

Feast before famine: Reviewing SEC enforcement in first half of 2025

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MAY 16, 2025

On March 31, 2025, the U.S. Securities and Exchange Commission tied a bow on the first half of the 2025 fiscal year and, on April 30, 2025, completed the first 100 days under the now Republican-led Commission. The Commission’s enforcement activity during this period provides valuable, though early, data on what to expect from the SEC under the new administration.

In total, the SEC has announced the filing of 314 enforcement actions in the first six months of the fiscal year, including 201 “stand-alone” civil and administrative enforcement actions; 55 “follow-on” administrative proceedings seeking to bar or suspend individuals from certain functions in the securities markets based on criminal convictions, civil injunctions, or other orders; and 58 actions against issuers who were allegedly delinquent in making required filings with the SEC.

Enforcement Actions vs. Year Prior			
	H1 2025	H1 2024	Change
Stand-Alone Actions	201	90	123%
Follow-On Proceedings	55	37	49%
Delinquent Filings	58	22	164%
Total	314	149	105%

Altogether, the SEC more than doubled its output compared to the same six-month period the year prior, including a 123% increase in standalone enforcement actions, and exceeded even its record-setting pace from fiscal year 2023.¹

A closer look

At first blush, the SEC’s pace is impressive. But it is actually the timing of the SEC’s enforcement activity, not its volume, that proves most interesting. In an atypical early-year announcement, the SEC reported in January that it had brought a record-breaking 200 enforcement actions in its first quarter, including delinquent filing and follow-on administrative proceedings.² In contrast, the Commission brought only 114 total actions in the second quarter. This reflects a quarter-on-quarter slowdown of approximately 43 percent.

This slowdown is unusual. Historically, the first quarter of the fiscal year has been the SEC’s slowest, a calm after the storm of the previous year’s close. Then, after a quiet first quarter, the SEC’s pace typically ramps up period-by-period, before again reaching a crescendo in the fourth quarter. In 2024, for example, the SEC announced 61 actions in the first quarter, followed by 88 in the second. 2023 presents a similar story, with 96 and 141 actions filed in the first and second quarters, respectively.

Feast before famine: a post-election rush?

The SEC’s atypical pace during this period merits a closer look, and there is one factor above all that promises answers: the change in political administration. And, when evaluated against the political calendar, the numbers tell an interesting story.

First, the SEC’s enforcement activity ramped up in the wake of the election. In the pre-election period (from October 1 through November 3), the SEC filed 76 enforcement actions, at an already brisk pace (for the period) of 2.2 actions per day. After the election, the Commission showed no signs of slowing. From election day to inauguration day, the SEC filed 188 actions, or 2.4 actions per day. What to make of this is, of course, speculation. However, the acceleration suggests that the Gensler-led Commission was pushing to resolve as many proceedings as possible before handing over the reins.

But the story doesn’t end there. From the inauguration until the end of the SEC’s second quarter, *i.e.*, between January 20 and March 31, 2025, the SEC oversaw a dramatic slow-down in enforcement activity. During this period, it brought only 50 total actions (and just 28 standalone enforcement actions), or 0.7 enforcement actions per day, well short of its typical second quarter pace. And over the remainder of the administration’s first 100 days, the SEC’s pace has continued to slow: The SEC has so far announced only 12 enforcement actions filed in April (including 11 standalone actions), or just 0.4 actions per day.

What does this mean for the future? The unsatisfying answer, of course, is that it is too early to tell. On the one hand — after the typical blitz in Q4 2024 and the record-breaking figures in Q1 2025 — it is possible that the Gensler Commission simply

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left the cupboard of resolution-ready proceedings bare. On the other hand, the slowdown may be a canary in the coalmine for a more measured era of enforcement under the new administration. Only time will tell.

Other notable trends

The SEC's limited activity in the post-inauguration period also provides other early signs into the Commission's enforcement priorities.

(1) A retreat from "creativity"

The 39 standalone enforcement actions in the administration's first 100 days provide early indications of a shift back to traditional enforcement priorities. In particular, though the Division of Enforcement does not release its own categorization of cases until the end of its fiscal year, the cases it has brought can be fairly categorized as securities offering fraud (17 actions), investment advisers/investment company fraud (7), fraudulent trading (i.e., insider trading or "free-riding" schemes) (7), issuer reporting/audit and accounting misconduct (4), broker-dealer misconduct (2), market manipulation (1), and public finance abuse (1).

The actions the SEC has brought under the Trump administration have involved remarkably modest penalties.

This retreat to traditional enforcement targets is consistent with recent remarks from Sam Waldon, the Acting Director of the Division of Enforcement, who recently stated that, "Creativity is probably not where we want to be," regarding the Enforcement staff's interpretation of the securities laws.³

More notable, perhaps, is what is not there. Predictably, after President Trump issued an Executive Order⁴ pausing criminal enforcement of the Foreign Corrupt Practices Act, the SEC has not filed any new FCPA actions, though — admittedly — it has typically brought few such actions in recent years.

Likewise, after years of robust off-channel communications enforcement — including, in what may prove to be the last of its kind, a 12-firm, \$63 million sweep⁵ announced just days before the inauguration — the early days of the Trump administration have not yet seen the trend continue. This result is unsurprising given past statements from the current Republican-appointed commissioners, including a September dissent⁶ from Commissioners Hester Peirce and Mark Uyeda arguing that the SEC's enforcement activity in the space left little room for firms to find "an achievable path to compliance" with their recordkeeping obligations.

The Commission's pursuit of crypto-related enforcement has seen a similar fate as the Commission reworks its approach

to a framework for regulating cryptocurrency. During the post-inauguration period, the SEC publicly dropped or paused long-standing lawsuits and investigations actions against Coinbase, Ripple, Kraken, Robinhood, and Binance, among others. And amid that pivot, the SEC has predictably not pursued any new crypto registration-related enforcement actions during the period.⁷

We anticipate that the SEC will become increasingly active as we move into the summer and towards the busiest months.

(2) A new approach to financial remedies?

Though it is challenging to draw reliable conclusions from the limited early data, the actions the SEC has brought under the Trump administration have involved remarkably modest penalties. In the 11 administrative proceedings,⁸ for example, the SEC ordered total financial remedies of only \$6,376,813.85, an average of less than \$600,000 per action, with \$2,500,000 of that figure drawn from a single corporate disclosure action.⁹

(3) Officer and director bars

In fiscal year 2024, the SEC obtained orders barring 124 individuals from service as an officer or director of a public company, one of the highest years of such orders on record.¹⁰ Based on early returns, it appears the SEC is continuing those efforts under the new administration, seeking bars in securities fraud actions,¹¹ insider trading actions,¹² and actions involving misleading corporate disclosures.¹³

Conclusion

It is clear from the early data that the SEC's enforcement activity has slowed considerably since President Trump's inauguration. However, though overall enforcement activity will likely fall well short of the previous years' heights, we anticipate that the SEC will become increasingly active as we move into the summer and towards the busiest months — at least traditionally — of its fiscal year. As we do so, and as we fully turn the page on the Gensler era, we expect to see a continued focus on the core enforcement priorities and moderate corporate penalties that have so far embodied the back-to-basics ethos of the Republican-led Commission.

Notes:

¹ In the first half of its 2023 fiscal year, the SEC brought a total of 237 enforcement actions, including 161 standalone actions.

² SEC Announces Record Enforcement Actions Brought in First Quarter of Fiscal Year 2025, SEC Press Release (Jan. 17, 2025), <https://bit.ly/3GRJRL6>.

³ White, N. M., *SEC, CFTC Leaders Predict Shifting Priorities, Penalty Policies*, Bloomberg (March 24, 2025), <https://bloom.bg/43haosO>.

⁴ <https://bit.ly/3RSB65R>

⁵ <https://bit.ly/3GUWq8E>

⁶ <https://bit.ly/3GTtgXv>

⁷ The SEC brought several crypto-adjacent actions, including *SEC v. Jonathan Webb* (<https://bit.ly/3GSJNLf>). Among other allegations, the complaint — which principally alleges securities offering fraud — involves allegations that the defendant converted investor funds to crypto assets and transferred those assets overseas, where he lost hundreds of thousands of dollars in the foreign currency exchange market.

⁸ By their nature, financial remedies in civil proceedings prove more difficult to reliably track, in part because — unlike administrative proceedings — they

frequently are not resolved in the same period in which they are filed. The SEC also does not consistently announce when it has resolved, and recovered remedies in, a previously filed action.

⁹ <https://bit.ly/3SHtmnr>

¹⁰ SEC Announces Enforcement Results for Fiscal Year 2024, SEC Press Release (Nov. 22, 2024), <https://bit.ly/3S6LeYO>.

¹¹ <https://bit.ly/3FlubVb>

¹² <https://bit.ly/4kkQeVP>

¹³ <https://bit.ly/3ZkoPeq>

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This article was first published on Westlaw Today on May 16, 2025.