



**U.S. Securities and
Exchange Commission**

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SPEECH

Remarks at the MFA Legal & Compliance 2026 Conference

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Good morning and thank you for the warm welcome. It is a pleasure to be here, and I am grateful for the invitation to speak with you.

Before I begin, allow me to share the standard disclaimer: I am speaking today in my official capacity as Director of the Division of Enforcement. My remarks do not necessarily reflect the views of the Commission, the Commissioners, or other members of the staff.

I have now been in this role for about a week, and it feels very much like returning home. I previously served nearly five years as Director of the SEC's Fort Worth Regional Office, and I have practiced in this field for decades. I've always looked back on my prior time at the Commission with great respect and appreciation, and I am honored to now lead the Division.

The Enforcement Division has a more than 50-year history of professionalism, rigor, and effectiveness. The staff — lawyers, accountants, paralegals, and so many others — bring extraordinary talent and commitment to the Commission's mission. The SEC oversees the world's deepest and most dynamic capital markets. Our markets are the envy of the world, and the Commission's three-part mission — protecting investors; maintaining fair, orderly, and efficient markets; and facilitating capital formation — is the north star guiding every

Enforcement action. That mission matters to everyone who participates in, relies on, or benefits from our capital markets.

Today, I want to share a bit about how I intend to lead the Division.

Simply put, my role is to ensure that our staff are empowered, supported, and equipped to execute the Commission's mission. I intend to provide hands-on leadership that allows our teams to focus on the fundamentals – the blocking and tackling if you will, with professionalism, efficiency, and fairness. In doing so, I am committed to ensuring the Division remains the global gold standard in securities law enforcement.

As a matter of first principles, my goals are aligned to those of Chairman Atkins: to return the enforcement program back to basics. That means vigorously protecting investors and safeguarding markets, while also providing transparency and certainty to those we regulate.

A quick aside, there has been considerable attention paid to the decline in the number of cases brought over the last several years. Let me be clear: this Commission has deliberately shifted toward an emphasis on quality over quantity, and I fully support that direction.

Our focus is, and will remain, on protecting investors and safeguarding markets from real harm. That means identifying and stopping fraud and manipulation in all its forms — for instance, offering frauds, accounting and disclosure fraud, insider trading, market manipulation, fraud by foreign actors targeting U.S. markets and investors, and breaches of fiduciary duties by advisers misusing client assets.

These are the types of cases contemplated when the Division was created, and these are the cases the Division intends to pursue aggressively during my tenure.

Several recent matters reflect this focus on addressing the most harmful misconduct.

Offering Frauds

First, we continue to bring cases involving offering frauds that have caused significant losses to investors. In one recent matter, we alleged that an individual and his affiliated companies raised more than \$770 million from approximately 2,700 investors, many of whom were retail investors, to invest in

a fraudulent scheme involving ATMs that — according to the complaint — generated roughly \$400 million in investor losses. In another case, we charged an alleged fraudster and his company in connection with a Ponzi scheme in which approximately 300 investors were defrauded of at least \$140 million, while the alleged fraudster used millions of dollars of investor funds for personal expenses and payments to earlier investors. These have always been core matters for the Division and will remain so under my watch.

Financial Reporting

We are also prioritizing financial reporting matters that are important to ensure good corporate accounting and disclosures. For example in early 2026, we brought actions against a large agricultural processing and commodities trading company and three former executives for allegedly inflating the performance of a key business segment touted as an important growth driver. In another matter, we settled with a manufacturing company that we alleged violated the internal accounting controls and books and records provisions related to false entries in its inventory system and adjustments it made after reversing the improper income from those entries. In addition, we settled with two of the company's executives for allegedly causing the violations. And in a third case, we settled with a public company and charged three of its former executives with allegedly making repeated false and misleading statements in public filings and financial statements to conceal unfavorable information about the company's management and operations.

Market Manipulation and Insider Trading

Safeguarding markets necessarily involves addressing market manipulation and insider trading. In December 2025, we filed an action against three Pakistani and U.S. nationals for allegedly carrying out two market manipulation schemes and, with three associates, an approximately \$41 million insider trading scheme involving nine potential corporate acquisitions. In another matter, we charged a Russian national for his role in an alleged multi-year scheme in which hundreds of U.S. retail brokerage accounts were hacked and used to manipulate the prices and trading volume of hundreds of securities, generating approximately \$31 million in gross proceeds. And just last week, we brought charges against 21 individuals for their alleged involvement in a decade-long insider trading scheme involving misappropriated information from multiple law firms resulting in millions in

illicit profits. As noted in the press release, this case highlights the SEC's unwavering commitment to uncovering sprawling schemes and holding all participants accountable.

Private Funds

The private fund space is also always subject to close attention. Private investment markets and efforts to broaden access to retail investors can be quite positive, but we must, and will, remain vigilant. We are attuned to potential risks relating to liquidity, fees, valuations, and conflicts of interest — not only at the private fund adviser level but throughout the distribution chain. Firms must ensure their representatives understand the products they sell and the investment profiles, risk tolerance, and liquidity needs of their clients.

In the investment adviser space, the Enforcement Division will remain active. We will continue to pursue matters involving misappropriated client assets; inadequate safeguarding of assets; misleading strategy disclosures; undisclosed fees and expenses; fraudulent valuations and mismarking; prohibited trading practices; and undisclosed conflicts of interest.

Recent cases illustrate this focus. In one settled matter, the Commission found that a private fund advisor sold loans from its inventory to client funds at prices it represented as fair value but instead used par value less unamortized fees. During the early days of the pandemic, the firm continued this practice without assessing the market disruption's effect on fair market value, despite observable signs of widening spreads and rising rates. In another matter, we filed two litigated complaints, alleging Ponzi-like schemes involving more than \$275 million raised from more than 250 investors. A second complaint charged the portfolio manager who allegedly invested his private fund client in the scheme despite his undisclosed conflicts of interest and awareness of red flags. Those cases remain ongoing.

I would also like to specifically mention private credit. When looking at this asset class, we should remember that it was prior banking regulatory decisions that constricted financing for small and growing businesses, which created the opening – and need – for private credit to expand rapidly. There are stresses in some portfolios and developments playing out more broadly across this sector, and we are monitoring the situation.

Interagency Cooperation

A critical part of our overall approach is strong coordination with federal partners, state securities regulators, and foreign authorities. The Department of Justice, the Commodity Futures Trading Commission (CFTC), the Financial Crimes Enforcement Network (FinCEN), banking regulators, and our foreign counterparts all hold pieces of the enforcement puzzle that the SEC cannot complete on its own. When fraud crosses borders, regulatory sectors, or legal frameworks, no single agency can address it in isolation. Fraudsters do not respect jurisdictional lines, so we must work with our foreign counterparts to counteract increasingly complex schemes that cross borders.

We also are returning to a more collaborative and productive posture with our enforcement partners and formalizing information-sharing protocols. This is particularly well underway with the CFTC as part of our harmonization efforts. To be clear, we are not looking for opportunities to pile on. A more focused Division cannot afford unnecessary duplication, and investors deserve a regulatory system that works together effectively.

Cross Border Fraud

In line with this, I am committed to continuing the important work of the SEC's Cross-Border Task Force, established last September. The task force brings together Enforcement staff with deep expertise in cross-border matters to identify and stop bad actors who use international borders to frustrate U.S. investor protections. Its current work includes investigating potential violations of the U.S. federal securities laws related to foreign-based companies, including potential market manipulation such as "pump-and-dump" and "ramp-and-dump" schemes. The task force is also looking at potential violations by underwriters, auditors, and other gatekeepers who facilitate a foreign company's access to U.S. markets for fraudulent purposes. Finally, the task force is examining potential securities law violations related to companies from foreign jurisdictions, such as China, where governmental control and other factors pose unique risks to investors.

Retail Fraud Working Group

Consistent with all these efforts, we will reinstitute the Retail Fraud Working Group, which will focus specifically on protecting retail investors and

strengthening coordination with our state and federal partners. Reestablishing this group is one of my earliest priorities, and you will hear more about this in the coming weeks.

The Conduct Matters — Before and After the Investigation Begins

Let me close with a word to practitioners. When advising your clients operating in today's enforcement environment, the message is both simple and demanding: we are not focused on prosecuting firms or individuals for honest mistakes that cause no investor harm. If your situation fits that profile, demonstrate it with evidence and facts.

The Commission recognizes the difference between error and fraud, and our remedies will be calibrated accordingly. But how the firm engages with the Division during an investigation also matters. A company that self-reports, cooperates fully, and remediates will not be treated the same as one that conceals or obstructs.

The takeaway is simple: engage early, engage seriously, and engage candidly. If your client operates in a gray area, take advantage of the Commission's stated commitment to pre-enforcement dialogue. If we misunderstand your business model, use that opportunity to clarify. The days when a subpoena was our primary tool of communication are behind us.

That being said, I want to emphasize that the Division's staff are some of the finest securities lawyers anywhere. Zealous client advocacy by defense counsel is wanted and expected, but I ask that you respect the Division chain of command, and not assume that you as counsel have a perfect understanding of the Commission's priorities and what cases will or will not ultimately be brought. Similarly, respect and dialogue go both ways. You should treat our staff with the utmost respect, because that is how we aim to treat you.

I hope my tenure will be marked by a return of the SEC's Enforcement program to what it was always intended to be: a targeted, principled, evidence-based response to conduct that harms real investors. This is a necessary component to ensuring that investors continue to have confidence in participating in the world's finest capital markets.

Thank you.

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