

Securities Investigations and Enforcement Newsletter – April 2026

WRITTEN BY

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Troutman Pepper Locke's Securities Investigations and Enforcement team counsels and defends clients through all stages of securities enforcement proceedings. Our attorneys have served in key government agencies and regulatory bodies, and bring their insight to bear in each representation. The team includes a former branch chief of the Division of Enforcement at the SEC, former enforcement lawyers, regulators and government attorneys, assistant United States Attorneys and former assistant attorneys general, as well as in-house counsel for public companies. Our lawyers and practice have been identified as leaders in the field by publications such as the *Legal 500*, *SuperLawyers*, *Benchmark Litigation*, and *Chambers USA*.

IN THE SPOTLIGHT

Team Member Spotlight: Brian Nichilo

Brian represents companies and individuals in regulatory enforcement actions and government litigation, including matters involving the Securities and Exchange Commission (SEC) and state attorneys general (AG). He has experience supporting complex investigations and enforcement proceedings, such as assisting a court-appointed receiver in an SEC enforcement action in the U.S. District Court for the District of Oregon and helping to resolve related multistate AG issues, as well as advising an investment group's general counsel in a securities fraud prosecution.

Beyond securities-related matters, Brian is well-versed in the False Claims Act, Anti-Kickback Statute, and various states' lending laws, and he advises on federal, state, and local campaign finance rules. His approach to investigations and enforcement work is informed by his prior service as an FBI special agent investigating public corruption and working with the U.S. Attorney's Office for the Eastern District of Pennsylvania, along with his background as a licensed certified public accountant (inactive) and former financial statement auditor for an international accounting firm.

For Brian's full bio, click [here](#).

IN THE NEWS

Our team frequently comments on emerging trends and developments in the legal industry. Below are several media quotes from one of our esteemed team members, offering insights and perspectives on current issues.

Jay Dubow was recently quoted in:

- [“A Busy Month at the SEC: What Compliance Teams Need to Do Now,”](#) *Corporate Compliance Insights*, March 25, 2026.
- [“SEC’s ‘Unconventional’ Top Cop Resigns in Under Seven Months,”](#) *FundFire*, March 17, 2026.
- [“SEC Moves to Compel Ex-Broker to Pay \\$27M after Defrauding Pro Athletes,”](#) *FundFire*, February 11, 2026.

PODCAST UPDATES

Turning Point for Digital Assets: 2025 Year in Review and What Comes Next

By [Genna Garver](#) and [Ethan G. Ostroff](#)

In this episode of *The Crypto Exchange*, hosts Ethan Ostroff and Genna Garver look back at 2025 — ultimately a pivotal year for digital assets and crypto regulation in the U.S. — drawing on Troutman Pepper Locke’s flagship publication, [Financial Services Industry 2025 Digital Assets Year in Review](#). The report reflects insights from more than 10 of our firm’s practice areas and more than 30 attorneys, offering a comprehensive, cross-practice view of how the regulatory landscape is evolving.

[Listen here](#)

SPEAKING ENGAGEMENTS

- Jay Dubow spoke on the [“Market Volatility, AI, Crypto, Short Selling, and Emerging Securities Litigation Risks”](#) panel at the ABA Business Law Section Spring Meeting in Atlanta on Saturday, April 18.

SDNY ENFORCEMENT PRIORITIES

SDNY’s Jay Clayton Signals Aggressive Focus on Prediction Markets, Crypto, and Corporate Cooperation

By [Jay A. Dubow](#) and [Ghillaine A. Reid](#)

At the Securities Enforcement Forum New York 2026, held on February 5, U.S. Attorney for the Southern District of New York (SDNY) Jay Clayton outlined enforcement priorities that should capture the attention of prediction market operators, crypto market participants, and public companies. As [reported](#) by *Law360*, Clayton made clear that the SDNY is actively considering how existing laws apply to prediction markets and that he fully expects fraud cases to be brought in that space. He also stressed that crypto markets are not exempt from traditional fraud scrutiny and described an enforcement approach that encourages companies to self-report misconduct and cooperate in exchange for potential nonprosecution agreements.

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SECTION 16 COMPLIANCE FOR FOREIGN ISSUERS

Update: SEC Exempts Directors and Officers of Certain FPIs From Section 16 Reporting

By [Thomas M. Rose](#), [Nicole A. Edmonds](#), [Shona Smith](#), [Lisa R. Reidy](#), [Jason L. Langford](#), and [Codi Royall](#)

On March 5, the Securities and Exchange Commission (SEC) issued a final [order](#) exempting officers and directors of foreign private issuers (FPIs) incorporated or organized in certain qualifying jurisdictions with substantially similar qualifying regulations from pending Section 16 reporting obligations. The exemption will come as welcome relief to officers and directors of FPIs from the exempted jurisdictions, which were facing a fast-approaching Section 16 reporting deadline on March 18, 2026.

[Read more](#)

Update: US Insider Reporting Requirements Coming for Directors and Officers of Foreign Private Issuers

By [Thomas M. Rose](#), [Nicole A. Edmonds](#), [Shona Smith](#), [Lisa R. Reidy](#), [Jason L. Langford](#), and [Codi Royall](#)

Effective March 18, officers and directors of foreign private issuers that have securities listed on a U.S. securities exchange or registered with the Securities and Exchange Commission (SEC) (for purposes of this alert, reporting FPIs) will be subject to insider reporting under Section 16(a) of the Securities Exchange Act of 1934. Officers and directors of reporting FPIs will be required to report their holdings of, and transactions in, company equity securities, beginning March 18, 2026. For further details, please see our prior alerts dated [December 23, 2025](#), and [February 2, 2026](#), regarding these new requirements.

[Read more](#)

SECURITIES CLASS DAMAGES TRENDS

From Comcast to Boeing: The Evolving Standard for Classwide Damages in Securities Class Actions

By [Jay A. Dubow](#), [Erica Hall Dressler](#), and [Katie Rose Hancin](#)

The standard for proving that damages can be calculated on a classwide basis in securities actions continues to evolve. In recent years, courts have increasingly required plaintiffs to do more than simply defer damages issues to later stages of the case. Instead, at class certification, plaintiffs must show that damages are capable of measurement on a class-wide basis using a common methodology that is consistent with their theory of liability.

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EVOLVING SEC ENFORCEMENT PRIORITIES

SEC Enforcement Manual Updates Signal Renewed Focus on Fairness, Transparency, and Efficiency

By [Jay A. Dubow](#) and [Ghillaine A. Reid](#)

On February 25, the Securities and Exchange Commission's (SEC) Division of Enforcement [announced](#) significant updates to its Enforcement Manual, the first comprehensive revision since 2017. These changes, which will now be reviewed annually, are designed to promote greater fairness, transparency, and efficiency in SEC investigations and enforcement actions.

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SEC FY 2025 Enforcement Results Reveal Changing Priorities From Record Numbers to Investor Protection

By [Jay A. Dubow](#) and [Ghillaine A. Reid](#)

The Securities and Exchange Commission's (SEC) April 7 [press release](#) on its fiscal year (FY) 2025 enforcement results is less about numbers and more about a philosophical reset. Under Chairman Paul Atkins and Commissioner Mark Uyeda, who served as acting chair prior to the chairman's confirmation, the SEC is expressly stepping back from what it characterizes as "regulation by enforcement" and volume-driven metrics, and recentering on what it has described as fraud, investor harm, and congressional intent. For registrants and other market participants, this shift has direct consequences for how enforcement risk is likely to be assessed going forward.

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DC Federal District Court Confirms *Jarkesy* Does Not Bar SEC From Seeking Industry Bars in Follow-On Proceedings

By [Jay A. Dubow](#) and [Ghillaine A. Reid](#)

In [Sztrom v. SEC](#), the U.S. District Court for the District of Columbia confirmed that the U.S. Supreme Court's 2024 decision in *SEC v. Jarkesy*, which curtailed the Securities and Exchange Commission's (SEC) ability to seek civil penalties in its administrative forum, does not eliminate the agency's long-standing ability to pursue industry bars through administrative follow-on proceedings. The opinion underscores that, even after *Jarkesy* and other recent limits on agency power, the SEC may still use its in-house process to determine whether to bar previously enjoined defendants from the securities industry, with independent review limited to the courts of appeals.

[Read more](#)

FINRA UPDATES

FINRA's Proposed Outside Activities Rule 3290

By [Jay A. Dubow](#) and [Ghillaine A. Reid](#)

The Financial Industry Regulatory Authority (FINRA) has [proposed](#) a sweeping update to how broker-dealers handle outside business activities and private securities transactions. FINRA seeks to consolidate and replace Rules 3270 (Outside Business Activities of Registered Persons) and 3280 (Private Securities Transactions of an Associated Person) with a single new rule: Rule 3290 (Outside Activities Requirements). The proposal preserves the core investor protection concepts of the existing rules but refocuses them on investment-related activities.

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SEC + CFTC COORDINATION

SEC-CFTC 'Historic' MOU Signals New Phase of Harmonized Oversight and Innovation-Focused

Regulation

By [Jay A. Dubow](#) and [Ghillaine A. Reid](#)

On March 11, the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) signed a [memorandum of understanding](#) (MOU) that both agencies describe as “historic.” The MOU is intended to reset the relationship between the agencies by reducing turf battles, avoiding duplicative regulation, and providing clearer, technology-neutral oversight — particularly in markets where securities and derivatives regimes overlap, including crypto. While it does not change either agency’s statutory authority, it creates a formal framework for coordination that will materially affect how policy, examinations, and enforcement play out in practice.

[Read more](#)

DIGITAL ASSETS UPDATES

Financial Services Industry 2025 Digital Assets Year in Review

Troutman Pepper Locke’s Digital Assets team closely tracks U.S. digital asset developments across agencies and jurisdictions and advises clients on the full spectrum of digital asset issues, including transactions, product development, litigation, enforcement, compliance, and strategic engagement with key stakeholders. Our *2025 Digital Assets Year in Review* provides a comprehensive overview of the most consequential developments of the past year and highlights the themes that matter most to market participants, including stablecoins and payments, custody and market structure, token classification, financial crimes and sanctions, privacy and cybersecurity, and state-level licensing and consumer protection. We hope this report serves as a practical tool to support those efforts.

[Read more](#)

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