

PEOPLE



Charles J. Clark
Partner

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Co-chair of the securities enforcement practice, head of the firm's Washington, DC, office. Represents financial institutions, public companies and accounting firms, and their senior executives, in securities-related enforcement proceedings before the SEC, DOJ, FINRA, PCAOB, and other federal and state law enforcement and regulatory authorities.

A nationally acclaimed securities lawyer, Charles was initially recognized for his work leading the investigation of Enron Corporation while serving as a senior member of the SEC's Division of Enforcement. He continues to represent his clients in their most important matters, drawing from his unique combination of government, in-house and private practice experience.

In particular, he counsels hedge funds, private equity firms, venture capital funds and other asset managers through regulatory scrutiny, including in

routine and risk-based inspections and examinations and in enforcement proceedings.

He defends investigations involving a broad spectrum of issues, including accounting and disclosure fraud, insider trading, foreign corruption, offering fraud, market manipulation, breach of fiduciary duty and conflicts of interest.

In addition, Charles represents boards of directors and associated committees in internal investigations, and he provides guidance on corporate governance and trading practices for public companies and private funds.

Before entering private practice, he served for nine years in the SEC's Division of Enforcement, most recently as assistant director supervising the investigation and prosecution of some of the SEC's most significant matters.

Charles is recognized as a leading litigator by *Chambers USA*, *The Legal 500 US* and *Benchmark Litigation*.

A frequent speaker and panelist, Charles has addressed a wide variety of topics of interest to the white collar defense community, including, most recently, the Wells and settlement process at the SEC and responding to the DOJ and SEC's focus on individual accountability.

He also serves as a resource for numerous media publications, including *Bloomberg News*, *Financial Times*, *The Wall Street Journal* and *The Washington Post*.

Practices

BLOCKCHAIN TECHNOLOGY AND DIGITAL ASSETS

LITIGATION

COMPLEX COMMERCIAL LITIGATION

REGULATORY AND COMPLIANCE

SECURITIES LITIGATION AND CLASS ACTION

SEC ENFORCEMENT AND WHITE COLLAR DEFENSE

Bar Admissions

District of Columbia

New York

Clerkships

Hon. Julia Smith Gibbons, US District Court, Western District of
Tennessee

Education

New York University School of Law, J.D.

University of Virginia, B.A.

- with high distinction

Representations

Public Companies

- A public company in an SEC investigation into possible securities law violations arising from its disclosure practices.
- Employees at a public company in connection with an SEC and DOJ investigation of the company's accounting practices. Also represented the company's chief executive officer in pending derivative securities class actions.
- The chief executive officer of a public company in an SEC investigation into potential accounting and disclosure violations arising from financial statements and public filings.
- A former executive of a public company in an SEC investigation into possible accounting fraud arising out of procurement practices.
- A public company in an SEC investigation into potential accounting and disclosure violations arising from a restatement of its financial statements and public filings.
- A public company and an associated consulting firm in an SEC investigation into possible accounting and disclosure fraud and potential Regulation FD violations.
- An independent director and audit committee member of a public company in an SEC investigation and related civil litigation arising from his resignation and the subsequent bankruptcy of the company.
- The chief operating officer of a public company in an SEC investigation into allegations of possible accounting fraud and other misstatements reflected in its public filings.
- A public company in a joint SEC and DOJ investigation into possible disclosure violations arising from its hiring practices.
- A public company in an SEC investigation into possible accounting and disclosure fraud associated with subscriber numbers.

- The founder and chief executive officer of a public company in an SEC investigation into conflict of interest and breach of fiduciary duty arising from sale of the company by its private equity sponsor.
- Conducted an internal investigation on behalf of a public company in response to allegations of possible accounting fraud and management misconduct.
- Conducted an independent corporate governance review for a leading software manufacturer arising from an investigation into its options pricing practices.
- Conducted an internal control risk assessment on behalf of a public company pursuant to the Sarbanes-Oxley Act.

Hedge Funds

- An international investment adviser and associated funds in an SEC investigation related to alleged market manipulation and securities mismarking. Also represented the adviser in securities class actions, securing dismissal with prejudice in the E.D.N.Y., later affirmed by the Second Circuit.
- An investment adviser in an SEC investigation into potentially unlawful securities trading in advance of a merger announcement based on purported material non-public information.
- A leading activist investment adviser and its associated hedge funds in an SEC investigation into potentially unlawful securities trading related to the structuring of a takeover transaction with a public company.
- A leading activist investment adviser and its associated hedge funds in an SEC investigation into potentially unlawful securities trading by certain of the funds' investors.
- An investment adviser and its associated hedge funds in an investigation by Canadian securities regulators into possible market manipulation and disclosure violations.
- Certain investment advisers and their associated private funds in separate investigations by the Brazilian equivalent of the SEC into potential trading and disclosure violations.

- A leading activist investment adviser in an SEC investigation into possible market manipulation and insider trading.
- The chief operating officer of a leading activist hedge fund in an SEC investigation into potential breach of fiduciary duty and conflicts of interest.
- An investment adviser and its associated hedge funds in an SEC examination, in particular as it relates to internal controls to prevent insider trading.
- An investment adviser and its associated hedge funds in an SEC follow-on examination of its policies and procedures and internal controls.
- A leading activist investment adviser in civil litigation associated with its investment in a discount retailer.

Private Equity Funds

- A private equity fund in SEC and FINRA investigations into possible insider trading arising from the fund's acquisition of a publicly-traded company in a take-private transaction.
- A private equity fund and its senior executives in an SEC investigation into potential breach of fiduciary duty, self-dealing and related party transactions.
- A private equity investment firm in the SEC's "pay-to-play" investigation relating to certain pension funds.
- A private equity fund and one of its portfolio companies in an SEC investigation into the possible sale of unregistered securities and associated disclosure violations.
- A private equity fund in an SEC examination of this newly-registered investment adviser, in particular as it relates to certain expense items allocated to portfolio companies.

Financial Institutions/Executives

- Issuer of an initial coin offering (ICO) developing a blockchain technology solution in an investigation by the SEC and in a related

securities class action asserting claims arising from the alleged sale of unregistered securities.

- A leading online broker-dealer and its chief compliance officer in an SEC investigation into violations of Regulation SHO arising from alleged naked short selling and allegations of operating an unregistered dealer.
- The portfolio manager of a leading fixed-income asset manager in an SEC investigation into sales practices relating to asset-backed and synthetic collateralized debt obligations and associated credit default swaps.
- A senior executive of a leading financial institution in an SEC investigation into possible misstatements and other trading practices in the sale of residential mortgage-backed securities.
- The chief financial officer of a leading family of money market funds in an investigation conducted by the SEC and other regulators into the fund's net asset value following the Lehman Brothers' bankruptcy.
- The chief compliance officer of a broker-dealer in a state regulatory investigation into allegations of unauthorized trading, unsuitability and churning.

Accounting Firms

- A Big Four accounting firm in an SEC investigation into accounting misconduct by one of its manufacturing industry audit clients.
- A Big Four accounting firm in an SEC and PCAOB investigation into accounting misconduct by one of its financial institution audit clients.
- A Big Four accounting firm in an SEC investigation into potential accounting misconduct by one of its financial institution audit clients.

Investigations

- Former government officials in Inspector General investigations into possible misconduct arising in the course of their federal employment.

- High-profile public figure in an SEC investigation into possible insider trading.
- Various public companies, private funds and other financial institutions in responding to FINRA requests for information relating to market surveillance activities.
- Various other corporations and individuals in securities fraud investigations, including insider trading, foreign corruption, options back-dating and possible market manipulation.

Publications

- “SEC Adopts Final Rules on SPAC IPOs and De-SPACs to More Closely Align With Traditional IPO Requirements,” *Schulte Alert*, Feb. 2, 2024; republished in *Harvard Law School Forum on Corporate Governance*, March 2024
- “Office Snapshot: Schulte Roth Stresses Equity In New DC Digs,” *Law360*, July 3, 2023 (quoted)
- “SEC Enforcement Director Highlights Focus on Private Funds,” *Schulte Alert*, May 25, 2023
- “*United States v. Blaszcak* Continues to Reshape Insider Trading Law,” *Schulte Alert*, Feb. 28, 2023; republished in *Harvard Law School Forum on Corporate Governance*, March 2023
- Securities Enforcement Quarterly, *Schulte Publication*, February 2023
- “The Crypto Winter of Discontent Gets Colder with First of Its Kind Insider Trading Charges,” *Schulte Alert*, Aug. 9, 2022
- Securities Enforcement Quarterly, *Schulte Publication*, August 2022
- “Investment Adviser Conflicts Under the SEC’s New Enforcement Paradigm,” *Bloomberg Law*, June 2022
- Securities Enforcement Quarterly, *Schulte Publication*, May 2022
- “SEC Proposes Rules to Increase SPAC Disclosure Requirements to More Closely Align with Traditional IPO Requirements,” *Schulte Alert*, May 18, 2022
- Securities Enforcement Quarterly, *Schulte Publication*, January 2022
- Securities Enforcement Quarterly, *Schulte Publication*, October 2021; republished in the *Harvard Law School Forum on Corporate Governance*, November 2021

- “SEC Charges Novel Insider Trading Case and Shines a Spotlight on ‘Shadow Trading,’” *Schulte Alert*, Aug. 19, 2021
- “SPAC Litigation Alert: CEO of Acquisition Target Charged in First Criminal Indictment Connected to a De-SPAC Transaction,” *Schulte Alert*, Aug. 9, 2021
- Securities Enforcement Quarterly, *Schulte Publication*, July 2021
- “SPAC Litigation Alert: SPAC Sponsor and CEO Agree to Pay Civil Penalties and Forfeit Sponsor Shares Following SEC’s Charge of Disclosure and Due Diligence Failures,” *Schulte Alert*, July 20, 2021
- “The SEC Continues to Target Cryptocurrencies and Other Digital Assets,” *Schulte Alert*, June 28, 2021
- Securities Enforcement Quarterly, *Schulte Publication*, April 2021
- “SPAC Litigation Alert: SEC Cautions SPAC Participants that Claims of Reduced Liability Exposure Are Overstated,” *Schulte Alert*, April 13, 2021
- “SPAC Litigation Alert: Kwame Amo v. MultiPlan,” *Schulte Alert*, March 29, 2021
- “SEC Brings Rare Regulation FD Enforcement Case – Implications for Private Fund Managers and Broker-Dealers,” *Schulte Alert*, March 9, 2021
- “Pandemic Preparation: 72-Hour Response Plan to Government Inquiry,” *LexisNexis Practical Guidance*, October 2020; republished in the *Harvard Law School Forum on Corporate Governance*, Nov. 2, 2020
- “Court Ruling Ties SEC’s Hands Over Investor Fraud,” *Financial Times*, July 6, 2020 (quoted)
- “Supreme Court Limits Disgorgement in SEC Enforcement Actions,” *Schulte Alert*, June 23, 2020
- “Private Funds Regulatory Update,” *Schulte Update*, June 2020
- “Enforcement Update: Insider Trading and COVID-19 Political Intelligence,” *Schulte Alert*, March 25, 2020; republished in *Law360*, April 15, 2020

- “Use of Consultants,” *Insider Trading Law and Compliance Answer Book*, Practising Law Institute, 2016-2020
- “SEC’s Disgorgement Authority Under Review,” *Schulte Alert*, Nov. 22, 2019
- “SEC Enforcement Priorities as a Guide for Investment Adviser Policies and Procedures,” *Hedge Funds: A Practical Global Handbook to the Law and Regulation, Second Edition*, Globe Law and Business Ltd., August 2019, co-author
- “SEC Publishes First-Ever No-Action Letter for a Cryptocurrency Enterprise and a Framework for when a Cryptocurrency is a Security,” *Schulte Alert*, April 10, 2019; republished in *Insights: The Corporate & Securities Law Advisor*, May 2019
- “‘No Fish Too Small’ in SEC’s Focus on Individual Cases, Say Former Prosecutors,” *Bloomberg Briefs: Financial Regulation & Risk*, November 2016 (featured)
- “Regulatory Change: 2015 Diagnosis, 2016 Prognosis – Schulte Roth & Zabel’s Leading Securities Litigation Practice,” *The Hedge Fund Journal*, November 2015 (profile)
- “Rule 105 Update: New Round of Enforcement Highlights SEC Approach on Short-Selling Violations,” *Schulte Alert*, Oct. 22, 2015, co-author; republished in *The Hedge Fund Journal*, November 2015

Speaking Engagements

- “Enforcement and Examinations,” 33rd Annual Schulte Private Capital Forum, January 2024
- “SEC Focus on Off-Channel Communications: Latest Update for Private Fund Managers,” Schulte Webinar, April 2023
- “Regulatory Compliance and Enforcement,” Schulte 32nd Annual Private Investment Funds Seminar, January 2023
- “Implications and Practical Considerations for Communicating Post-SEC Settlement with JP Morgan,” Securities Roundtable, March 2022
- “Enforcement,” Schulte 31st Annual Private Investment Funds Seminar, January 2022
- “Private Funds - Regulatory and Litigation,” Schulte 31st Annual Private Investment Funds Seminar, January 2022
- “SEC’s ‘Shadow Trading’ Theory of Insider Trading – Practical Implications for Fund Managers,” Schulte Webinar, September 2021
- “Enforcement,” Schulte 30th Annual Private Investment Funds Seminar, January 2021
- “Board Representation and MNPI Controls,” Schulte Webinar, June 2020
- “Litigation and Enforcement,” Schulte 29th Annual Private Investment Funds Seminar, New York, January 2020
- UBS Hedge Fund COO Conference, October 2019
- Schulte Breakfast Briefing: Insider Trading, London, June 2019
- Schulte Breakfast Briefing: Regulatory Update: Electronic Communications and Surveillance, London, June 2019
- Managed Funds Association Legal & Compliance 2019, April 2019
- “Regulatory Outlook,” Schulte 28th Annual Private Investment Funds Seminar, New York, January 2019

- “Technology in the Funds Industry Today and Tomorrow,” Fund Focus 2018, Grand Cayman, November 2018
- “Risk Management in the Age of Accountability: A Risk Professional’s View into Enforcement and Investigation,” The Risk Management Society 2018 Annual Conference & Exhibition, San Antonio, April 2018
- “Hot Securities Trends,” Advisen 2017 Executive Risk Insights Conference, New York, September 2017
- Schulte Insider’s Guide to Government Investigations: Winning Strategies for Investment Funds, New York, April 2017 and June 2017
- “State of the Law and Practice: Insider Trading,” Schulte 26th Annual Private Investment Funds Seminar, New York, January 2017
- “Individual Accountability: The Response,” Advisen 2016 Executive Risk Insights Conference, New York, September 2016
- “Regulatory and Enforcement,” Schulte 4th Annual Private Equity Fund Conference, New York, May 2016
- “Blurring Lines: Examination Priorities and Enforcement Risk,” FEA Hedge Funds Meeting, New York, March 2016
- “The New Regulatory Challenges,” Schulte 25th Annual Private Investment Funds Seminar, New York, January 2016
- “Cybersecurity: The Changing Regulatory Environment,” Professional Liability Underwriting Society Conference, Dallas, November 2015
- “The Art of the Wells and Settlement Process at the SEC: Registrants vs. Individuals,” ABA 10th Annual National Institute on Securities Fraud, New Orleans, October 2015

Distinctions

- Listed as a leading litigator in industry-ranking publications, including:
 - *Chambers USA*
 - *The Legal 500 US*
 - *Benchmark Litigation*
- Awarded the SEC Chairman's Award, along with the team of professionals under his supervision responsible for the Enron investigation
- Awarded the SEC Paul R. Carey Award, named in honor of the late Commissioner Paul R. Carey, for exceptional commitment to the Enron investigation and related subsequent enforcement proceedings
- Awarded the SEC Law and Policy Award as member of the September 11th Terrorist Attack Trading Investigation Team

Prior Experience

- Partner, Kirkland & Ellis, 2008–2015
- Managing Vice President and Chief Counsel of Litigation, Capital One Financial Corporation, 2004–2008
- Assistant Director, 2001–2004; Branch Chief/Deputy Assistant Director, 1999–2001; Staff Attorney/Senior Counsel, 1996–1999 – SEC Division of Enforcement