

Standish Compliance Regulatory Forum Q4 2024 Updates

The outcome of the U.S. Presidential election in November 2024 will mean a new season at the Securities and Exchange Commission (**SEC**). Shortly thereafter, the SEC announced that Chairman Gary Gensler will step down on January 20, upon President-Elect Trump's inauguration. In December 2024, Trump nominated former SEC Commissioner Paul Atkins to replace Gensler. Atkins is currently the CEO of Patomak Global Partners, a fintech and risk management consultant that he founded in 2009. Previously, Atkins served as an SEC Commissioner from 2002 to 2008 and also served as an SEC staff member from 1990 to 1994. Atkins previously was part of an economic advisory team assembled by President Trump in 2016 during his prior term. He knows the SEC well, which should help him quickly contribute to what is likely to be a material shift in the SEC's rulemaking agenda, enforcement and other priorities, and is known to be a vocal advocate of lighter regulation, financial innovation and cryptocurrencies¹

Previously, in October 2024, the SEC announced the departure of Enforcement Director Gurbir Grewal and the appointment of agency veteran Sanjay Wadhwa as Acting Director and Sam Waldon as Acting Deputy Director. In December 2024, the SEC further announced the departures of the Directors of the Division of Corporation Finance and the Division of Trading and Markets. It is likely that other senior personnel may leave the agency in coming weeks, allowing the appointment of new staff that are clearly aligned with the new Chairman's agenda.

SEC rulemaking nearly ground to a halt even before the election, after multiple challenges to prior rulemaking. As a result, much of the key rulemaking that were proposed in 2022 and 2023 remained pending as of the end of 2024. The SEC did continue to bring a significant number of new enforcement cases throughout Q4 in advance of the end of the calendar year.

Following are the Q4 2024 updates posted in the [Standish Compliance Regulatory Forum](#):

Rulemaking Updates

- [CTA: Beneficial Ownership Reporting Requirements Temporarily Halted \(12/03/24\)](#)
- [CTA: Beneficial Ownership Reporting Reinstated with Extended Reporting Deadlines \(12/23/24\)](#)
- [CTA: Beneficial Ownership Reporting Injunction Back in Effect \(12/26/24\)](#)

Enforcement Cases

- [Manipulation of Crypto Asset Securities \(10/9/24\)](#)
- [False Statements About Use of Artificial Intelligence / AI Washing \(10/10/24\)](#)
- [Private Fund Manager Misappropriation of Fund Assets \(10/11/24\)](#)
- [Adviser Fails to Adhere to Investment Criteria for ESG-Marketed Funds \(10/21/24\)](#)
- [\\$1.8 million Settlement Related to Citron Research Tweets & Reports \(10/22/24\)](#)
- [SEC Charges Four Companies with Misleading Cyber Disclosures \(10/22/24\)](#)
- [JP Morgan Affiliates Pay \\$151 Million for Principal/Joint Transactions and Other Enforcement Actions \(10/31/24\)](#)

¹ Atkins served as a Board Advisor to The Digital Chamber, an industry group that educates and advocates for the digital assets and blockchain industries.

- [Misleading Statements About Consideration of ESG Factors in Investments \(11/08/24\)](#)
- [Co-CIO Accused of Fraud in Connection with Cherry-Picking \(11/25/24\)](#)
- [Cherry-Picking by Former Investment Adviser Representative \(12/12/24\)](#)
- [Cantor Fitzgerald Charged with Misleading SPAC Disclosures \(12/12/24\)](#)
- [Seven Private Fund Managers Charged with Failure to File Form PF \(12/13/24\)](#)
- [Snow Lake Capital Rule 105 Violations \(12/19/24\)](#)
- [Hedge Fund Manager Charged with Failures Related to Receipt of Material Nonpublic Information \(12/20/24\)](#)
- [Private Fund Manager & Private Issuer Failure to File Form D \(12/20/24\)](#)
- [Atlas Financial Marketing Rule Violations \(12/20/24\)](#)
- [Undisclosed Conflicts Based on Relationship with Portfolio Company CEO \(12/20/24\)](#)
- [Failure to Timely Distribute Audited Financial Statements \(12/20/24\)](#)
- [Improperly Withholding Investor Funds & Charging Excessive Fees \(12/23/24\)](#)
- [Insider Trading Including Use of Rule 10b5-1 Trading Plan \(12/30/24\)](#)

The Standish Compliance team continues to track and analyze regulatory developments and their impact to our private fund and other clients. Let us know if you have questions regarding any regulatory developments or their application to your firm.