# Government Enforcement, Investigations & Litigation

An allegation of wrongdoing levied by a government agency can be the most serious legal challenge a company or individual faces, particularly when it involves a criminal prosecution, administrative or legislative hearing, or other civil/regulatory proceedings. Our government enforcement, investigations and litigation lawyers bring substantial capabilities to the coordination of an effective response to these significant matters.

We successfully navigate multiple, simultaneous challenges by representing clients in parallel civil and criminal proceedings and concurrent lawsuits, regulatory actions and government investigations. We are well-prepared to handle the anticipated uptick in state attorneys general actions, and False Claims Act (FCA) claims, including in the healthcare and government contracting industries. We are equally equipped to tackle shareholder suits; U.S. Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA) or Commodity Futures Trading Commission (CFTC) enforcement proceedings; as well as IRS civil enforcement or criminal investigations. Clients regularly call on us to conduct comprehensive internal investigations, create and implement effective compliance programs, guide them through complex enforcement and regulatory actions, and to defend against allegations of white collar crime.

## Precision and Insight Shaped by Years of Experience

Bolstered by a roster of well-versed trial lawyers — including some former prosecutors and governmental agency counsel — our team provides comprehensive strategic leadership based on decades of experience to navigate, neutralize or overcome the challenges we are addressing for a client. We provide real-world, practical assessments of the potential outcomes that identify the actual, likely consequences of a government/regulatory inquiry that shape our strategies and allow our clients to properly allocate their resources.

Given our experience, we can often effectively resolve many serious matters before formal legal action or an investigation becomes public by obtaining declinations of prosecution, deferred prosecution agreements, immunity or other resolutions that enable the client to avoid or minimize penalties. However, when civil, criminal or regulatory litigation needs arise, our enforcement lawyers are ready to fight back. We effectively represent clients in all phases of criminal or regulatory proceedings, including in all manner of government enforcement investigations and grand jury proceedings. When necessary, our team brings great strategic insight and real-world trial experience to every engagement. We are also well-versed in representing clients before licensing boards and investigative commissions and in appellate proceedings when necessary.

## Our Comprehensive Representation

Our suite of services spans compliance counseling, internal investigations, securities and regulatory enforcement, as well as white collar criminal defense.

### Compliance Counseling

We design and implement comprehensive compliance programs on behalf of corporate and nonprofit clients to prevent, detect and rectify misconduct. To meet our clients' business needs, we implement robust training sessions and audit procedures to minimize the risk of future investigations or allegations of wrongdoing. Such compliance programs are often aimed at avoiding violations related to insider trading laws, securities regulations, the FCA, the Foreign Corrupt Practices Act (FCPA), tax regulations, cybersecurity requirements, environmental regulations and healthcare regulations.

### Internal Investigations

Our experience with internal investigations runs the gamut, from examining allegations of financial fraud to analyzing compliance with a variety of state and federal regulations. By virtue of the firm's financial-services-related practices, we are well-versed in conducting internal investigations in matters involving securities, financial regulations and a broad spectrum of related state and federal crimes.

### Securities & Regulatory Enforcement

Our securities and regulatory enforcement team brings an informed, common-sense approach to any regulatory enforcement matter. Our broad understanding of and experience representing clients in the financial services industry provides us with the unique ability to offer clients a multidisciplinary, customized team approach when confronting a complex internal investigation, regulatory examination, investigation or enforcement action.

### White Collar Criminal Defense

Our white collar criminal defense team handles both pre- and post-indictment criminal representation of individuals and entities in state and federal court cases as well as matters pending before state and federal regulatory agencies engaged in government enforcement investigations and adversarial proceedings.

## Representative Matters

- Led an internal investigation for a broker-dealer involving allegations of anti-competitive behavior in bids for esoteric securities.
- Represented the independent trustees of a mutual fund in a litigated SEC action involving alleged violations of the Investment Company Act of 1940 Liquidity Rule.
- In the Eastern District of Pennsylvania, represented the only defendant who was found not guilty of conspiracy to defraud the United States in an amount exceeding $10 million in which the IRS prosecuted individuals associated with the Commonwealth Trust Co. for allegedly marketing "abusive trust" tax shelters (*United States v. Crim*).
- Provided compliance counseling to a company in the financial services industry relating to SEC regulations.
- Negotiated a no-admission-of-liability settlement on behalf of a pharmaceutical company in connection with a civil FCA matter investigated by the U.S. Attorney's Office for the Eastern District of Pennsylvania. The case originated from a qui tam complaint where the government initially sought damages well in excess of $400 million. The case was resolved for approximately 4% of the initial damages assessment and a corporate integrity agreement was reached with the U.S. Department of Health and Human Services, Office of Inspector General, that avoided any debarment or exclusion sanctions.
- Represented a financial services industry executive charged by the U.S. Attorney's Office for the Southern District of New York with hacking into his former employer's computer system to steal confidential information, which resulted in the government dropping its felony charge against the client.
- Represented investment advisers in two SEC inquiries involving potential violations of the Investment Company Act Custody Rule.
- Provided compliance counseling to a medical practice seeking advice on medical billing and FCA compliance.
- Led an internal investigation on behalf of a U.S. Department of Defense (DOD) contractor being investigated by the U.S. Department of Justice and DOD for contracting fraud and FCA allegations.
- Represented an investment adviser in an SEC investigation involving cross-trades and valuation.

## Experience

**Secures SEC Dismissal in First-Ever Liquidity Rule Enforcement Action**

The U.S. Securities and Exchange Commission (SEC) voluntarily dismissed charges with prejudice against two mutual fund independent trustees in the agency's first enforcement action brought pursuant to the Liquidity Rule (Rule 22e-4) promulgated under the Investment Company Act of 1940 (the Act). The case was filed in the U.S. District Court for the Northern District of New York against registered investment adviser Pinnacle Advisors, two of its officers and two independent trustees of a mutual fund that Pinnacle advised. The SEC alleged that the independent trustees aided and abetted the mutual fund's purported misclassification of illiquid securities in violation of the Liquidity Rule.

Stradley Ronon argued on behalf of the independent trustees that the SEC had no legal basis for its aiding and abetting charges as the independent trustees did not write, review, or even see the liquidity classifications that formed the basis for those charges, did not substantially assist the alleged violation, and otherwise complied with all of their obligations pursuant to the Liquidity Rule. Stradley Ronon further argued that the agency lacked the necessary congressional authority pursuant to the Act to promulgate the Liquidity Rule.

The challenge to the agency's authority to promulgate the Liquidity Rule led the Court to order additional briefing to address the framework for interpreting federal statutes established by the U.S. Supreme Court's decision in *Loper Bright Enterprises v. Raimondo.* Stradley Ronon re-filed its motion to dismiss all charges on April 28 arguing that the plain text of the statute did not grant rulemaking authority related to fund liquidity and resubmitted its arguments challenging the SEC's failure to state a claim for aiding and abetting liability against the independent trustees. Following the briefing, the SEC agreed to dismiss all charges against the independent trustees with prejudice, meaning that the SEC cannot refile the charges.

"We are very pleased that the court took the merits of our arguments seriously and that the SEC responded by dismissing the complaint," said the NYSA Fund independent trustees. "We always believed in the strength of our case and are grateful for our lead attorney Jan Folena and Stradley Ronon's guidance, knowledge, and litigation capabilities that made this outcome possible."

Lead trial counsel Jan Folena was assisted by Eric Porter, Samantha Kats, Sara Crovitz, Dave Grim, and Eric Purple.

## Publications

**U.S. Criminal Tariff Prosecutions in 2026: What International Businesses and Domestic Importers Need to Know**
May 5, 2026

**Key Takeaways from the PACDL White Collar Practice Seminar: Understanding the New SEC Enforcement Landscape**
November 25, 2025

**DOJ and SEC White Collar Enforcement Trends: What Financial Institutions Should Know for Q4 2025 — and Beyond**
October 20, 2025

**Second Circuit Vacates Wire Fraud Conviction of OpenSea NFT Marketplace Product Lead**
August 11, 2025

**Supreme Court Rules Federal Fraud Claims Are Actionable Even in Absence of Intended Economic Harm**

June 4, 2025

**DOJ Issues Flurry of New Directives: What You Need to Know**
February 7, 2025

**DOJ's Whistleblower Pilot Program Pays Employees to Report Misconduct**
August 13, 2024

**Going to the Shore? Don't Get 'Tide' Down with Legal Troubles**
May 16, 2024

**DOJ's Pilot Whistleblower Program: What Does It Mean for Businesses?**
March 13, 2024

**Stradley White-Collar Insider October 2023**
October 19, 2023

**Off-Platform & Ephemeral Messaging – Prepare for More Scrutiny**
June 28, 2023

---

# Events

**2026 FIA Law & Compliance Conference: Regulation by Enforcement is Over - Now What?**
*Gaylord National Harbor Resort*
April 15, 2026

**Bribery Enforcement in Flux: U.S. and European Perspectives Post-2025 FCPA Directives**
*Bank of Ireland NYC Hub*
October 22, 2025

---

# News

**U.S. Boosts Trade Enforcement Crackdown Across Customs**
*MLex*
June 10, 2026

**Stradley Ronon Lawyers, Practices Recognized in 2026 *Chambers USA* Guide**
June 4, 2026

**Stradley Ronon's Steve D. Feldman Selected as Fellow of Litigation Counsel of America**
December 22, 2025

**Stradley Ronon Partner Steven D. Feldman Joins EACCNY Panel on Evolving Bribery and Anti-Corruption Enforcement Trends**
October 22, 2025

**Stradley Ronon Lawyers Named Among 2026 *Best Lawyers in America***
August 21, 2025

**How Stradley Ronon Defended Against a Novel SEC Suit**
*Law360*
July 22, 2025

**Legal Lions of the Week**
*Law360*
July 18, 2025

**Pinnacle Case Collapse Puts Liquidity Rule in Spotlight**
*Fund Board Views*
July 17, 2025

**SEC Drops Liquidity Rule Defense**
*Ignites*
July 14, 2025

**SEC Backs Away from Lawsuit Enforcing Obama-Era Mutual Fund Restrictions**
*New York Law Journal*
July 14, 2025

**SEC Drops First-Ever Liquidity Rule Case**
*Investment Company Institute Daily News*
July 14, 2025

**SEC Drops Landmark Mutual Fund Case Against Pinnacle Advisors**
*Bloomberg Law*
July 11, 2025

**SEC Drops Liquidity Rule Case, Including Charges Against Directors**
*BoardIQ*
July 11, 2025

**SEC Quietly Drops First-Ever Liquidity Rule Suit**
*Law360*
July 11, 2025

**Stradley Ronon Secures SEC Dismissal in First-Ever Liquidity Rule Enforcement Action**
July 11, 2025

**Stradley Ronon Named Law Firm of the Year in *The Legal Intelligencer*'s 2025 Pennsylvania Legal Awards**
June 12, 2025

**Former Fox Rothschild Partners Reconnect at Stradley Ronon**
*The Legal Intelligencer*
June 3, 2025

**Stradley Ronon Reunites Ex-Fox Rothschild Partners in Philly**
*Law360 Pulse*
June 3, 2025

**Strengthening Firm's Commercial and Healthcare Litigation Practices, Former Colleagues Reunite at Stradley Ronon**
June 2, 2025

**Stradley Ronon Hosts First Broker-Dealer Workshop of 2025**

February 5, 2025

**What to Expect From Pennsylvania's Next Attorney General**
*The Legal Intelligencer*
November 20, 2024

**PACDL White-Collar Practice Seminar Features Stradley Ronon Partner Steven D. Feldman on Self-Disclosure and Whistleblowing Panel**
November 18, 2024

**Trump's Return to the White House:**
*The Legal Industry Reacts ALM*
November 7, 2024

**Best Lawyers Recognizes Stradley Ronon in its 2025 U.S. Best Law Firms List**
November 7, 2024

**Stradley Ronon Partner Steve D. Feldman Joins PLI Trial Evidence 2024 Presentation**
September 30, 2024

**Stradley Ronon Lawyers Named Among 2025 *Best Lawyers in America***
August 15, 2024

**Stradley Ronon Practices, Lawyers Recognized in Chambers USA 2024 Guide**
June 6, 2024

**Stradley Ronon Lawyers Selected as 2024 Pennsylvania Super Lawyers, Rising Stars**
May 17, 2024

**Stradley Ronon Partner Steven D. Feldman Discusses Greenwashing Risks in Financial Services Industry**
February 27, 2024

**Stradley Ronon Partner Ashley Shapiro Moderates South Jersey Regional Economic Perspective Panel**
December 7, 2023

**Stradley Ronon Partner Mike Engle Presents on Increased Crypto-Related Prosecutions**
December 4, 2023

**Leading Litigation Partners Jan Folena and Ashley Shapiro Present Internal Investigations CLE Session**
November 8, 2023