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Securities Enforcement Update

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Securities Enforcement 2025 Mid-Year Update

Sea Change, Shifting Priorities, Back to Basics

I. A New Day in SEC Enforcement: Sea Change in Crypto Enforcement, Shifting Priorities, Dismissals and Back to Basics Enforcement

As predicted in our Securities Enforcement 2024 Year-End [Update](#), the first half of 2025 ushered in a newly constituted Securities and Exchange Commission and a new Chairman with new priorities that resulted in sweeping changes at the agency and its enforcement agenda. After a flurry of enforcement activity in early January before the inauguration of President Trump and resignation of then-SEC Chairman Gary Gensler, acting Chairman Mark Uyeda led a three-member, Republican-controlled Commission from mid-January until Chairman Paul Atkins was sworn in on April 21, 2025. Chairman Atkins came in with a wealth of experience at the Commission, having served as a Commissioner of the SEC from 2002 to 2008 as well as serving on the staff of two former chairmen. Interestingly, in returning to the Commission, Chairman Atkins is now working with his own former counsel, Commissioners Mark Uyeda and Hester Pierce, who both served on his staff while he was a commissioner in the early 2000s and largely share the Chairman's view on regulation. It is rare, at least in recent memory, to see such close alignment on the commission.

A. A Sea Change in Crypto Enforcement

Before Chairman Atkins took the helm, Commissioner Mark Uyeda was appointed the Acting Chairman and immediately implemented changes at the Commission, notably with regard to the

regulation of crypto assets. Days after the change in administration, on January 21, 2025, Acting Chairman Uyeda [announced](#) the formation of the Crypto Task Force, which is dedicated to helping develop a comprehensive and clear regulatory framework for crypto assets, and named fellow Republican Commissioner Hester Pierce, also known as “Crypto Mom,” to lead the task force. The announcement of the task force specifically called out the prior Commission that had “relied primarily on enforcement actions to regulate crypto retroactively and reactively, often adopting novel and untested legal interpretations along the way.”

A month later, on February 20, 2025, to complement the work of the Crypto Task Force, the SEC [announced](#) the creation of the Cyber and Emerging Technologies Unit (CETU) to replace the [Crypto Assets and Cyber Unit](#), which had been given additional resources and brought a host of enforcement action in the prior administration. The newly announced CETU trimmed the number of attorneys dedicated to crypto enforcement and was established “to deploy enforcement resources judiciously.”

In the weeks following the creation of the Crypto Task Force and the [CETU](#), several enforcement actions that had been filed in the previous administration were dismissed, citing the Commission’s exercise of its “discretion” and “its judgment that the dismissal will facilitate the Commission’s ongoing efforts to reform and renew its regulatory approach to the crypto industry, not on any assessment of the merits of the claims alleged in the action.”^[1] And several crypto and digital asset platforms and exchanges announced that they had heard from the SEC that it had closed ongoing investigations without taking action, including some who had received Wells notices during the prior administration.^[2]

B. A New Day at the SEC

On May 6, 2025, Chairman Atkins made [opening remarks](#) addressing the staff in his first “town hall” meeting announcing a return to the SEC’s core mission and emphasizing that “Investor protection **is** the cornerstone of our mission – to hold accountable those who lie, cheat and steal.” In alluding to the Commission’s enforcement program, Chairman Atkins highlighted the values of “[p]redictability, due process, rule of law, integrity” and “project[ing] a sense that one can get a fair shake without vindictiveness or ulterior motives.” In his remarks, Chairman Atkins acknowledged that the agency’s headcount was down 15% from the beginning of FY2025, with approximately 4,200 employees and 1,700 contractors down from approximately 5,000 employees plus 2,000 contractors at its height in spring of 2024. He also announced a dedication to the regional offices, from which the majority of enforcement and examination staff work: “Let me say unequivocally that I firmly believe in our regional office concept. We cannot and should not have everyone in Washington and New York.”

C. Shifting Priorities

In line with [our predictions](#) at the end of 2024, the SEC has shifted its enforcement priorities. While several agency director appointments have been made, the Division of Enforcement remains under acting leadership who remarked in May that notwithstanding structural and process changes, the Division’s work continues. Stated priorities include insider

trading, accounting and disclosure fraud, offering fraud, market manipulation and breaches of fiduciary duty.

1. Specialized Units

In addition to reorganizing and renaming the Crypto Assets and Cyber Unit as set forth above, other structural changes were made in the Division including with respect to units, which now have a new deputy director for all units. Along with these changes, the FCPA Unit is no longer listed as a specialized unit after the retirement of unit leadership earlier this year. Although the pause has since been lifted, given President Trump's February 10, 2025 [Executive Order](#) temporarily suspending enforcement of the FCPA and directing the Attorney General to reevaluate existing investigations and enforcement, there were no new FCPA enforcement actions filed by DOJ or SEC in the first half of 2025. A closely watched, ongoing FCPA case against the President and Chief Legal Officer of a public information technology company for alleged bribery to an Indian government official, which was originally [charged](#) in 2019, was set for trial on the criminal charges in the early days of the Trump administration. In early April 2025, the DOJ moved to dismiss its case against the executives, citing the February 10, 2025 Executive Order, and the next day the court granted the order and dismissed the case with prejudice.^[3] On July 15, 2025, the SEC [announced](#) filing a joint stipulation to similarly dismiss its case against the defendants with prejudice.

2. Dismissals of Controls and Registration Cases

In line with Chairman Atkins' stated priority of holding accountable those who lie, cheat and steal, the Commission dismissed certain cases that involved alleged controls and registration violations, without alleging fraudulent conduct.

On April 4, 2025, the Commission [announced](#) that it filed a joint stipulation to dismiss its case, with prejudice, against a registered investment adviser for failing to establish, implement and enforce written policies and procedures reasonably designed to prevent the misuse of material nonpublic information. The case, which was [charged](#) on December 20, 2024, alleged violations of Section 204A and 206(4) of the Investment Advisers Act of 1940.^[4]

On June 18, 2025, the Commission [announced](#) that it was moving to dismiss, with prejudice, three separate cases involving three groups of defendants that were charged with violations of Section 15(a) of the Securities and Exchange Act of 1934—failing to register as a dealer. In all three stipulations, the Commission stated its belief that dismissal was appropriate “in the exercise of its discretion and as a policy matter” and that the decision to dismiss “does not necessarily reflect the Commission’s position on any other case.”^[5]

3. Cyberbreach Disclosure Cases

After several disclosure and controls cases were brought by the Commission under Chairman Gary Gensler against public companies who were victims of a cyberbreach, and last year's dismissal by a federal district court of much of the SEC's SolarWinds complaint,^[6] there were no new cyberbreach disclosure cases filed by the Commission in the first half of 2025. In fact, on July 2, 2025, the SEC and the defendants in SolarWinds sent a letter to the court setting forth

that they had reached a settlement in principle that would completely resolve the litigation.^[7] This may evidence the new Commission's position on cyberbreach disclosure enforcement and its potential return to its earlier mantra: "We do not second-guess good faith exercises of judgment about cyber-incident disclosure."^[8]

D. *Back-to-Basics Enforcement*

Since the inauguration, the Commission has brought cases that reflect a return to "back to basics" enforcement that include charges of fraud and allegations of "lying, cheating and stealing." It brought several actions involving large-scale offering frauds, including in the crypto space, a handful of cases involving public company reporting and disclosure, as well as cases against investment advisers and broker dealers involving fraud. The SEC also brought cases in traditional areas like municipal bond fraud, insider trading, and market manipulation.

II. Large Scale Fraud

As anticipated, SEC enforcement focused heavily on offering fraud, with the following notable actions involving significantly high monetary amounts, and/or impacting numerous investors.

- In February, the SEC filed fraud charges against a New York-based commercial real estate firm and its owner for allegedly using an internet funding platform to obtain over \$52 million from over 700 investors nationwide by falsely claiming the funds would be used to purchase or recapitalize two specific commercial real estate deals.^[9] The funds were allegedly misused for unrelated real estate projects and debt payments, luxury purchases, and personal stock trading. The SEC seeks injunctions, disgorgement, and civil penalties; and in a parallel action, the U.S. Attorney's Office and DOJ filed criminal fraud charges against the firm owner.
- In March, the SEC announced settled charges pending court approval against a Washington, D.C.-based real estate developer and 27 affiliated companies for allegedly commingling more than \$50 million of property-specific funds and underpaying investors by approximately \$1.47 million following the funds' property sales.^[10] Without admitting or denying the allegations, the defendants agreed to pay more than \$3.3 million in penalties and disgorgement and to install an independent consultant, and the individual defendant agreed to a five-year officer-and-director bar and five-year bar on trading securities outside his own account.
- In April, the SEC filed charges against the founder and former CEO of a privately held technology startup for allegedly raising over \$42 million through the sale of company stock, including the sale of approximately \$3 million of his own personal shares, by making false and misleading statements about the company's use of artificial intelligence (AI).^[11] According to the complaint, the former CEO allegedly told investors that the startup's mobile shopping application used AI to complete purchases sans human involvement, even though such purported AI tasks were in actuality carried out by human contract workers. The SEC seeks permanent injunctions, an officer-and-director bar, conduct-based injunctions, disgorgement, and civil penalties; and in a parallel action, DOJ and the U.S. Attorney's Office for the Southern District of New York brought criminal charges against the former CEO.^[12]

- Later in April, the SEC charged the former CFO of a real estate development company for allegedly participating in a \$93 million fraud scheme involving more than 50 investors and multiple real estate development projects.^[13] The alleged scheme—for which the SEC had already charged a separate executive and related corporate entities—involved the alleged comingling of investor funds and misappropriation of over \$6 million, \$1 million of which was allegedly misappropriated by the former CFO himself. The SEC seeks permanent injunctions, disgorgement, civil penalties, and an officer-and-director bar.
- Also in April, the SEC filed charges against three individuals in Texas for allegedly defrauding investors in a \$91 million Ponzi scheme by falsely promising high monthly returns from international bond trading.^[14] The venture allegedly promised a return of capital in 14 months through returns from investments and international bond trading, though the account had no material revenue throughout the life of the alleged scheme. The SEC seeks permanent injunctions, disgorgement, and civil penalties.
- In May, the SEC filed charges against the former CEO of a real estate investment company for allegedly operating a multimillion-dollar Ponzi-like scheme that defrauded approximately 200 investors, many of whom were retirees, out of at least \$46 million.^[15] Despite managing around 50 legitimate real estate investment partnerships, the former CEO offered and sold allegedly illegitimate and fake partnership shares to the defrauded investors. The SEC seeks permanent injunctions, a conduct-based injunction, disgorgement, civil penalties, and an officer-and-director bar; and in a parallel action, the U.S. Attorney's Office for the Northern District of California filed criminal fraud charges against the former CEO.

III. Cryptocurrency and Other Digital Assets

With the formation of the Crypto Task Force led by Commissioner Hester Peirce, cryptocurrency-related enforcement actions overall subsided and focused more on fraudulent schemes involving crypto. Here are two notable actions filed:

- In April, the SEC filed fraud charges against the founder of a now defunct cryptocurrency trading firm for allegedly orchestrating a fraudulent scheme and misappropriating investor funds.^[16] According to the SEC, the cryptocurrency firm allegedly sold membership packages that the founder claimed guaranteed high returns from the firm's crypto asset and foreign exchange trading, and offered members multi-level-marketing-like referral incentives to encourage them to recruit new investors. The SEC alleges that the founder misappropriated over \$57 million in investor funds for a variety of personal expenses, and that he used the majority of the remaining investor funds to pay other investors their purported returns and referral rewards in a Ponzi-like scheme. The complaint seeks permanent injunctive relief, disgorgement, and civil penalties; and in a parallel action, the U.S. Attorney's Office for the Eastern District of Virginia brought criminal charges against the founder.
- In May, the SEC filed charges against a New York City-based crypto company and its CEO, former board chairwoman and current board member, and former Chief Investment Officer for alleged false and misleading statements related to offerings of crypto assets and common stock of the company.^[17] The complaint alleges that the company marketed rights certificates to crypto assets through extensive promotional efforts, including advertisements in major airports, on thousands of New York City taxis, and on television and social media. The company allegedly convinced over 5,000 people to purchase the certificates, and allegedly claimed to have sold over \$3 billion of the certificates even though it had sold no more than \$110 million. The SEC further alleged

that the company claimed the certificates were “SEC-registered” or “U.S. registered” despite have no such registration. The complaint seeks permanent injunctive relief, disgorgement, and additional civil penalties, along with office-and-director bars for each of the executives. Relatedly, the SEC charged the company’s general counsel with violating antifraud provisions of the federal securities laws by negligently making similar misstatements in private placement memoranda the company used to offer and sell rights certificates and common stock. Without admitting or denying the allegations, the general counsel agreed to a permanent injunction and a \$37,500 civil penalty.

IV. Public Company Accounting, Financial Reporting, and Disclosure

The SEC slowed accounting-, reporting-, and disclosure-related enforcement against public companies following the presidential inauguration, and the resulting penalty amounts were significantly lower than in past years. The most notable actions that the Commission brought in this space tended to focus on disclosures in the pharmaceutical industry or accountant conduct that resulted in bars to practice before the Commission pursuant to Rule 102(e) of the Commission’s Rules of Practice (Rule 102(e)).

- In February, the SEC announced settled charges, pursuant to Rule 102(e), against a certified public accountant who served as the controller and a vice president of a then-publicly traded medical services company.[\[18\]](#) The SEC order found that a judgment was entered against the accountant in a case enjoining her from future violations of certain federal securities laws. The SEC had originally charged her with making improper “topside adjustments” to the company’s revenue targeting desired financial metrics rather than reflecting actual collections, and making misleading statements or omissions to the company’s auditors. Without admitting or denying the SEC’s findings, the individual agreed to a civil penalty and disgorgement totaling approximately \$95,000, and a one-year suspension from appearing or practicing before the SEC as an accountant.
- In March, the SEC announced settled charges against a publicly traded Boston-based biopharmaceutical company.[\[19\]](#) The SEC order alleged that even though the company was informed by the Food and Drug Administration (FDA) that its pending drug application would be rejected without a new trial, the company submitted its application anyway—without conducting a new trial—and proceeded to obtain a \$20 million investment without informing the investor about the FDA’s known likelihood of rejecting the application. Without admitting or denying the SEC’s findings, the company agreed to pay a civil penalty of \$2.5 million and to cooperate with the Commission as part of any related judicial or administrative proceedings that may arise.
- Also in March, the SEC filed charges against a New York-licensed certified public accountant and former CFO of a publicly traded company in the cannabis industry.[\[20\]](#) The SEC’s complaint alleges that the accountant falsified accounting records and lied to auditors in connection with a “round trip” cash transfer of approximately \$4.2 million between the company and an affiliate that lacked economic substance and was allegedly designed to artificially inflate the company’s cash balance at fiscal year-end. The complaint seeks permanent injunctive relief, civil penalties, and a conduct-based injunction.
- In April, the SEC announced settled charges against a publicly traded global life sciences company focused on providing products that address public health threats.[\[21\]](#) The SEC order alleged the company made a series of materially misleading public statements

regarding its readiness to support commercial-scale manufacturing of COVID vaccines despite having knowledge—including from FDA inspection reports—of alleged problems with its facilities, personnel training, and quality control protocols. Without admitting or denying the SEC’s findings, the company agreed to pay a \$1.5 million civil penalty.

- In June, the SEC announced settled charges pursuant to Rule 102(e), against a certified public accountant who served as the CFO of a publicly traded, New York-based telecommunications and cloud software company.^[22] According to the SEC order, a judgment was recently entered against the accountant in a case enjoining him from future violations of certain federal securities laws. The SEC had originally charged him with engaging in a fraudulent revenue recognition scheme, resulting in the company filing materially false and misleading financial statements in its publicly filed reports, and improper accounting practices that resulted in revenue recorded for unsupported, aspirational amounts in connection with non-binding purchase orders not in accordance with generally accepted accounting principles (GAAP). The accountant also allegedly provided false information to auditors regarding accounts receivable and thereby manipulated the auditor’s revenue confirmation process. Without admitting or denying the SEC’s findings, except as to the final judgment, the accountant agreed to a suspension from appearing or practicing before the SEC as an accountant. In a December 2024 action, the U.S. Attorney’s Office for the Northern District of Georgia and DOJ brought criminal charges against the accountant.

V. Investment Advisers

Investment advisers remain one of the most heavily regulated market participants. Many of the related actions either involved alleged fraud, and or were brought against individual representatives and officers of investment adviser firms, emphasizing the SEC’s focus on fraud and individual accountability. Notably, there were no enforcement actions in the first half of 2025 for violations of the recordkeeping provisions due to failure to maintain and preserve electronic communications, representing a noticeable shift in enforcement priorities.

- In February, the SEC announced settled charges against a New York-based registered investment adviser and one of its former representatives for alleged fraud and compliance violations.^[23] From June 2020 to October 2023, the investment adviser and representative, who was simultaneously employed at an unaffiliated broker-dealer, allegedly recommended that his customers at the broker-dealer convert more than 180 brokerage accounts to advisory accounts with the investment adviser, without adequately disclosing the significantly higher fees and increased compensation related thereto, and without considering whether the conversions were in the clients’ best interests. Without admitting or denying the SEC’s findings, the investment adviser agreed to a \$150,000 penalty and undertakings, including disclosures to affected account holders and the retention of an independent compliance consultant to review policies and procedures related to its retail business. Without admitting or denying the SEC’s findings, the representative agreed to pay a penalty of \$75,000 and to be subject to a nine-month industry suspension.
- In March, the SEC announced settled charges against a registered investment adviser, its former managing partner, and its former COO and partner.^[24] The SEC alleged that from August 2021 to February 2024, the two officers breached their fiduciary duties and violated antifraud provisions of federal securities laws by misusing fund and portfolio company assets. Specifically, the former COO allegedly misappropriated approximately \$223,000 from portfolio companies of a private fund that the two officers managed, and

the former managing partner allegedly failed to reasonably supervise the former COO. The former managing partner also allegedly caused the fund to pay a business debt of \$346,904 that should have been paid by an entity the two officers controlled, resulting in unearned benefits to the entity. As to the investment adviser, the SEC order alleged that it violated compliance and custody rules of the Advisers Act by failing to adopt and implement adequate policies and procedures and by failing to have the fund audited as required. Without admitting or denying the SEC's findings, the investment adviser and its former officers agreed to the entry of cease and desist orders; the former COO agreed to pay a \$200,000 penalty and to be subject to an associational bar; the former managing partner agreed to pay an \$80,000 penalty and to be subject to a 12-month supervisory suspension; and the investment adviser agreed to a censure and to pay a \$235,000 penalty. The SEC made note of the investment adviser's and former managing partner's cooperation and remedial efforts.

- Also in March, the SEC filed charges against a New Jersey resident and his investment advisory firm for violating antifraud and other provisions of the federal securities laws.[\[25\]](#) The SEC complaint alleges that despite the fund's disclosed policy to invest no more than 25 percent of its total assets in one industry, and despite the defendants' agreement in a November 2021 settlement with the SEC to limit their investments accordingly, the defendants allegedly invested more than 25 percent of the fund's assets in a single company through at least September 2023, and invested more than 25 percent of the fund's assets in the semiconductor industry through at least June 2024, resulting in losses of \$1.6 million. The complaint also alleges that the defendants engaged in further misconduct by misleading the fund's board about their conduct and operating the board without the required votes. Emphasizing the defendants' repeated violations of securities laws, the complaint seeks permanent injunctive relief, disgorgement, and civil penalties.
- In April, the SEC announced settled charges against a Michigan-based capital management corporation for allegedly causing its client, a registered investment company, to violate Section 34(b) of the Investment Company Act by allegedly including materially false and misleading information in its Form N-8F filed with the Commission.[\[26\]](#) According to the SEC Order, while helping the client apply to deregister itself as an investment company, the capital management corporation indicated on the client's Form N-8F that the client was not a party to any litigation or administrative process, even though the client allegedly had class action lawsuits pending resolution with potential distributions to the class. Without admitting or denying the SEC's findings, the corporation agreed to pay a civil penalty and disgorgement totaling approximately \$600,000. The Commission's order made note of the corporation's remedial steps to modify its compliance processes, policies, and procedures.
- In April, the SEC announced settled charges against a registered investment adviser for violating Section 206(2) of the Advisers Act through alleged failures to disclose conflicts of interest.[\[27\]](#) From 2017 to 2022, while providing financial consulting and education services to pending retirees under certain employer plans, the investment adviser allegedly recommended its own investment vehicles and plans to the pending retirees without adequately disclosing that personnel enrolling the participants in such programs would receive a flat fee per enrollment and/or variable compensation based on the amounts that participants invested. Without admitting or denying the SEC's findings, the investment adviser agreed to a censure and civil penalty of \$2.9 million. The Commission's order made note of the investment adviser's remedial acts and cooperation.

- In May, the SEC brought fraud charges against two Florida-based asset management corporations, along with their sole owner and president, for allegedly misappropriating over \$17 million from 40 advisory clients, most of whom were Venezuela nationals.^[28] From 2015 through 2024, the defendants allegedly offered and sold limited partnership interests in a fund that purportedly invested in IPOs. According to the SEC's complaint, the defendants misled clients about the legitimacy of, and returns on, their investments, including through falsified periodic account statements. The defendants further allegedly misappropriated \$17.3 million of the clients' funds and separately made approximately \$7.8 million in Ponzi-like payments to advisory clients. The Commission seeks permanent injunctions, civil penalties, and disgorgement.
- In June, the SEC announced settled charges against a Minnesota-based registered investment adviser and its principal for allegedly defrauding clients through an 18-month cherry-picking scheme.^[29] According to the SEC's order, the principal and his wholly owned investment adviser disproportionately allocated profitable trades—which generated profits of approximately \$105,820—to the principal's personal accounts, yet allocated unprofitable trades—which resulted in losses of approximately \$112,667—to 78 client accounts. Without admitting or denying the SEC's findings, the investment adviser agreed to pay approximately \$13,000 in disgorgement, and its principal agreed to pay a civil penalty and disgorgement totaling approximately \$240,000.
- In June, the SEC charged an investment advisory firm based in New Mexico, along with its owner and managing member, with violations of Sections 206(1) and 206(2) of the Investment Advisers Act for allegedly failing to disclose conflicts of interest to their clients.^[30] The firm and its owner allegedly falsely assured clients that advisory fees would not exceed a certain percentage, despite allegedly failing to take steps to deliver on that promise. The defendants further allegedly billed clients hourly fees without adequately informing those clients about the underlying billed-for services. The Commission seeks injunctions, civil penalties, and disgorgement.

VI. Broker-Dealers

- In February, the SEC announced settled charges against a California-based registered broker-dealer, and four of its representatives, for alleged violations of Regulation Best Interest (BI).^[31] According to the SEC's order, the broker-dealer and its four representatives recommended risky corporate bonds to 18 retail customers without having a reasonable basis to believe that the bonds were in the customers' best interests based on their profiles and on the bonds' risk vs. reward characteristics. The broker-dealer further allegedly failed to enforce its own policies and procedures with respect to Regulation BI-related training. Without admitting or denying the SEC's findings, the broker-dealer agreed to pay a civil penalty and disgorgement totaling approximately \$170,000, and each of the four representatives also agreed to pay a \$12,500 civil penalty, and disgorgement ranging from \$1,122 to \$6,407.
- In early April, the SEC announced settled charges against a California-based registered broker-dealer for alleged failures to design or adequately implement anti-money laundering (AML) policies and, as a result, to file hundreds of Suspicious Activity Reports (SARs) for transactions that it allegedly had reason to suspect were related to illegal activity, designed to evade the Bank Secrecy Act, had no business or apparent lawful purpose, or involved the use of the broker-dealer to facilitate criminal activity.^[32] Without admitting or denying the SEC's findings, the broker-dealer agreed to pay a \$500,000 civil penalty and to hire an independent consultant to review its AML compliance program.

VII. Market Manipulation

- In June, the SEC announced a final judgment against a Canadian securities lawyer for his involvement in a fraudulent scheme to promote securities offered pursuant to Regulation A.^[33] The SEC's complaint, filed in May, alleged that the lawyer and an associate falsely represented that they had not received compensation for publishing or authoring articles promoting securities offerings despite receiving approximately \$800,000 for the same pursuant to sham consulting agreements. Without admitting or denying the allegations, the lawyer settled the charges and agreed to disgorgement and civil penalties totaling approximately \$323,000, and a three-year officer and director bar.

VIII. Municipal Bond Fraud

- In April, the SEC filed charges against three Arizona individuals for defrauding investors out of \$284 million in municipal bonds to build a multi-sports park and family entertainment complex in Mesa, Arizona.^[34] The SEC complaint alleges that between August 2020 and June 2021, these individuals provided false revenue projections to investors by fabricating and altering documents—which included letters of intent and contracts with sports clubs for facility use—to support claims that the complex would generate multiple times the amount of revenue needed to cover payments to investors. When the complex opened in January 2022, it generated millions less in revenue and had far less attendance than the allegedly false revenue projections claimed, and the associated bonds defaulted in October 2022. The SEC complaint seeks permanent injunctions, conduct-based injunctions, and civil penalties.

IX. Insider Trading

Despite speculation that enforcement would increase with respect to insider trading or mishandling of material nonpublic information (MNPI), the Commission's enforcement in this space was relatively slower than typical in the first half of 2025. Interestingly, in two criminal insider trading cases brought by the U.S. Attorney's Office in the Southern District of New York, the SEC was acknowledged and thanked in the press releases issued by SDNY but no parallel SEC cases were filed.^[35]

- In January, the SEC announced settled charges—pending court approval—against an electrical engineering professor for insider trading in relation to the acquisition of a company in the radio frequency filters industry by the subsidiary of a Japanese electronic component manufacturer.^[36] The professor served on the acquired company's Technical Advisory Committee and had access to proprietary information. The SEC alleged that the professor purchased 60,000 shares of the acquired company's stock the day after speaking to one of the company's executives over the phone regarding the impending acquisition, and purchased 60,000 more shares the following week. The acquired company's stock price increased 257 percent, resulting in the professor gaining \$360,673 in illegal trading profits. Without admitting or denying the allegations, the professor agreed to a five-year officer and director bar and to pay over \$780,000 in civil penalties and disgorgement.
- In March, the SEC filed charges against a German national and a Singaporean national for an alleged insider trading scheme that generated \$17.5 million in illegal profits between 2017 and 2024.^[37] The complaint alleges that the German national obtained MNPI from corporate insiders and/or investment bankers about upcoming public company announcements and communicated this information to the Singaporean national and a

third individual through disappearing messages. The three used the information to trade profitably in advance of 10 corporate announcements, and the German national allegedly demanded and received kickbacks and trading profits from the third individual. The SEC seeks injunctions, disgorgement, and civil money penalties; and in a parallel action, the U.S. Attorney's Office for the District of Massachusetts brought criminal charges against the German and Singaporean nationals.

- That same day, the SEC announced settled charges against an employee of a clinical-stage biopharmaceutical company for alleged insider trading resulting in illegal profits for the employee.[\[38\]](#) The SEC alleged that the employee had access to MNPI regarding positive patient responses in certain clinical trials, and with this information allegedly purchased 1,905 shares of the company's common stock through multiple transactions from August 2020 to December 2020. After the company's subsequent announcement in December 2020 regarding the positive patient responses, the company's stock value increased by 40%, garnering \$64,618 in allegedly illegal profits for the employee. Without admitting or denying the SEC's findings, the employee agreed to pay approximately \$145,000 in disgorgement and civil penalties.
- Later in March, the SEC announced settled charges against a former vice president of a pharmaceuticals company for alleged insider trading that allowed the executive to avoid losses of about \$1.3 million.[\[39\]](#) The complaint alleges that, on March 3, 2021, the FDA informed the company about deficiencies in the company's then-pending application regarding a Parkinson's disease psychosis drug, and that proposed drug labeling would not be forthcoming. Subsequently, on the morning of March 8, 2021, the vice president allegedly exercised nearly all of his vested stock options in the company and immediately sold his shares based on MNPI indicating that the FDA would not provide labeling information. Later that day, the company announced the FDA's March 3 communication, and its share price dropped by approximately 45 percent. Without denying the allegations, the vice president consented to an entry of judgment—pending court approval—including a five-year office and director bar, and to-be-determined disgorgement and civil penalties. In a parallel action, the U.S. Attorney's Office for the Southern District of California filed criminal charges against the vice president.

X. Whistleblowers Awards

In April, the SEC announced an award of about \$6 million to joint whistleblowers who provided information that led to a covered enforcement action.[\[40\]](#) According to the SEC order, the joint whistleblowers provided original information that caused the Commission's Division of Examinations to open an exam which ultimately provided the Enforcement Staff with a "roadmap" to the investigation underlying the enforcement action.

XI. Senior Staffing Updates

As we covered during the [2024 Year-End Update](#), there were myriad senior staffing changes at the Commission in sync with the change in presidential administration, including most notably the nomination of Paul Atkins as the new Chairman—who was sworn-in in April as the 34th Chairman of the SEC,[\[41\]](#) the selection of Mark Uyeda as Acting Chairman for the interim period of Atkins' confirmation, and the selection of Samuel Waldon as the Acting Director of the Enforcement Division. Staffing changes and updates continued after the inauguration, reflecting an emphasis

on the recruitment of practiced experts with private sector, legislative, and regulatory experience.

- In January 2025, Acting Chairman of the SEC Mark T. Uyeda appointed Natalie Díez Riffin as Senior Advisor and Acting Director of the Office of Legislative and Intergovernmental Affairs.^[42] Then in June, the Commission renamed Riffin as Director of the agency's Office of Legislative and International Affairs.^[43]
- In June, the SEC named Kevin Muhlendorf as the agency's new Inspector General.^[44] Muhlendorf was a law firm partner for the last nine years. During parts of 2023 and 2024, Mr. Muhlendorf served as Acting Inspector General for the Washington Metropolitan Area Transit Authority (WMATA).
- In June, the SEC announced that Natasha Vij Greiner would conclude her tenure as Director of the Division of Investment Management. Greiner first joined this position in March 2024, which capped her 23-year career at the SEC.^[45] Brian Daly will be the new Director of the Division of Investment Management, entering the role after four years in private practice.^[46]
- Later in June, Jamie Selway was appointed the Director of the Division of Trading and Markets.^[47] Before joining the Commission, Mr. Selway was a partner at a financial advisory firm, a board member at a public utility company, board chair at an online trading platform, advisor to multiple financial technology companies, and co-founder, managing director, and chairman of a brokerage firm.
- Also in June, Erik Hotmire returned to the SEC as Chief External Affairs Officer and Director of the Office of Public Affairs.^[48] Hotmire has served in various roles throughout the federal government including former Senior Advisor and spokesman to then-SEC Chairman Christopher Cox, Senior Advisor to the SEC's Division of Enforcement, Special Assistant to the President and a White House domestic policy spokesman for President George W. Bush, and as a spokesman for two U.S. Senators.
- Near the end of June, the SEC announced that David Saltiel would retire from the SEC as Acting Director of the Division of Trading and Markets, after serving in that role since December 2024.^[49] During his tenure at the Commission, Mr. Saltiel served as a Deputy Director and Associate Director within the Division, and was awarded for leadership excellence in 2020.
- In July, Kurt Hohl took over as Chief Accountant at the SEC while Acting Chief Accountant Ryan Wolfe returned to his sole role as Chief Accountant for the Division of Enforcement.^[50] Hohl founded a consulting firm and before that spent 26 years as a partner at a major consulting and auditing firm in a variety of roles.
- Later in July, the Public Company Accounting Oversight Board (PCAOB) Chair, Erica Williams, resigned from her position as Chair and Board member, and the Commission subsequently announced openings for all five board seats.^[51] Under the Sarbanes-Oxley Act of 2002, the Commission has authority to select each of the five board members of PCAOB, along with the Chairperson, for a five-year term—and may reappoint members for a second full term. The Commission's Office of the Chief Accountant, which administers the PCAOB Board member selection process, will be accepting applications through August 25. George Botic will serve as Acting Chair for the time being.^[52]

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