



People Moves

Senior SEC Enforcement Lawyer Charles D. Riely Joins Jenner & Block in New York

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By Robin L. Barton, *Hedge Fund Law Report*

Jenner & Block announced that Charles D. Riely, a former senior SEC official, joined the firm's New York office as partner. While at the SEC for more than ten years, Riely handled a number of significant matters, worked extensively with criminal authorities in parallel investigations and developed deep expertise in all aspects of the federal securities laws.

"I am in the investigations, compliance and defense practice group at Jenner & Block, which has a number of very complex and incredibly interesting cases at various stages," said Riely. "Many of these cases involve securities, and because of my experience in this area, I am well suited to assist."

For example, as an Assistant Regional Director for the SEC's Division of Enforcement, Riely handled matters that generally involved highly complex issues, such as alleged fraud and regulatory violations by investment advisers and broker-dealers; insider trading; **anti-money laundering violations**; "spoofing" and other forms of market manipulation; failure-to-supervise violations; and the adequacy of firms' **cybersecurity** procedures and protections.

See our three-part series on the duty to supervise: "**Recent SEC Enforcement Actions Claim Violations by Broker-Dealers and Investment Advisers**" (Sep. 6, 2018); "**How to Avoid Five Common Duty to Supervise Traps: Conduct Proper Trade and Electronic Communications Surveillance**" (Sep. 13, 2018); and "**How to Avoid Five Common Duty to Supervise Traps: Respond to Red Flags; Implement Reasonable Policies and Procedures; and Conduct Adequate Training**" (Sep. 20, 2018).

The cases that Riely handled while at the SEC included some of the most significant actions filed by the SEC during his tenure, such as matters against large hedge funds for insider trading, valuation fraud and other violations. He was also one of the original members of the Market Abuse Unit and worked on a number of market manipulation cases, as well as cases involving dark pools.

For our coverage of one of the hedge fund cases Riely handled, see "**Despite His 'Bad Acts,' Issuers Beneficially Owned by Steven A. Cohen Are Not Precluded From Private Offerings Based on the Bad Actor Rule**" (Jan. 21, 2016); and "**SEC Charges Steven A. Cohen With Failing to Supervise Employees Who Allegedly Engaged in Insider Trading**" (Jul. 25, 2013).

"In 2010, the Division of Enforcement formed five specialty units, including the Market Abuse Unit. Its mandate was to work on complex insider trading cases, to use data proactively to identify leads and to become well positioned to take on any and all market structure issues," explained Riely. "Consistent with that mandate, the Unit was responsible for the SEC's response

to the 'Flash Crash' and later for investigating and then bringing cases related to problems with broker-dealers' operation and maintenance of dark pools."

See "[Misrepresentations About Dark Pool Participants and Order Routing Cost Citi Entities Nearly \\$13 Million in Recent SEC Settlement](#)" (Nov. 1, 2018).

In discussing the impact of technology on the SEC's operations, Riely noted that the Market Abuse Unit's Analysis and Detection Center uses complex data analytics to identify patterns in trading data that suggest violations. "Given the amount of data available, it is very important to take an intelligent approach to analyzing this information," he observed. "The personnel at the SEC work extremely hard not only to create data analytic tools, but also to hone and improve them over time."

In addition, Riely coordinated investigations with DOJ and worked on more than a dozen SEC enforcement actions in which criminal authorities filed parallel cases. He also consulted extensively with examiners from the SEC's Office of Compliance Inspections and Examinations and other professionals that conduct compliance inspections and examinations in the New York region.

"Given my SEC experience, I have a deep understanding of the federal securities laws, as well as how the SEC evaluates and investigates cases," remarked Riely. "That experience has prepared me well to help clients think about their risks and their approach to compliance, and to help them whenever they get a regulatory request or are subject to a civil or criminal investigation."

Although the SEC has recently emphasized the importance of protecting [retail investors](#), Riely warned that "it will always be important to the SEC's overall mission to hold registered funds and broker-dealers to a very high standard, which is reflected in the recent share-class-initiative series of cases."

See "[SEC Settles With 79 Investment Advisers Under Its Share Class Selection Disclosure Initiative](#)" (Apr. 4, 2019).

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