

Securities Litigation & Regulatory Compliance

Drinker Biddle has one of the largest and most sophisticated litigation practices in the United States, with a reputation for trying and winning complex securities and regulatory cases. We provide the highest-quality legal work and unflagging client service. We bring decades of insight and experience and have prepared, tried and won significant decisions in trial courts throughout the country, and preserved those victories on appeal. In addition, we have victoriously arbitrated numerous cases and settled multiple more directly or through mediation.

Financial Services and Securities Industry

We represent members of the financial services and securities industry in dealing with litigation and regulatory issues. Our clients include nearly every national retail brokerage firm, as well as smaller regional firms and other financial services providers. We handle broker-customer and broker-employee litigations and arbitrations, regulatory inquiries, litigations and disciplinary hearings and appeals, and counsel on regulatory matters. In addition, we represent clients in an array of employment and ERISA disputes.

Arbitrations and Other Customer Litigation

We defend securities brokers in court against claims involving retail sales practices, supervision, market manipulation, trading and marketing strategies, and regulatory compliance, not only in conventional broker-customer disputes, but also in disputes involving current industry matters such as CDOs and CMOs, direct investments, "tainted research," the liabilities of discount and clearing brokers, judicial enforcement of arbitration eligibility rules and court proceedings involving arbitration awards. We protect securities industry professionals from expansive liability under securities, racketeering and consumer protection statutes.

We have a long history in this arena. In fact, when arbitration became the accepted means of resolving broker customer disputes, we were among the first to argue that predispute arbitration agreements should also be honored in cases arising under the federal securities and racketeering laws, and under ERISA, ADEA and Title VII.

Broker-Customer and Broker-Employee Arbitrations

We handle arbitrable disputes in a streamline and cost-effective manner. Members of the team have served as in-house counsel at brokerage firms and recognize the importance of

open communication, early risk evaluation, efficient budgeting and staffing commensurate with the complexity and exposure of each case. Even those brokerage firms that generally handle matters in-house engage us when exposures are high or separate representation for a current or former employee is needed, or when busy dockets result in overflow work that cannot be handled in-house. We have handled more than 300 litigation matters since the *McMahon* decision.

We represent broker-dealers and brokers in consumer dispute arbitrations before FINRA. We also represent broker-dealers in industry disputes with other broker-dealers or in disputes with their former employees. We represent investment advisors who have elected FINRA as their arbitration forum. However, we also litigate financial services disputes before AAA and JAMS.

Regulatory Representations

We represent members of the securities and financial services industry, public registrants and others in a wide variety of regulatory matters involving the SEC, the Department of Justice, state securities and insurance regulators, FINRA and other self-regulatory organizations. We defend Member Firms and Associated Persons against, among other things, allegations of violations of just and equitable principles of trade, market timing, lack of supervision, insufficient books and records, licensure issues and other allegations before federal and state regulators and the SRO, in negotiations, on-the-records

testimony, hearings and appeals to the SROs, regulators and courts.

Regulatory Enforcement

Drinker Biddle's SEC and Regulatory Enforcement Team represents broker-dealers, investment advisers, hedge funds, private equity firms, trading firms, companies, and individuals in enforcement investigations by and litigation against the SEC, CFTC, FINRA, CME, NFA, PCAOB, other self-regulatory organizations, state attorneys general offices, and the DOJ. We have extensive experience handling a wide variety of financial regulatory defense matters, compliance matters with enforcement exposure, internal corporate and firm investigations, as well as civil, regulatory, and administrative hearings, and white collar criminal investigations and trials. Our Team includes SEC alumni who served the agency for more than two decades in senior roles—collectively as an assistant director, senior trial counsel, and branch chief in the SEC's Division of Enforcement. Our team also includes certified public accountants, certified fraud examiners, and DOJ alumni with decades of investigatory and trial experience.

Employment and ERISA Matters

Drinker's ERISA team represents clients in fiduciary issues, prohibited transactions, tax-qualification and Department of Labor, Securities and Exchange Commission, and FINRA examinations of retirement plan and IRS issues.

We work with both private and public sector entities and their plans and fiduciaries and also represent plans, employers, and fiduciaries before federal agencies such as the DOL and IRS. We consult with broker-dealers, banks, registered investment advisers, trust companies, insurance companies and mutual fund management companies on 401(k) recordkeeping services, investment products, and issues related to plan investments and retirement income. We also represent broker-dealers and registered investment advisers and insurance companies on issues related to fiduciary status and compliance, prohibited transactions and internal procedures, including most recently on the ramifications of the DOL's Fiduciary Duty Rules. We have drafted agreements, disclosure documents, and Written Supervisory Procedures to assist with the implementation of the new standard of care, and supervision of that standard in the event the Fiduciary Duty Rule does, in fact, become applicable.

Our experience also includes advising insurance companies and investment managers of the development of products and services that are consistent with ERISA's fiduciary standards and prohibited transaction restrictions, including retirement income investments and guarantees.

We regularly participate in webcasts and conference calls for financial services companies, and provide updates and insights about regulation and examinations of the retirement industry, for service providers, plan sponsors, broker-dealers, and registered investment advisers.

Regulatory and Compliance

We assist clients through the mazes of regulatory and self-regulatory organization rules and regulations, for broker-dealer and registered investment advisor, including FINRA audits, FINRA 8210 inquiries, industry sweeps, SEC and Department of Justice subpoenas.

We defend our clients during on-the-record testimony, disciplinary hearings brought by FINRA enforcement or state regulators and litigation brought by the SEC. Where appropriate, we negotiate settlements, including Acceptance, Waivers and Consents and Consent Decrees. We appeal disciplinary actions to the FINRA's National Adjudicatory Council, the SEC and District Court.

There is an ever-changing regulatory environment for FINRA and SEC reporting obligations, as well as increased regulatory scrutiny. We counsel clients concerning their fiduciary, compliance and reporting obligations with a focus on: risk management, strengthening supervisory procedures and internal controls, increasing reports to management and fund boards, determining whether compliance policies and procedures are implemented as written, and heightening participation by the compliance and legal functions in matters involving regulatory issues.

As one of the leading investment management practices in the U.S., we have also been called upon to provide independent assessments to many advisers of their risk management and supervisory frameworks, and overall compliance policies and procedures, related to conflicts of interest, breaches of fiduciary duty and securities law violations. Our assessments have been performed both in the U.S. for domestic firms and abroad for large international advisers with extensive foreign operations.

In addition, we are actively engaged in assisting our broker-dealer clients with day-to-day challenges including strategic planning required by new regulations from FINRA, the SEC or the Department of Labor and assisting in the drafting of written supervisory procedures to address the ever-changing regulatory environment.

We have far-reaching experience in drafting and reviewing compliance manuals, and related policies and procedures, including codes of ethics, valuation and pricing procedures, portfolio trading policies, business continuity plans, proxy voting procedures, selective disclosure policies and anti-money-laundering programs. We have also counseled our clients on various compliance-related matters such as annual compliance testing and risk assessments.

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