



Securities Enforcement

Sheppard Mullin's Securities Enforcement team comprises attorneys who represent investment banks, broker-dealers, investment advisors and funds, and other financial institutions. We also represent individuals who work in the financial services industry, including registered representatives, traders, bankers, supervisors, and compliance professionals. The financial services sector is heavily regulated and we regularly represent clients dealing with the agencies and departments that regulate the industry, including the Department of Justice, the FBI, U.S. Postal Inspection Service, the SEC, CFTC, state Attorney General's offices, District Attorney's offices, state securities regulators, and FINRA. We handle matters initiated by regulators, as well as internal investigations, including investigations stemming from whistleblower allegations. We assess and handle issues ranging from regulatory reporting to remediation.

Our matters have involved numerous civil and criminal investigations involving the federal, and in some cases, state securities laws. The subject matter spans allegations involving the Securities Acts of 1933 and 1934, the Investment Advisers Act, the Investment Company Act, the Foreign Corrupt Practices Act, insider trading, and sales practice, trading, and record-keeping issues. We also handle cross-border matters and represent foreign entities subject to U.S. regulation and jurisdiction.

Our securities enforcement attorneys, whom include former state and federal prosecutors and regulators, understand that most clients have ongoing relationships with their regulators. Accordingly, we balance effective advocacy with long-term relationships and credible legal positions. We frequently represent clients in matters involving multiple regulators and strategically manage parallel proceedings and evolving inquiries. Should civil litigation arise, we also have extensive civil securities litigation experience.

Representative matters include:

- Representation of a global investment bank in connection with an SEC investigation into trading by firm customer's rogue trader under the SEC's Market Access Rule (Rule 15c3-5)
- Representation of a global investment bank in connection with whistleblower allegations of improper marking-to-market of equity derivatives
- Representation of publicly traded company in an SEC investigation involving payments to immigration lawyers for referrals of clients seeking EB-5 visas
- Representation of defendant in a CFTC action alleging misrepresentations in the operation of a futures fund
- Representation of a Chinese entertainment and media company in an SEC investigation of the U.S. film industry, alleging FCPA violations
- Representation of a broker-dealer in connection with a FINRA investigation involving potential market manipulation through "marking the close"
- Representation of a public telecommunications company in an SEC investigation alleging FCPA and revenue recognition violations, at the conclusion of which (after an investigation spanning three years and four continents), the SEC declined to pursue an enforcement action against our client
- Representation of a Relief Defendant and related company in CFTC action concerning alleged fraud
- Representation of global investment banks, brokerage firms and firm personnel, and investment advisors in SEC and criminal insider trading investigations
- Representation of broker-dealer operations professionals in connection with an SEC "soft dollar" investigation
- Representation of the Private Bank division of global investment bank in connection with FINRA, SEC, and state securities regulatory inquiries, internal investigations, and whistleblower allegations
- Representation of a former RMBS desk salesperson in connection with a FINRA inquiry concerning communications with accounts
- Representation of mortgage finance professionals in RMBS-related investigations and litigations
- Representation of branch manager and other supervisory personnel in connection with investigations relating to alleged failures to supervise
- Representation of financial advisors in connection with numerous FINRA investigations regarding Central Registration Depository ("CRD") disclosures, complex products and alternative investments, and other sales practice issues
- Representation of brokerage firms and employees in FINRA arbitrations

For more information, please contact:



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