

Patrick M. Smith

Partner

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Practices

FOCUS: Litigation
Financial Markets Litigation and Enforcement
Investment Management and Funds
Quantitative and Algorithmic Trading
Securities Litigation
White Collar and Internal Investigations

Industries

Finance and Financial Markets

Education

JD, Northwestern University School of Law
BA, Georgetown University

Bar Admissions

Illinois
California

Court Admissions

US District Court, Northern District of Illinois

Patrick Smith helps financial services firms keep their business on track in the face of regulatory investigations and complex commercial disputes. Clients call Patrick for his comprehensive knowledge of the complex regulatory environment and seek his guidance to help them through each stage of an investigation or commercial dispute. Whether facing the SEC, the CFTC or a class-action lawsuit, Patrick offers insight and advice built on years of experience.

A steady hand in complex investigations and litigation

Patrick represents broker-dealers, futures commission merchants, investment banks, trading firms and individuals throughout the financial services industry in a variety of regulatory investigations and complex commercial disputes. Patrick brings to bear a deep understanding of the industry, the financial products and trading strategies frequently at issue, and the evolving regulatory environment so his clients can resolve regulatory investigations and litigation in a way that minimizes business disruption and loss.

Patrick has handled arbitrations between broker-dealers and customers, class-action and derivative suits alleging violations of federal securities laws, internal investigations as well as regulatory investigations and enforcement proceedings by the SEC, CFTC, FINRA, NYSE Regulation and other self-regulatory bodies and at stock, options and futures exchanges.

Representative Experience

- Defended futures commission merchant (FCM) in lawsuits alleging violations of state securities laws and negligent supervision arising out of a multimillion-dollar Ponzi scheme orchestrated by the FCM's customer. Claims were denied on summary judgment and affirmed on appeal.
- Defended wholesale market maker and dark pool operator in putative class action challenging retail broker's order-routing practices. Case was dismissed with prejudice and affirmed by the US Court of Appeals for the Ninth Circuit.

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- Defended broker-dealer in federal securities lawsuit stemming from the forced liquidation of a large customer's account to satisfy a margin call. Case was dismissed with prejudice and affirmed by the US Court of Appeals for the Second Circuit.
- Defended algorithmic trading firm against allegations of wash trading in a hearing before the CME Business Conduct Committee.
- Defended broker-dealer in a FINRA arbitration hearing brought by former employee seeking alleged past due compensation.
- Defended two international investment banks in lawsuits alleging fraudulent inducement before the Circuit Court of Cook County, Illinois. Claims were denied on summary judgment and affirmed on appeal.
- Defended algorithmic trading firm in SEC investigation and parallel civil lawsuit stemming from the alleged fraudulent sale of interests in an employee capital pool. The SEC concluded the investigation without recommending charges and the civil lawsuit was dismissed and affirmed on appeal.
- Prosecuted claims against a former employee of investment advisory firm for breaching the terms of his separation agreement. Case was resolved with a favorable settlement.
- Represent individuals, trading firms and an international investment bank in investigations of alleged spoofing by Exchanges, the CFTC and DOJ.
- Represented multiple options market makers in a putative class action alleging violations of Section 10(b) and Rule 10b-5 in a dividend capture strategy executed at PHLX options exchange. The US District Court for the Eastern District of Pennsylvania dismissed the case, finding there was no proof of unlawful conduct.

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Recognitions

Recognized or listed in the following:

- Katten Muchin Rosenman LLP Pro Bono Service Award
 - 2013
- *Super Lawyers Rising Stars*
 - Illinois, 2014–2021

News

- Katten Insolvency and Restructuring Team's 2021 Achievements Recognized with *M&A Advisor Awards* (June 13, 2022)
- Katten Attorneys Chosen for 2021 Illinois Super Lawyers, Rising Stars Lists (January 29, 2021)
- Katten Attorneys Selected to 2020 Illinois Super Lawyers, Rising Stars Lists (January 29, 2020)
- Super Lawyers Lists Honor More Than 50 Katten Attorneys in Illinois (January 24, 2019)
- Katten Attorneys Recognized in 2018 Illinois Super Lawyers, Rising Stars Lists (January 25, 2018)
- Katten Attorneys Recognized in 2017 Illinois *Super Lawyers*, Rising Stars Lists (January 13, 2017)
- Katten Wins Dismissal of Proposed Class Action Suit (April 21, 2016)
- Forty-Seven Katten Attorneys Recognized in 2016 Illinois *Super Lawyers* List (January 8, 2016)
- Katten Names 19 New Partners (July 1, 2015)

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- Fifty-Three Katten Attorneys Recognized in 2015 Illinois *Super Lawyers* List (January 12, 2015)
- Fifty-Four Katten Attorneys Recognized in 2014 Illinois *Super Lawyers* List (January 13, 2014)
- Katten Recognizes Eleven Attorneys with Pro Bono Service Awards (July 25, 2013)

Publications

- Financial Services Industry Year in Review: Regulatory Enforcement and Litigation Trends in 2021 and Beyond (December 27, 2021)
- Market Trading Trends: Expect Regulatory Guidance to Accelerate (November 24, 2021)
- The State of Futures: Emerging Trends and Enforcement Priorities (November 11, 2021)
- Recent Developments in Global Securities Litigation (September 2011)

Presentations and Events

- 2022 Crypto with Katten Annual Symposium (October 20, 2022)
- Katten's 2021 Financial Markets Litigation and Enforcement Symposium Series (November 18, 2021) | *Speaker* | *Market Trading Issues and Hot Topics*
- Exchange Investigations & Enforcement: Insights and Trends (February 28, 2018) | *Panelist* | *Exchange Enforcement*