
Securities Enforcement

WilmerHale has a record of success at all stages of enforcement proceedings—from informal inquiries to complex formal investigations.

WilmerHale is a worldwide leader in securities enforcement defense. We represent clients in a wide range of investigations initiated by the US Securities and Exchange Commission (SEC), the Department of Justice (DOJ), the Financial Industry Regulatory Authority (FINRA), the Commodity Futures Trading Commission (CFTC), the UK Financial Conduct Authority (FCA), the United States Congress, state securities regulators and attorneys general, state insurance regulators, and other government agencies. Our team has guided major financial institutions, public and private companies, hedge funds, accounting firms, investment advisers, and individuals through the nuances of both Congressional hearings and the enforcement process. We have achieved favorable resolutions at every stage—in informal inquiries, advocacy before ultimate agency decisionmakers, and cases that have gone to trial.

Our Practice

Enforcement of the US federal securities laws and state statutory and common law touches public and private companies, financial institutions and financial advisory businesses, accounting firms, and all those who participate in the securities markets. WilmerHale draws on its deep experience in government investigations to help clients navigate these inquiries; evaluate legal, regulatory and reputational risks; and engage strategically with relevant stakeholders.

We work pragmatically with our clients, mindful of their business objectives. We have resolved a significant number of investigations confidentially, without any action being taken against our clients. In some cases, resolutions occur quickly, following our swift response to an informal government inquiry, while in others we may convince a regulator to close a matter after a complex formal investigation.

We have extensive experience negotiating favorable settled resolutions, but—in circumstances calling for a strong litigation defense—our lawyers are courtroom-ready, and have achieved high-profile victories in litigation brought by the SEC, DOJ and self-regulatory bodies.

In the past year alone, we have represented entities and individuals before, among others, the

SEC, DOJ, Public Company Accounting Oversight Board (PCOAB), Federal Reserve, Office of the Comptroller of the Currency, Consumer Financial Protection Bureau, CFTC, state attorneys general, state securities and banking regulators, and Congress. We have also appeared on behalf of clients in investigations and litigation before self-regulatory bodies such as FINRA.

In the United Kingdom, our white-collar investigations lawyers represent clients facing investigations by a wide range of agencies and prosecution authorities, including the FCA, the Serious Fraud Office, and HM Revenue and Customs, among others. The firm's leading Foreign Corrupt Practices Act and Anti-Corruption Practice also advises companies facing high-stakes government and internal investigations around the world. WilmerHale consistently ranks among the top three leading investigations and compliance practices in the world, according to *Global Investigations Review*.

Our Team

Our clients can rely on the insights of a team that includes many of the most experienced lawyers in the field of securities enforcement, a number of whom have held senior government positions. This first-hand knowledge of the government's priorities and processes is pivotal in helping clients resolve complex securities enforcement actions.

Our legal teams often counsel clients in areas of law that are complex and unsettled, calling on the deep experience of the firm's respected regulatory practices, including those that advise broker-dealers, investment companies and investment advisers.

Our ranks include lawyers who have served in the following senior positions at the SEC:

- Director of the Division of Enforcement
- Associate Director of the Division of Enforcement
- Chief Litigation Counsel of the Division of Enforcement
- Director of the Division of Corporation Finance
- General Counsel
- Associate Regional Director of the Los Angeles Office

In addition, we are lucky to have many lawyers with experience in other financial regulatory and law enforcement roles, including the former Deputy Secretary of the Treasury and Undersecretary of the Treasury for Terrorism Finance and Intelligence. Moreover, a number of our partners have held senior positions in the Department of Justice, including:

- Deputy Attorney General
- Solicitor General
- General Counsel of the Federal Bureau of Investigation
- United States Attorney and Assistant United States Attorneys

Key Contacts



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Areas of Focus

Financial Reporting,
Disclosures and Restatements
Financial Products and Retail
Anti-Corruption Advisory and
Investigations

Market Structure, Algorithmic
Trading and Market Access
Exchanges and Clearing
Agencies
Data Breaches and
Cybersecurity

Internal Investigations
Insider Trading
Accounting Firms

Related Solutions

Antitrust and Competition

Class Actions

Crisis Management and
Strategic Response

False Claims Act

FinTech

Government and Regulatory
Litigation

Investment Management

Professional Services
Technology

White Collar Defense and
Investigations

Big Data

Congressional Investigations

Cross-Border Investigations
and Compliance

Financial and Business
Integrity

Foreign Corrupt Practices Act
and Anti-Corruption

Healthcare

Insurance, Annuities and
Retirement

Securities Litigation

Trials

Broker-Dealer Compliance
and Regulation

Corporate Governance and
Disclosure

Cybersecurity and Privacy

Financial Services

Futures and Derivatives

Investigations

Life Sciences

State Attorneys General

UK White Collar Defense and
Investigations

Experience

— **HIGH-FREQUENCY TRADING**

Represented a prominent global hedge fund in parallel SEC and DOJ inquiries regarding customer order flow and execution quality, including in the client’s “dark pool.” Secured declination in the DOJ proceeding and a favorable settlement with the SEC.

— **PARALLEL INVESTIGATIONS AND LITIGATION**

Took over as counsel to a Palo Alto–based health technology and medical laboratory services company in federal and state law enforcement and regulatory investigations, private civil litigation in federal and state courts, and corporate restructurings, following explosive media exposés about the company in national publications.

— **DATA BREACH INVESTIGATION**

Represented the board of a financial industry company in a highly publicized data breach. Conducted an internal review and provided advice not only about the legal framework around data privacy and security but also about the related governance, securities and liability regimes. Our work for the client built on our representation of one of the largest retailers in investigations and litigation arising from an analogous breach.

– **INTERNAL GOVERNANCE INVESTIGATIONS**

Represented the board of a confectionary products producer in successive internal investigations concerning potential insider transactions by board members and a failed acquisition of a Chinese confectionary brand. We worked with senior management and board committees to review and enhance governance practices.

– **ENFORCEMENT PROCEEDINGS AND TRIALS ARISING FROM PUERTO RICO FINANCIAL CRISIS**

Successfully represented a corporate and investment bank in Puerto Rico Office of the Commissioner of Financial Institutions, FINRA and SEC proceedings in connection with FINRA's actions against prominent financial services firms for allegedly failing to supervise the sale, concentration and leverage involved in selling Puerto Rico closed-end funds prior to the financial collapse of the Puerto Rico fixed income market in 2013. Following resolution of the regulatory inquiries, we have continued to represent the client in multiple class actions and client arbitrations arising from the same events.

– **PCOAB AND SEC CLOSING LETTERS**

Obtained closing letter from the SEC and PCOAB following a multi-year investigation into a major accounting firm's relationship with its largest client. Allegations included embezzlement by a company employee facilitated by a junior member of the audit team, as well as potential violations of auditor independence rules by the auditor.

– **INTERNAL INVESTIGATION OF CORPORATE CONDUCT**

Conducted an independent review of a client's competitive intelligence and data-gathering practices. We reported results to the board and new senior management, and coordinated our work with ongoing criminal and civil inquiries.

– **INVESTIGATION OF ACCOUNTING FOR GOVERNMENT CONTRACT**

Represented a client in a 16-month SEC investigation concerning accounting treatment of a multi-year, multi-billion-dollar defense contract. After presentation to senior enforcement staff, the SEC closed its investigation.

– **DEFENSE OF CEO THROUGH TRIAL**

Successfully defended a financial company CEO in SEC proceedings, including through trial and then potential retrial. In the first trial, the jury cleared our client of half the SEC's counts. When the SEC opted to proceed on the remaining counts (despite a jury having deadlocked 11–1 in the defendants' favor on the remaining counts), we convinced the court to severely limit the SEC's ability to present evidence in the retrial, based on the earlier judgment. The SEC then dropped all remaining charges.

– **DOJ AND SEC FCPA INVESTIGATION, WITH FOLLOW-ON COMPLIANCE REVIEW**

Represented a Fortune 100 global manufacturer in a parallel DOJ and SEC investigation into violations of the FCPA and other securities laws. The inquiry focused on the use of consultants and sales agents in the Middle East and Asia, as well as the company's revenue recognition practices over a decade. We successfully resolved the government inquiries and advised the company on a comprehensive overhaul of its compliance programs and financial controls.

– **REPRESENTATION OF AUDIT COMMITTEE IN MULTI-YEAR RESTATEMENT**

Represented the audit committee of public company in its investigation of a significant, multi-year restatement of its audited financials. At the same time, we are handling related DOJ and SEC investigations. We have coordinated extensively with company auditors, to permit completion of the restatement of the company’s financials in a timely manner.

Recognition



**#1 Leading Investigations and
Compliance Practice**

Global Investigations Review 30

2017



**National Tier 1 Firm for Litigation:
Regulatory Enforcement**

*U.S. News-Best Lawyers® “Best
Law Firms” List*

2017



**Ranked Band 1 for
Securities
Regulation:
USA – Nationwide**

Chambers USA

2018

- *Chambers USA: America’s Leading Lawyers for Business (2017)* – Reports that a peer in the enforcement field describes WilmerHale’s team as “terrific, frankly top of this space.” Our team’s leaders are described as “formidable” and “a dominant force in the space,” and “one of the leading experts in the field.”
- *The Legal 500 United States* – Consistently recognizes the firm in the area of securities litigation—defense. The 2016 guide highlighted our focus on regulatory enforcement matters, calling us “best in class” and noting that we offer “extraordinary service.”
- *U.S. News and Best Lawyers®* – Recognized our securities regulation practice at the national level (Tier 1) and lawyers throughout the firm have received recognition in the 2018 edition of “Best Lawyers in America.”
- *Litigation Docket* – Named WilmerHale Securities Department Chair William

McLucas to its 2017 Enforcement 40 list, which highlights the best and brightest securities enforcement defense lawyers in the industry.