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DONNELLY, CONROY & GELHAAR, LLP

SEC Enforcement Defense

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OVERVIEW

In the years following the enactment of Sarbanes-Oxley and the sharp economic downturn of the mid-2000s, SEC regulators stepped up their enforcement efforts in response to calls for greater scrutiny of public company practices. Calling it a "core principle," the SEC reiterated its commitment to seek to hold individuals personally accountable for violations of the Federal securities laws by investigating and charging individuals and seeking disgorgement of ill-gotten gains. The intense glare of an SEC investigation poses a serious threat to the future success of the individuals and organizations targeted. We represent company officers, directors, employees, and professional services firms facing severe repercussions from enforcement actions and investigations brought by the SEC, the Financial Industry Regulatory Authority (FINRA) and other regulatory oversight agencies.

Our team has deep experience with the securities laws and regulators, having defended against countless investigations and allegations brought against corporate executives. We have established mutually respectful relationships with investigative agency personnel and enforcement attorneys, and we come to our cases with an understanding of how to effectively evaluate the merits and efficiently navigate the best path to success.

We defend individuals and companies against allegations involving:

- Insider trading
- Investor fraud
- Accounting fraud or improper revenue recognition
- Conflicts of interest
- False or misleading disclosures
- Breach of fiduciary duty

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- Gift and gratuities policies
- Backdating of stock options
- Market timing of mutual funds

Our work involves continuous discussions with regulators to understand their cases and claims, conferencing with investigators to persuade them to dismiss or reduce the investigations' scope, preparing executives to testify and trying cases in Federal court and before administrative agencies.

At all times we maintain constant communication with our clients to ensure that our defense strategy is aligned with their goals and business objectives.

EXPERIENCE

- Represented an individual formerly employed by a mutual fund in connection with a SEC investigation of the fund's disclosures related to its sub-prime holdings.
- Represented several individuals at a multi-national corporation in connection with an investigation conducted by the SEC concerning derivatives accounting and revenue recognition.
- Represented an accounting firm in connection with an SEC investigation into a privately-held company.
- Represented a shareholder of a publicly traded corporation in connection with a SEC investigation into alleged "market manipulation."
- Represented the spokesperson for a publicly traded corporation in connection with an alleged false statement made at an investor conference.
- Represented a trader in connection with an investigation conducted by the SEC concerning the "gift and gratuities" policies of a leading investment firm.
- Represented outside director of major telecommunications company in connection with "options backdating" investigation.
- Represented two brokers in FINRA customer arbitration concerning the alleged suitability of investment selections.

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- Represented numerous individuals accused by the SEC of committing investor fraud, insider trading, accounting fraud violations, the market-timing of mutual funds, and the back-dating of stock options.
- Represented investment advisors in investigations conducted by Federal prosecutors and securities regulators into fraudulent investment practices.
- Represented individuals in various investigations into alleged options backdating, including executives at a computer networking company, executives at a telecommunications company, and an outside director.
- Represented individuals employed by hedge funds and mutual funds in investigations conducted by the SEC and various state agencies involving allegations of market timing.
- Represented individuals in an SEC investigation concerning accounting for derivatives and related revenue recognition.
- Represented a major manufacturer and obtained a dismissal of claims brought by its shareholders in a class action suit.
- Represented a major financial institution in arbitration involving claims stemming from the sale of auction rate securities.
- Represented a venture capital fund in a pay-to-play investigation.
- Represented a defense contractor and obtained dismissal of an SEC inquiry concerning alleged accounting and disclosure improprieties.
- Represented individuals and entities in SEC and Department of Justice investigations relating to insider trading and other securities related matters in numerous federal district courts including the District of Massachusetts, and the Southern District of New York.