deals — an attempt in 2009 to take Revlon private — ended up not only in court but also on the desks of federal regulators.

On Thursday, the Securities and Exchange Commission announced that Revlon had agreed to pay an \$850,000 penalty to settle accusations that it deceived shareholders and its independent directors in connection with the failed takeover. The relatively small fine adds to the roughly \$37 million in settlements that the company has paid to shareholders to resolve several related private lawsuits.

“Going-private transactions create opportunities for shareholder abuse and can have coercive effects on minority shareholders,” said Antonia Chion, an associate director in the S.E.C.’s division of enforcement. “By erecting informational barriers, Revlon kept critically important information from its board and, in turn, misled investors.”

Source: DealBook