

# Investigations and Criminal Defense

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Sher Tremonte represents businesses, executives, professionals, entrepreneurs, and other individuals in criminal investigations and prosecutions as well as in regulatory investigations and enforcement proceedings. Ranked in White Collar Crime and Government Investigations in New York by *Chambers USA* - which commends the firm as “wonderful,” with a “really strong bench” - we consistently achieve positive outcomes that restore reputations and preserve livelihoods.

Our lawyers help clients triumph in high-stakes criminal matters; enforcement proceedings; and investigations involving federal, state, and international laws and regulations. We have advised and defended clients in connection with allegations of tax fraud, mail and wire fraud, honest services fraud, insider trading, money laundering, foreign corrupt practices, bank fraud, RICO, securities fraud, immigration fraud, and campaign finance and election fraud, among others. When internal investigations, prosecutions, or enforcement proceedings loom, we leverage our extensive government service experience to build powerful, proactive defenses on behalf of both companies and individuals.

Clients frequently turn to Sher Tremonte for advice at the early stages of an investigation, where we often can be most effective in navigating delicate matters and minimizing the risks of legal exposure.

## Criminal Trials

As “one of New York City’s premier litigation boutiques” ( *Chambers USA* ), Sher Tremonte’s track record speaks for itself. Our lawyers are powerhouses in the courtroom: tireless advocates and persuasive storytellers who can build credibility and shape narratives that sway juries. From pre-trial through appeal – a sensitive process that often involves intense public scrutiny – we advocate for our clients aggressively and creatively and counsel them with compassion.

We have obtained numerous jury acquittals, won pretrial motions to dismiss, and consistently achieved favorable sentencing outcomes. Our team routinely persuades prosecutors to decline to prosecute, to drop charges – either outright or pursuant to deferred prosecution agreements – or to offer misdemeanor or reduced charges in favorable plea deals.

### Experience

- Obtained the full dismissal of federal criminal charges against a senior United Nations employee in a visa fraud and foreign labor contracting prosecution in the U.S. District Court for the Southern District of New York.
- Obtained the full dismissal of state criminal charges against a top aide to a New York City council member in a campaign finance prosecution.
- Obtained not guilty verdicts on murder counts in a two-week federal criminal trial in the Southern District of New York.
- Mitigated charges for an individual indicted in a highly publicized criminal RICO conspiracy matter by placing her role among the five other defendants in context, ultimately obtaining a probationary sentence.

## Internal Investigations

Sher Tremonte conducts internal investigations on behalf of companies and counsels executives and employees involved in such investigations. The firm's prior experience in internal investigations have involved a wide range of allegations, including securities fraud, accounting fraud, foreign corrupt practices, insider trading, market manipulation, anti-competitive market practices, tax fraud, economic espionage, and #MeToo claims. Our clientele includes corporations, boards of directors and special committees, governmental entities, nonprofit organizations, and educational institutions "from across the market" that value our "notable expertise handling investigations" (*Chambers USA*).

The firm's strength in this area stems in part from our lawyers' robust government service credentials – including a former senior trial counsel for the SEC's Division of Enforcement, former Assistant U.S. Attorneys, a former federal defender, and a current FINRA arbitrator. This experience allows us to provide swift, diligent, and effective investigative services that minimize disruption to our clients' operations. When an investigation has concluded, we help clients prevent future misconduct by providing a clear blueprint for compliance.

### Experience

- Represented the audit committee of a public company to conduct an internal investigation concerning allegations of misconduct involving the company's senior executive officers by a former CFO of the company.
- Represented the audit committees of both a registered investment advisor and a private equity portfolio company to conduct an internal investigation regarding financial reporting issues at the portfolio company that were identified by a former controller who claimed whistleblower status.
- Represented the audit committee of a public company to conduct an investigation to determine whether senior executives of that company aided and abetted fraudulent financial reporting by a different public company.
- Represented the board of directors of a private company to conduct an internal investigation concerning allegations of misconduct and procurement fraud involving the company's chief technology officer.
- Represented the audit committee of a public company to conduct an internal investigation to determine whether the CEO of the company's South American subsidiary engaged in self-dealing transactions.

## SHER TREMONTE

- Represented the special litigation committee of a public company to conduct an investigation to determine whether the company's outside auditors were negligent in failing to detect prior fraudulent financial reporting.
- Represented a financial institution to conduct an internal investigation concerning alleged violations of anti-money laundering statutes and regulations.
- Represented the general counsel of an Asian-based corporation accused of siphoning billions in public funds.
- Represented whistleblowers concerning alleged violations of federal securities and commodities laws.

## Securities and Regulatory Defense

Sher Tremonte defends professionals and financial services firms in investigations and enforcement proceedings initiated by regulatory agencies such as the SEC, FINRA, the CFTC, and the IRS. Our firm has represented clients accused of the full spectrum of financial regulatory enforcement violations, with notable success warding off allegations of insider trading, accounting fraud, and market manipulation. We pursue the quickest and most efficient path toward resolution, deploying our investigative acumen and deep market knowledge to help clients quickly return to business as usual while minimizing exposure. When financial regulators cannot be persuaded that no violations have occurred, we stand ready to negotiate a practical settlement or vigorously defend our clients in both federal court and administrative proceedings.

Our team has decades of experience successfully steering clients through regulatory investigations and enforcement proceedings. Two of our partners joined the firm after years at the SEC and the DOJ, during which they exercised substantial responsibility for the civil and criminal prosecution decision-making processes for matters concerning allegations of financial wrongdoing. Two other partners have led numerous defense teams in connection with financial fraud investigations, while another partner previously served as in-house counsel to a large financial services firm and currently serves as a FINRA industry arbitrator.

### Experience

- While at the SEC, partner Robert Knuts served as lead trial counsel in two successful insider trading jury trials. Since returning to private practice, he has successfully defended several lawyers and financial industry representatives in SEC insider trading investigations.
- Represented the former accounting director for a leading consumer financial services company in connection with an SEC enforcement action in the U.S. District Court for the Southern District of New York. The SEC alleged that the client had engaged in various intentional violations of the federal securities laws, including accounting fraud. We were able to resolve the matter on terms that made clear our client had not engaged in intentional wrongdoing. Separately, the DOJ brought criminal charges against this client's former colleagues in the U.S. District Court for the Southern District of Florida. While both defendants were convicted, our client was never charged.

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- Obtained a non-prosecution agreement for and avoided SEC charges against an officer of a blockchain company investigated for securities fraud in connection with an Initial Coin Offering that raised tens of millions of dollars.
- Represented hedge funds in connection with SEC investigations into possible securities law violations.
- Represented securities brokers in a FINRA insider trading investigation.
- Successfully represented a trader in investigations by FINRA and the Chicago Board Options Exchange relating to manipulation of options and futures in the Volatility Index.
- Successfully represented a bond trader in an investigation and civil litigation relating to manipulation of the market for government-backed bonds.

## Whistleblower and Victim Representation

Sher Tremonte advises whistleblowers who have witnessed fraud or other criminal conduct on how to navigate complicated legal terrain, safeguard against retaliation, and, where possible, secure substantial monetary awards. We have advised whistleblowers in connection with violations of statutes governing securities, commodities, and taxes. Our team is staffed by a former senior trial counsel for the SEC's Division of Enforcement, a former Assistant U.S. Attorney, a former federal defender, and a current FINRA arbitrator, making us fluent in the language of regulatory authorities. We use this knowledge to translate our clients' reports into credible, compelling claims that convince the government to intervene and, where appropriate, provide an award.

The firm also represents victims of financial crimes, including wire fraud, mail fraud, and securities fraud. Our lawyers serve as driven, empathetic advocates, combining strong litigation skills and a keen strategic eye with an abundance of compassion for clients suffering emotional and financial harm. Whether pursuing a multimillion-dollar restitution order or whistleblower award from the SEC, we help victims attain outcomes that satisfy their goals and provide them with closure.

### Experience

- Recovered millions for a retired music industry executive and his wife who exposed a financial advisor's multi-victim Ponzi scheme to the DOJ and SEC and brought successful legal proceedings in FINRA and federal court. Represented the Ponzi scheme victim in an investigation by the U.S. Attorney's Office, in civil litigation, and in related bankruptcy proceedings.
- Obtained a \$13.5 million whistleblower award from the SEC on behalf of a financial advisor and represented the whistleblower in a related appeal to the U.S. Court of Appeals for the D.C. Circuit.
- Represented the audit committees of both a registered investment advisor and a private equity portfolio company to conduct an internal investigation regarding financial reporting issues at the portfolio company that were identified by a former controller who claimed whistleblower status.
- Obtained a temporary restraining order that froze 17 bank accounts across the United States in connection with an alleged international fraud and money laundering scheme after our client had lost over \$1 million to fraudsters.