

SEC and FINRA Enforcement

PANEL CHAIR:

Ed Fierro – Bracewell LLP – Houston, TX

PANELISTS:

Brian Fagel – U.S. Securities and Exchange Commission, Enforcement – Chicago, IL

Meghan Ferguson – Financial Industry Regulatory Authority, Enforcement – Washington, DC

Drew Kintzinger – Hunton Andrews Kurth LLP – Washington, DC

nabl

The Workshop

OCTOBER 18–20, 2023

Welcome

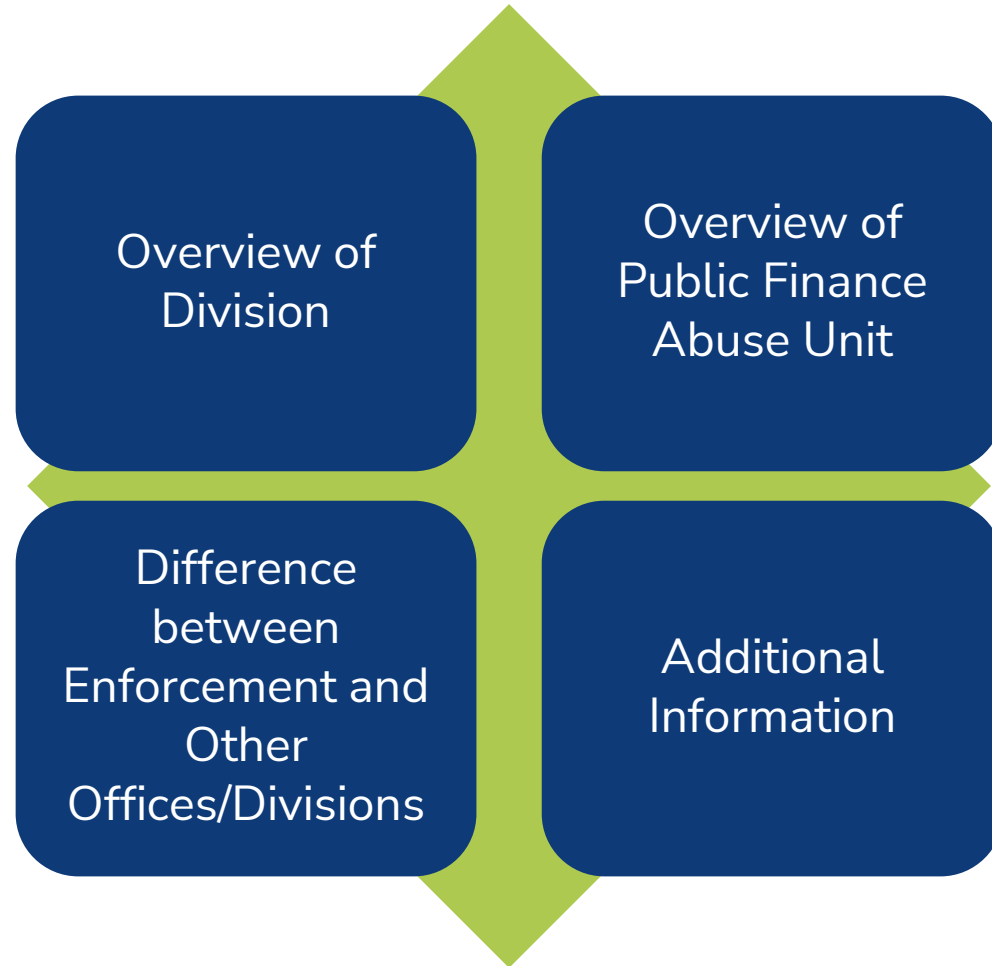
- To receive full CLE credits, ensure your registration includes your final schedule by [October 26](#).
- Visit our mobile app, “[NABL Events](#)” and select The Workshop to access Q&A, polls, and other materials.
- For any assistance, visit the registration desk.
- This session is exclusively for attendees of the NABL Workshop. Members of the media are asked to verify quotes for attribution with speakers prior to publication. Email began@nabl.org for assistance.

nabl

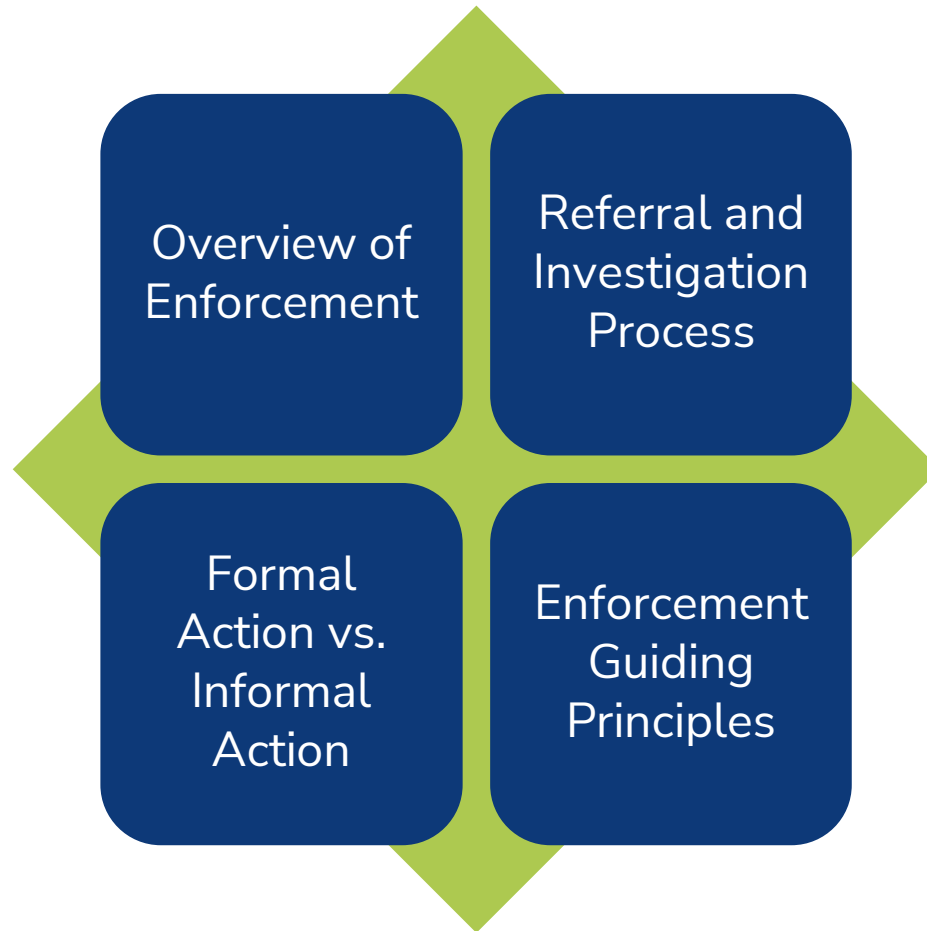
The Workshop

OCTOBER 18–20, 2023

SEC Division of Enforcement



FINRA Department of Enforcement



SEC Public Finance Abuse Unit Priorities

Offering and Disclosure Fraud

Public Corruption

Municipal Advisors

Broker Dealer Abuses

nabl

The Workshop

OCTOBER 18–20, 2023

FINRA Enforcement Priorities

Obtaining restitution for harmed customers

Ridding the industry of brokers engaged in fraud or other egregious misconduct—especially brokers with a history of violations

Protecting seniors and vulnerable investors

Ensuring the integrity of the markets

nabl

The Workshop

OCTOBER 18–20, 2023

FINRA Exam Priorities

MSRB Rule G-32
and data integrity

Unregistered
Municipal Advisor
activity (FINRA RN
19-28)

Supervision of new
issue pricing by
Underwriters and
MAs

Reasonable reliance
on SEC Rule 15c2-
12 exemptions

Senior syndicate
manager compliance
with MSRB Rule G-
11

MSRB Rule G-37

nabl

The Workshop

OCTOBER 18-20, 2023

Recent SEC Enforcement Activity

Cases Involving Municipal Securities

- Section 17(a) Settlement with Bloomberg Regarding Fixed Income Pricing Model, including municipal securities 1/23/23
- Three additional Rule 15c2-12 Limited Offering Exemption Settlements (12/21/22; 3/7/23; 7/18/23) bringing the total number of SEC actions to 6 settlements and one litigated matter. LimitedOfferingExemption@sec.gov
- SEC Charges MA and its Principal with Breach of Duty of Care (9/25/23)
- SEC Files Settled 17(a) Fraud Charges Against Auditor and its Principal involving school district municipal securities
- Enforcement case follow-ons from 2022: School District Financial Disclosure cases; City of Rochester and Rochester School District case; Sterlington, LA case.

Other Notable Cases

- *Cochran and Jarkey* and the role of SEC administrative adjudication proceedings;
- *Kirschner* and loan syndication vs. “security”

Recent FINRA Enforcement Activity

Cases Involving
Municipal
Securities

Other Notable
Cases

Department of Enforcement vs. Cantone Research Inc., Anthony J. Cantone, and Raymond J. DeRobbio, Disciplinary Proceeding No. 2017055886402

nabl

The Workshop

OCTOBER 18–20, 2023

SEC Enforcement Investigations

Overview of the Process

How does an offering lead to an investigation?

Witness Testimony

Opportunities for Advocacy

Settlement Negotiations

Remedies

Self-Reporting and Cooperation Credit

Other Considerations

nabl

The Workshop

OCTOBER 18–20, 2023

FINRA Enforcement Investigations

How does an exam finding lead to an Enforcement investigation?

Requesting information, documents, and testimony pursuant to FINRA Rule 8210

Opportunities for Advocacy

Settlement Negotiations

Sanctions

Credit for Extraordinary Cooperation (FINRA Reg Notice 19-23)

nabl

The Workshop

OCTOBER 18–20, 2023

Questions?

Thank you for your participation!

nabl

The Workshop

OCTOBER 18–20, 2023

Thank you nabl Sponsors!

Platinum 
DELAFIELD & WOOD LLP

 ImageMaster.

 LexisNexis®

Gold

 Ballard Spahr
LLP

 **BAM**
BUILD AMERICA MUTUAL

BRACEWELL

Bryant
Miller
Olive

BUTLER | SNOW

CHAPMAN
Focused on Finance

 DAC Bond®

 GILMORE BELL

 IceMiller

KUTAKROCK

 MAYNARD NEXSEN

 **MCCALL**
PARKHURST & HORTON

Silver

 HALL
RENDER
KILLIAN HEATH & LYMAN

 HINCKLEY
ALLEN

 MILES &
STOCKBRIDGE

 **MS&B**
McMANIMON • SCOTLAND • BAUMANN

 SQUIRE
PATTON BOGGS

 **RK**
REYES KURSON

Bronze

 **FOLEY & JUDELL, L.L.P.**
ATTORNEYS AND COUNSELLORS AT LAW

 **JH**
JONES HALL

 **McCarter
English** &

 **DORSEY**
always ahead