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Carter Ledyard & Milburn's Financial Institutions Regulatory and Enforcement group advises, counsels and defends clients in a wide range of financial industry securities- and derivatives-related matters. We provide comprehensive regulatory, enforcement and litigation solutions to matters involving the Securities and Exchange Commission (SEC), the Commodities Futures Trading Commission (CFTC), the Financial Industry Regulatory Authority (FINRA), National Futures Association (NFA) other self-regulatory organizations (SROs), exchanges and state securities regulators. Many of our lawyers also serve as arbitrators in FINRA and NFA proceedings. Our team consists of nationally recognized business lawyers and enforcement litigators, many of whom have past experience working at the SEC, FINRA, prosecutors' offices and state regulators.

Regulatory

Our group advises broker-dealers, investment advisers, hedge funds, clearing agencies, and financial institutions on the laws and regulations that apply to the securities and derivatives industries. We have strong working relationships with regulators, including the SEC, FINRA, CFTC, NFA and state securities regulators. We help clients navigate a wide array of regulatory challenges, including:

- Forming and registering new U.S. and non-U.S. broker-dealers (including structuring alternative trading systems (ATS)) by drafting, filing and leading clients through the New Membership Application (Form NMA) and Continuing Membership Application (Form CMA) processes;
- Forming, structuring and registering, in the U.S., internationally and offshore, investment advisers, hedge funds, commodity pool operators and advisers, and futures and swaps market participants;
- Advising foreign and U.S. broker-dealers relating to cross-border requirements involving compliance with Rule 15a-6, including issues related to third-party distribution of research under Regulation AC and FINRA rules;
- Managing and responding to regulatory examinations by the SEC, FINRA, CFTC, NFA and the states;
- Reviewing and enhancing broker-dealer and investment adviser compliance policies and procedures in response to new rules or regulatory guidance, or for new products and services;
- Conducting due diligence for transactions involving regulated entities, and obtaining regulatory approvals for transactions;

- Compliance with SEC financial responsibility rules, such as net capital and customer protection rules;
- Advising on “finders,” commission splitting and similar fee payments and related issues implicating broker registration;
- Advising on underwriting issues and compliance with FINRA’s Corporate Financing Rules;
- Advise clients on all FINRA registration issues, including drafting exam waiver applications and completing filings of Form U4, Form U5 and Form BD;
- Obtaining relief from rules through exemptive orders and no-action letters;
- Advising on transactions by market participants, including prime brokerage, swaps and clearing agreements; and
- Commenting on proposed SEC, CFTC, FINRA and other SRO rules.

Enforcement

Carter Ledyard defends clients in investigations, and enforcement proceedings by the SEC, FINRA, CFTC, NFA, Department of Justice (DOJ), and state securities regulators. Our clients include broker-dealers, investment advisers and hedge funds, as well as individual executive officers and employees. Recent representative matters include:

- Advising an investment adviser in SEC Enforcement investigation relating to issues around principal trading, custody, disclosure and general compliance deficiencies;
- Advising an individual in investigation by FINRA Enforcement relating to Form U4 disclosures and allegations of making material misstatements and omissions to investors in a private placement;
- Advising a broker-dealer that was alleged by FINRA to have failed to file OATS reports and failed to supervise the activity;
- Representing individuals in on-the-record testimony in connection with investigations by the SEC, FINRA and other regulatory bodies;
- Foreign Corrupt Practices Act (FCPA) investigations of U.S. and foreign companies; and
- Handling numerous investigations and other inquiries of the SEC, FINRA and other regulators relating to failures to supervise, sales practice and trading issues, advertising violations and investment advisory practices.