

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 97760 / June 20, 2023

ACCOUNTING AND AUDITING ENFORCEMENT
Release No. 4421 / June 20, 2023

ADMINISTRATIVE PROCEEDING
File No. 3-21498

In the Matter of

JEFFERY D. ANSELL,

Respondent.

**ORDER INSTITUTING CEASE-AND-
DESIST PROCEEDINGS PURSUANT TO
SECTION 21C OF THE SECURITIES
EXCHANGE ACT OF 1934, MAKING
FINDINGS, AND IMPOSING A CEASE-
AND-DESIST ORDER**

I.

The Securities and Exchange Commission (“Commission”) deems it appropriate that cease-and-desist proceedings be, and hereby are, instituted pursuant to Section 21C of the Securities Exchange Act of 1934 (“Exchange Act”), against Jeffery D. Ansell (“Ansell” or “Respondent”).

II.

In anticipation of the institution of these proceedings, Respondent has submitted an Offer of Settlement (the “Offer”) which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission, or to which the Commission is a party, and without admitting or denying the findings herein, except as to the Commission’s jurisdiction over him and the subject matter of these proceedings, which are admitted, and except as provided herein in Section V, Respondent consents to the entry of this Order Instituting Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-and-Desist Order (“Order”), as set forth below.

III.

On the basis of this Order and Respondent’s Offer, the Commission finds¹ that:

¹ The findings herein are made pursuant to Respondent’s Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

Summary

1. This matter arises from Jeffery D. Ansell's role in Stanley Black & Decker, Inc.'s ("SBD") failure to disclose in its definitive proxy statements certain perquisites and personal benefits that it provided to Ansell from 2017 through 2020, while he was a senior officer at SBD. As a result of his conduct, Ansell caused SBD to violate Sections 13(b)(2)(A) and 14(a) of the Exchange Act and Rule 14a-3 thereunder.

Respondent

2. Respondent Jeffery D. Ansell was Executive Vice President of SBD and President of SBD's Tools & Storage segment from October 2016 through June 2020, Executive Vice President of SBD from July 2020 through December 31, 2021, and a strategic advisor to SBD from January 1, 2022 until February 4, 2022.

Relevant Entity

3. Stanley Black & Decker, Inc. is a Connecticut corporation headquartered in New Britain, Connecticut. SBD is a diversified global provider of hand tools, power tools, and other products and services. SBD's common stock is registered under Section 12(b) of the Exchange Act and trades on the New York Stock exchange under the ticker symbol "SWK."

Background

4. Section 14(a) of the Exchange Act makes it unlawful to solicit any proxy in respect of any security (other than an exempted security) registered pursuant to Section 12 of the Exchange Act in contravention of such rules and regulations as the Commission may prescribe. Rule 14a-3 prohibits issuers with securities registered pursuant to Section 12 of the Exchange Act from soliciting proxies without furnishing proxy statements containing the information specified in Schedule 14A, including executive compensation disclosures pursuant to Item 402 of Regulation S-K. Item 402 of Regulation S-K requires disclosure of the total value of all perquisites and other personal benefits provided to named executive officers who receive at least \$10,000 worth of such items in a given year. Item 402 of Regulation S-K also requires identification of all perquisites and personal benefits by type, and quantification of any perquisite or personal benefit that exceeds the greater of \$25,000 or 10% of total perquisites.

5. In 2006, the Commission adopted amendments to executive compensation disclosure rules, including Item 402 of Regulation S-K. *See* Commission's Executive Compensation and Related Person Disclosure Final Rule adopting release, Release Nos. 33-8732A; 34-54302A; IC-27444A; File No. S7-03-06 (August 29, 2006) (the "Adopting Release"). According to the Adopting Release, "an item is not a perquisite or personal benefit," and does not need to be reported, "if it is integrally and directly related to the performance of the executive's duties. Otherwise, an item is a perquisite or personal benefit if it confers a direct or indirect benefit that has a personal aspect, without regard to whether it may be provided for some business reason or for the convenience of the company, unless it is generally available on a non-discriminatory basis to all employees." The Adopting Release also states that "the concept of a benefit that is

‘integrally and directly related’ to job performance is a narrow one,” which “draws a critical distinction between an item that a company provides because the executive needs it to do the job, making it integrally and directly related to the performance of duties, and an item provided for some other reason, even where that other reason can involve both company benefit and personal benefit.”

6. According to the Adopting Release, even where the company “has determined that an expense is an ‘ordinary’ or ‘necessary’ business expense for tax or other purposes or that an expense is for the benefit or convenience of the company,” that determination “is not responsive to the inquiry as to whether the expense provides a perquisite or other personal benefit for disclosure purposes.” Indeed, “business purpose or convenience does not affect the characterization of an item as a perquisite or personal benefit where it is not integrally and directly related to the performance by the executive of his or her job.”

Facts

7. In definitive proxy statements disclosing executive compensation earned for 2017 through 2020, which were filed in 2018 through 2021, SBD disclosed an annual average of approximately \$167,000 in “All Other Compensation” for Ansell.

8. However, these same definitive proxy statements failed to disclose a total of over \$647,000 worth of perquisites and personal benefits provided to Ansell, thereby understating the “All Other Compensation” portion of his compensation by an annual average of approximately \$162,000.

9. This undisclosed compensation consisted, in part, of approximately \$280,000 in personal expenses Ansell charged to SBD, including, but not limited to, chauffeur services, other travel items, meals, apparel, and car repair services. The remainder of the undisclosed compensation included approved use of the corporate aircraft and other authorized items, such as personal services provided to Ansell by SBD employees, and certain gifts and products.

10. In connection with the preparation of its definitive proxy statements, SBD required Ansell to complete Questionnaires for Executive Officers, which included requests for information regarding perquisites, and SBD personnel sent Ansell communications providing him the opportunity to review drafts of proxy statements. In his responses to these materials, Ansell did not identify the undisclosed perquisites and personal benefits referenced herein.

11. From at least 2018 through 2020, SBD incorrectly recorded payments for the benefit of Ansell as business expenses and not compensation, based at least in part on Ansell’s submission of expense reimbursement requests and his approval of certain payments to vendors. As a result, SBD’s books, records, and accounts did not, in reasonable detail, accurately and fairly reflect its disposition of assets.

12. Pursuant to a separation agreement, Ansell’s employment at SBD ended on February 4, 2022. In connection with his separation, Ansell reimbursed SBD for personal expenses SBD incurred on his behalf.

Violations

13. Section 14(a) of the Exchange Act makes it unlawful to solicit any proxy in respect of any security (other than an exempted security) registered pursuant to Section 12 of the Exchange Act in contravention of such rules and regulations as the Commission may prescribe. Rule 14a-3 prohibits issuers with securities registered pursuant to Section 12 of the Exchange Act from soliciting proxies without furnishing proxy statements containing the information specified in Schedule 14A, including executive compensation disclosures pursuant to Item 402 of Regulation S-K. Item 402 of Regulation S-K requires disclosure of the total value of all perquisites and other personal benefits provided to named executive officers who receive at least \$10,000 worth of such items in a given year. Item 402 of Regulation S-K also requires disclosure of all perquisites and personal benefits by type, and specific identification of any perquisite or personal benefit that exceeds the greater of \$25,000 or 10% of the total perquisites. No showing of scienter is required to establish a violation of Section 14(a) of the Exchange Act and Rule 14a-3 thereunder. *See, e.g., Gerstle v. Gamble-Skogmo, Inc.*, 478 F.2d 1281, 1299-1300 (2d Cir. 1973). As a result of the conduct described above, Ansell caused SBD to violate Section 14(a) of the Exchange Act and Rule 14a-3 thereunder.

14. As a result of the conduct described above, Ansell caused SBD to violate Section 13(b)(2)(A) of the Exchange Act, which requires reporting companies to make and keep books, records and accounts which, in reasonable detail, accurately and fairly reflect their transactions and dispositions of their assets.

IV.

In view of the foregoing, the Commission deems it appropriate to impose the sanctions agreed to in Respondent Ansell's Offer.

Accordingly, it is hereby ORDERED that:

A. Pursuant to Section 21C of the Exchange Act, Respondent Ansell cease and desist from committing or causing any violations and any future violations of Sections 13(b)(2)(A) and 14(a) of the Exchange Act and Rule 14a-3 thereunder.

B. Respondent shall, within 10 days of the entry of this Order, pay a civil money penalty in the amount of \$75,000 to the Securities and Exchange Commission for transfer to the general fund of the United States Treasury, subject to Exchange Act Section 21F(g)(3). If timely payment is not made, additional interest shall accrue pursuant to 31 U.S.C. §3717.

Payment must be made in one of the following ways:

- (1) Respondent may transmit payment electronically to the Commission, which will provide detailed ACH transfer/Fedwire instructions upon request;

- (2) Respondent may make direct payment from a bank account via Pay.gov through the SEC website at <http://www.sec.gov/about/offices/ofm.htm>; or
- (3) Respondent may pay by certified check, bank cashier's check, or United States postal money order, made payable to the Securities and Exchange Commission and hand-delivered or mailed to:

Enterprise Services Center
Accounts Receivable Branch
HQ Bldg., Room 181, AMZ-341
6500 South MacArthur Boulevard
Oklahoma City, OK 73169

Payments by check or money order must be accompanied by a cover letter identifying Jeffery D. Ansell as a Respondent in these proceedings, and the file number of these proceedings; a copy of the cover letter and check or money order must be sent to Brendan P. McGlynn, Assistant Regional Director, Division of Enforcement, Securities and Exchange Commission, 1617 JFK Blvd., Suite 520, Philadelphia, PA 19103.

C. Amounts ordered to be paid as civil money penalties pursuant to this Order shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Respondent agrees that in any Related Investor Action, he shall not argue that he is entitled to, nor shall he benefit by, offset or reduction of any award of compensatory damages by the amount of any part of Respondent's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Respondent agrees that he shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the Securities and Exchange Commission. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this proceeding. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Respondent by or on behalf of one or more investors based on substantially the same facts as alleged in the Order instituted by the Commission in this proceeding.

V.

It is further Ordered that, solely for purposes of exceptions to discharge set forth in Section 523 of the Bankruptcy Code, 11 U.S.C. §523, the findings in this Order are true and admitted by Respondent, and further, any debt for disgorgement, prejudgment interest, civil penalty or other amounts due by Respondent under this Order or any other judgment, order, consent order, decree or settlement agreement entered in connection with this proceeding, is a debt for the violation by Respondent of the federal securities laws or any regulation or order issued under such laws, as set forth in Section 523(a)(19) of the Bankruptcy Code, 11 U.S.C. §523(a)(19).

By the Commission.

Vanessa A. Countryman
Secretary