



**Securities Litigation & Enforcement**

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**STRADLEY  
SR  
RONON**

## OUR PRACTICE

For almost a century, Stradley Ronon has been at the forefront of the financial services industry, including as an early influencer of transformative federal legislation. Today, Stradley Ronon's securities litigation and enforcement lawyers represent clients in all types of matters, including securities lawsuits in federal and state court, securities arbitrations, governmental and self-regulatory organization (SRO) examinations, inquiries, and enforcement actions and internal investigations. Our securities litigators combine broad industry knowledge with seasoned trial, investigative and negotiation skills. We provide high-quality, responsive and cost-effective representation. Most importantly, we help our clients avoid litigation whenever possible, and when it becomes unavoidable, we bring decades of experience to the table.



## OUR EXPERIENCE

Our clients span the spectrum of entities involved in securities matters, including public and private companies, mutual funds, investment advisers, hedge funds, banks, broker-dealers and insurance companies, along with their directors, officers and employees. Our clients range from large, well-capitalized companies and their executives to regional businesses and owners to local ventures and individuals. We invest in industry conferences and education programs and serve on industry committees, such as the Financial Industry Regulatory Authority's (FINRA) National Arbitration and Mediation Committee. We know and understand our clients' businesses and stay apprised of current legal and regulatory issues impacting the industry.

Our lawyers have experience in all aspects of securities litigation and enforcement. We vigorously defend our financial services clients in securities litigation in state and federal court, including shareholder class actions; against securities fraud claims in customer arbitrations before FINRA, the American Arbitration Association (AAA) and other arbitration forums; against employment-related, defamation and intra-industry claims in industry arbitrations before FINRA; and in U.S. Securities and Exchange Commission (SEC), U.S. Department of Justice (DOJ), Commodity Futures Trading Commission (CFTC), FINRA and state regulatory examinations, investigations and enforcement actions.

Our lawyers successfully represent clients before judges, jurors, arbitrators and regulators on matters of current

## SOME OF OUR RECENT CLIENT SUCCESSSES INCLUDE:

- ▶ Full defense award in a FINRA arbitration in favor of a broker-dealer as to claims of a senior investor's alleged \$10 million of losses in margin accounts after prevailing on a motion to compel arbitration in federal court following a *Daubert* hearing on the competency of the investor.
- ▶ Full defense award in a 14-day FINRA arbitration in favor of a broker-dealer where a registered representative asserted claims of defamation and wrongful termination.
- ▶ Favorable award in a 36-day AAA hearing in favor of a broker-dealer where a customer alleged an \$8.5 million selling-away claim, and the broker-dealer recovered \$4.1 million based upon its counterclaim.
- ▶ Prevailed in a rare appeal to the SEC of an order from Nasdaq delisting a Chinese company.
- ▶ Successful conclusion of SEC investigation involving the use of algorithmic advisory functions.
- ▶ Successful defense of a broker-dealer and registered principals in a regulatory matter involving structured products.
- ▶ Successful defense of a registered investment adviser in a regulatory matter involving 12b-1 fees.
- ▶ Successful defense of a broker-dealer and registered representatives in a regulatory matter involving alleged short-term municipal bond transactions.
- ▶ Recovery of mutual fund losses caused by a public company's alleged fraud through a shareholder opt-out action.

focus by litigants and regulators. We have counseled clients through a multitude of issues, including securities and accounting fraud; director, officer and shareholder obligations in connection with corporate sales and mergers; broker-dealer, investment adviser and investment company regulation; registration; insider trading; disclosure; compliance policies and procedures; supervision; books and records requirements; reporting requirements; Regulation Best Interest obligations; the retirement of financial advisors; audits; and fiduciary duties.

## YOUR ISSUES

Our lawyers pride themselves on having a thorough understanding of the sophisticated financial products that are frequently the subject of litigation and regulatory inquiry. We stay ahead of the curve by educating ourselves and our clients about new and complex instruments that may form the basis of future investigations or claims. We have a deep understanding of and have handled matters involving, among other instruments: stocks, bonds, mutual funds, digital assets, structured products, exchange-traded funds, hedge funds, annuities, municipal bond arbitrage, options, futures, municipal pension funds, life settlements, initial private offerings, private placements and principal protected notes.

## OUR SERVICES

We take a comprehensive approach to evaluating each client's unique circumstances to develop a strategic response for each matter. Our team includes former regulators and prosecutors, including SEC, CFTC and DOJ trial counsel (including one who served as a SEC supervisory assistant chief litigation counsel and another who served as an assistant U.S. attorney for the Southern District of New York's Securities and Commodities Fraud Task Force); a senior counsel in the SEC's Division of Enforcement; and an associate general counsel of Cboe who later served as the vice president, head of regulatory risk, for the New York Stock Exchange.

We also leverage the strengths of our other practices when appropriate to serve as resources to ensure that our clients are best protected from litigation, including our investment management, broker-dealer, corporate, regulatory compliance, mergers and acquisitions, structured finance and tax lawyers.

We recognize that it is in our clients' best interest to avoid the cost and risk of litigation as a defendant and to pursue litigation as a plaintiff only when doing so advances an important interest and the benefit will likely outweigh the cost. When litigation is inevitable, our trial team takes proactive steps to resolve problematic cases early in

the process. We work with our clients to develop strategies to manage the e-discovery process in a cost-efficient, defensible manner that minimizes business disruption. For cases that require adjudication, our securities litigators apply their trial experience and deep knowledge of the courts to each representation. Our trial team is well-known and well-respected by federal, state and local courts.

## OUR VALUE-ADDED SERVICES

We routinely speak at industry events and visit our clients to provide ongoing educational seminars to management and employees.

Topics from some of our recent offerings include:

- Internal Investigations Best Practices.
- Handling an SEC Investigation.
- Best Practices in Responding to Regulatory Inquiries.
- Fundamentals of FINRA Arbitration.
- Modern Negotiations: Embracing Change and Best Practices for Success.
- The Newest Fraud Realities – Top 10 List and Best Practices to Detect and Prevent Fraud.
- Key Issues for Small and Regional Firms.
- The CCO's Point of View: Making Sense of Recent Regulations and Enforcement Proceedings.

## RECENT REPRESENTATIONS:

- ▶ A futures commission merchant (FCM) in a state court action by traders seeking over \$1 billion in damages relating to trades on the Chicago Mercantile Exchange during a market event known as "Volmageddon."
- ▶ A broker-dealer and registered investment adviser in defense of a \$100 million FINRA claim by a municipal pension plan regarding the pension plan's investments in proprietary asset management platforms and hedge funds.
- ▶ A broker-dealer wholesale distributor in defense of a former employee's claim of defamation before FINRA and claim of discrimination in federal court.
- ▶ An investment adviser in an SEC investigation involving cross-trades and valuation.
- ▶ A principal of a cryptocurrency hedge fund in a criminal investigation, as well as in a parallel SEC investigation and a congressional inquiry.
- ▶ The independent trustees of a mutual fund in a litigated SEC enforcement action involving alleged violations of the Investment Company Act of 1940 Liquidity Rule.
- ▶ A financial services company in a state court action involving allegations that a selling agent fraudulently transferred the ownership of a policy and changed the beneficiary designation to himself.
- ▶ A broker-dealer in an SEC investigation involving Regulation Best Interest.



## CONTACTS

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## ABOUT STRADLEY RONON

At Stradley Ronon, we've spent almost a century working with private and public companies — from small businesses to Fortune 500 corporations — to achieve cutting-edge results in matters ranging from sophisticated corporate transactions to complex commercial litigation. With more than 200 lawyers in nine locations across the United States, our firm is well positioned to address the full spectrum of our clients' needs. Learn more at [stradley.com](http://stradley.com).

## LOCATIONS

Chicago | Los Angeles | New York  
Philadelphia | Washington, D.C.

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