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penalty amount of \$4 million, based on the defendants' sworn financial statements; we therefore suspended that amount upon payment of \$150,000.<sup>2</sup>

If our goal is to make compliance more attractive than violation, we also should consider the cost and effect of the other sanctions imposed in the context of an enforcement action. These effects include the costs and constraints of complying with the injunction; the fencing in of otherwise legal conduct; the reputational effect of the sanction; the threat of follow-on actions by shareholders, private plaintiffs, and other regulators; and other collateral consequences, such as

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