

Securities Investigations and Enforcement Newsletter — January 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: Valerie Holder

Valerie Holder, counsel in our San Francisco office, brings a combination of in-house and private practice experience to securities investigations and enforcement matters. Having previously served as assistant general counsel at one of the largest U.S. banks, she understands how investigations play out inside an institution — how decisions are made, what information regulators expect to see, and how to align legal strategy with business objectives. That perspective allows her to help clients navigate regulatory scrutiny, internal reviews, and customer disputes in a way that is both defensible and operationally realistic.

In addition to leading numerous FINRA arbitrations involving alleged securities violations, Valerie has helped design and implement early customer dispute resolution workflows for major financial institutions, giving her a front-row view into emerging trends in retail and institutional complaints. Her practice also draws on deep experience in mortgage, foreclosure, and maritime matters, which often intersect with complex financial products and risk allocation issues. Across these areas, she focuses on practical, early-stage solutions that reduce exposure, streamline responses to regulators, and position clients for favorable outcomes in any subsequent litigation or arbitration.

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

Securities Docket Honors Troutman Pepper Locke's Jay Dubow and Ghillaine Reid in 2025 Enforcement

Elite

NEW YORK – [Jay Dubow](#) and [Ghillaine Reid](#), co-leaders of Troutman Pepper Locke's Securities Investigations and Enforcement Practice Group, have been named to Securities Docket's [Enforcement Elite](#) for 2025, a list recognizing the best securities enforcement defense attorneys in the industry.

[Read more](#)

National Bar Association Honors Troutman Pepper Locke Partner Ghillaine Reid With Wiley A. Branton Award for Law Firm Excellence

NEW YORK – Troutman Pepper Locke partner [Ghillaine Reid](#) was honored with the Wiley A. Branton Award for Law Firm Excellence by the National Bar Association. The annual award is bestowed upon members of the legal community whose careers embody a deep and abiding commitment to civil rights and economic justice advocacy.

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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:

- [“SEC Loses ‘Checks and Balances’ after Last Democrat’s Exit,”](#) *FundFire*, January 12, 2026.
- [“Semiannual SEC Filing Won’t Yield Fewer Suits, Just Tougher Ones,”](#) *Bloomberg Law*, December 26, 2025.
- [“Securities Litigation Reform Act’s Success Debatable 30 Years In,”](#) *Bloomberg Law*, December 22, 2025.
- [“Q&A: The SEC Is Up & Running After Shutdown; Now What?,”](#) *Corporate Compliance Insights*, November 18, 2025.
- [“SEC Reopens with Backlog of Fund Filings, Exams and Enforcement Cases,”](#) *FundFire*, November 14, 2025.
- [“As Backlogged SEC Reopens, Attys Jostle To ‘Get In Line’,”](#) *Law360*, November 13, 2025.
- [“US SEC, CFTC Operations Set to Resume After 43-Day Government Shutdown,”](#) *Cointelegraph*, November 13, 2025.
- [“Keeping Revenue Forecasts From Becoming Legal Liabilities,”](#) *InfoRiskToday*, October 30, 2025.
- [“SEC Pushing Forward with ‘Emergency’ Fraud Cases Despite Shutdown,”](#) *FundFire*, October 30, 2025.
- [“In the Loop: Idle Minds,”](#) *Private Funds CFO*, October 27, 2025.

PODCAST UPDATES

12 Days of Regulatory Insights: Day 12 – The SEC Reset

By [Stephen C. Piepgrass](#) and [Ghillaine Reid](#)

In the final episode of our special *12 Days of Regulatory Insights* podcast series, *Regulatory Oversight* co-host Stephen Piepgrass sits down with Partner Ghillaine Reid — co-leader of the firm’s securities investigations and enforcement team and a former SEC New York Regional Office branch chief and staff attorney — to assess how shifts in SEC leadership and composition are reshaping rulemaking and enforcement.

[Listen here](#)

WEBINARS AND SPEAKING ENGAGEMENTS

- Jay Dubow will participate in the upcoming ABA Business Law Student Committee Webinar, “[Explore the Practice of Business & Corporate Litigation: A Conversation with the Business and Corporate Litigation Committee](#)” on January 26 at 12:00 p.m. ET.

2026 OUTLOOK

Key Takeaways from FINRA’s 2026 Annual Regulatory Oversight Report

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

The Financial Industry Regulatory Authority’s ([FINRA](#)) [2026 Annual Regulatory Oversight Report](#) is the most current and comprehensive statement of FINRA’s priorities and expectations for member firms. It does not create new legal obligations, but it is clearly designed as an exam and enforcement roadmap. The 2026 Report weaves together FINRA’s FINRA Forward modernization program, new and evolving risks (especially cyber-enabled fraud and generative AI (GenAI)), and detailed observations on firms’ supervisory, operational, and financial controls. Firms should use it as a structured checklist for 2026 risk assessments, revisions to written supervisory procedures (WSPs), and enhancements to testing, surveillance, and training.

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SEC Division of Examination Announces Fiscal Year 2026 Priorities

By [Michael K. Renetzky](#), [Genna Garver](#), [Tom Bohac](#), [John P. Falco](#), [John M. Ford](#), [Michael Matthews](#), and [George Frederick Phelan](#)

On November 17, 2025, the Securities and Exchange Commission’s (SEC) Division of Examination announced its [fiscal year \(FY\) 2026 examination priorities](#). The most significant changes to the division’s priorities from FY 2025 include:

- A focus on compliance with the soon-to-be-effective 2024 Regulation S-P amendments;

- A focus on compliance with the newly implemented Regulation S-ID;
- A change in the priorities of review for broker-dealer trading-related practices;
- Commencement of registered security-based swap execution facilities reviews;
- A new focus on AI-based cybersecurity risks when evaluating internal cybersecurity policies; and
- The elimination of cryptocurrency regulation as an independent division area of focus for FY 2026.

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SUPREME COURT UPDATES

Supreme Court to Decide Key Question on SEC Disgorgement

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

On January 9, the U.S. Supreme Court [granted](#) certiorari in *Ongkaruck Sripetch v. U.S. Securities and Exchange Commission* (SEC). The case arises out of an SEC civil enforcement action in the Ninth Circuit and squarely presents an important remedial question that the Court left open in *Liu v. SEC*, i.e., what counts as a “victim” for purposes of SEC disgorgement, and does the SEC have to show that investors actually lost money before it can obtain that relief?

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NAVIGATING DERIVATIVE LITIGATION

Navigating Derivative Litigation in Delaware and Pennsylvania: A Comparative Analysis

By [Jay A. Dubow](#) and [Katie Rose Hancin](#)

Jay Dubow, Katie Hancin, and Dominique Hazel-Criss* co-authored an article for *The Review of Securities & Commodities Regulation* on how Delaware and Pennsylvania take different approaches to derivative litigation. While both states require stockholders to make a demand upon the corporation, Delaware allows demand to be excused if the stockholder can show that a majority of the board is incapable of making an impartial decision regarding the litigation. In contrast, Pennsylvania does not recognize the concept of demand futility and provides that a corporation can establish a Special Litigation Committee to determine whether pursuing litigation is in the best interests of the corporation. Understanding these differences is essential for effectively navigating derivative

litigation in these jurisdictions.

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UPDATES FROM THE THIRD CIRCUIT

Willful Blindness: A New Pathway to Scierter in the Third Circuit

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

In a precedential opinion issued on Oct. 15, 2025, the U.S. Court of Appeals for the Third Circuit held that willful blindness, or what other courts have described as an egregious refusal to see the obvious or investigate the doubtful, can support a strong inference of scierter when the undiscovered facts are those that rendered a statement false or misleading.

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