SRIPETCH v. SECURITIES AND EXCHANGE COMMISSION

608 U.S. ___ (2026)

Case No. No. 25–466

Decided June 4, 2026

HEADNOTE/SYLLABUS:

(This headnote/syllabus was prepared by the Court's Reporter of Decisions for the convenience of the reader, and does not constitute the opinion of the Court.)

Ongkaruck Sripetch engaged in numerous fraudulent schemes involving at least 20 penny-stock companies. On discovering the schemes, the Securities and Exchange Commission (SEC) brought a civil enforcement action against Mr. Sripetch, charging him with six counts of securities fraud and one count of selling unregistered securities. Mr. Sripetch consented to the entry of judgment against him and agreed that the court could order disgorgement. When the SEC proceeded to seek over $4.1 million in disgorgement, however, Mr. Sripetch objected. He argued that the SEC's request violated *Liu* v. *SEC*, 591 U. S. 71, because the SEC lacked evidence that his schemes caused investors to suffer any financial losses. On appeal, the Ninth Circuit rejected Mr. Sripetch's argument, deepening a split among the Courts of Appeals.

Held: A showing of pecuniary loss to investors is not required before the SEC may obtain a disgorgement award. Pp. 6–13.

(a) The Court's analysis begins with two statutory provisions, 15 U. S. C. §§ 78u(d)(5) and 78u(d)(7). Section 78u(d)(5) allows the SEC to obtain "any equitable relief that may be appropriate or necessary for the benefit of investors." *Liu* held this provision permits a court to order disgorgement so long as the remedy adheres to traditional equitable principles. 591 U. S., at 85. After *Liu*, Congress adopted §78u(d)(7), which expressly allows the SEC to seek disgorgement in enforcement proceedings. The Court need not decide whether or how §78u(d)(7) affects the scope of the SEC's disgorgement powers. Even assuming that disgorgement under §78u(d)(7) remains an equitable remedy that must comply with traditional equitable rules, a showing of pecuniary loss to investors is not required before the SEC may obtain disgorgement. Pp. 6–8.

(b) Courts sitting in equity have long issued remedies designed to "depriv[e] wrongdoers of their net profits from unlawful activity." *Liu*, 591 U. S., at 79. Under traditional equitable principles, a person seeking that kind of remedy does not need to prove he has "suffered a corresponding loss or," indeed, "any loss." Restatement (First) of Restitution §1,

Comment *e*. Rather, when a person "has suffered an interference with protected interests," he may be entitled to "restitution of [the defendant's] wrongful gain" from that interference even when he has suffered "no measurable loss whatsoever." Restatement (Third) of Restitution and Unjust Enrichment, §3, Reporter's Note *a*. The point of the remedy is for "the defendant . . . to give to the plaintiff the amount by which he has been enriched" from the wrongful invasion of the plaintiff's legally protected interests, not to compensate the plaintiff for a financial loss. Restatement (First) of Restitution §1, Comment *e*. Numerous cases illustrate this principle. See, *e.g., Raven Red Ash Coal Co.* v. *Ball*, 185 Va. 534, 39 S. E. 2d 231; *Edwards* v. *Lee's Adm'r*, 265 Ky. 418, 96 S. W. 2d 1028. Pp. 8–11.

(c) The Court rejects Mr. Sripetch's arguments to the contrary. He contends that *Liu* announced a rule requiring the SEC to make a showing of pecuniary loss before securing disgorgement. It did not. While *Liu* held that disgorgement must be "awarded for victims," 591 U. S., at 79, it drew this requirement from traditional equitable principles, and those principles do not demand a showing of pecuniary loss before a person may qualify as a "victim" entitled to an award of a wrongdoer's profits.

Mr. Sripetch submits that failing to require pecuniary loss would be inconsistent with *Liu*'s description of disgorgement as a remedy designed to "restor[e] the status quo." *Id.,* at 80. That is incorrect. In some instances, a defendant can unjustly enrich himself even without leaving a plaintiff worse off financially, and in those instances, a court must choose between two status quos: It can either restore the defendant to his prior position by stripping him of his unjust gains, or it can allow the defendant to benefit from his misconduct because the plaintiff's financial position has not changed. Equity traditionally prefers the first outcome, not the second.

Mr. Sripetch expresses concern that, without a pecuniary loss requirement, the SEC might lose sight of traditional equitable principles and use §78u(d)(7) to seek penalties for the Treasury rather than compensation for victims. Should the SEC do so, that development would raise questions about whether and to what degree §78u(d)(7) permits deviation from equitable principles. But that does not mean this Court should hold that the SEC's disgorgement remedy requires proof of pecuniary loss—a requirement foreign to *Liu* and to traditional equitable principles alike.

Amici's concern that the SEC might seek disgorgement even for securities-law violations that do not invade the legally protected interests of investors is beside the point in this case, as Mr. Sripetch has not disputed that his victims suffered a violation of their legally protected interests. Pp. 11–13.

154 F. 4th 980, affirmed.

Gorsuch, J., delivered the opinion for a unanimous Court. Thomas, J., filed a concurring opinion.