

NEW ERA AT THE SEC: KEY PRIORITIES UNDER CHAIR PAUL ATKINS

Paul Atkins was confirmed by the Senate on April 9, 2025, and officially began his tenure as SEC Chair on April 21, 2025. He joins Republican Commissioners Hester Peirce and Mark Uyeda, along with Democratic Commissioner Caroline Crenshaw. In considering Chair Atkins' forthcoming tenure, it is instructive to reference his prior service as an SEC Commissioner from 2002 to 2008, as well as his recent contributions to regulatory thought leadership during his tenure as CEO of Patomak Global Partners.^[1] Notably, both Commissioners Peirce and Uyeda served as counsel to Chair Atkins during his earlier time at the SEC, suggesting the potential for strong alignment on key policy issues. We can also look to the initiatives advanced during Commissioner Uyeda's recent three-month tenure as Acting Chair, as there has been no indication that these efforts will shift or be discontinued under Chair Atkins' leadership.

As expected, since former Chair Gary Gensler's departure on January 20, 2025, there has been a material shift in tone and policy, and Chair Atkins' new tenure further formalizes this shift. Looking ahead, we expect continued developments in the following areas:

- **Cryptocurrency and Digital Assets:** As Acting Chair, Commissioner Mark Uyeda has worked quickly toward unstifled innovation and a clear regulatory framework for cryptocurrency and digital assets. In the span of a relatively short amount of time, Acting Chair Uyeda launched a Crypto Task Force, led by Commissioner Hester Peirce,^[2] and the SEC withdrew several crypto and digital assets enforcement actions focused solely on registration failures, signaling a shift toward a more measured enforcement approach.^[3] Further, on January 30, 2025, the SEC issued Staff Accounting Bulletin No. 122 ("SAB 122"), rescinding SAB 121.^[4] SAB 122 directs entities to apply existing accounting standards for contingencies when assessing safeguarding obligations, eliminating SAB 121's prior overbroad requirements, which included addressing crypto safeguarding liabilities and related disclosures.^[5] This change reduces operational barriers for financial institutions offering crypto services.
 - **What's Next:** As of April 21, 2025, the SEC has already held three Crypto Roundtables, each focusing on discrete areas: (1)

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whether crypto should be regulated as a security; (2) trading of crypto assets; and (3) custody of crypto assets. We expect further guidance to address all of these areas in relatively short order and for this area to remain on a fast track, particularly as Chair Atkins has significant experience in digital finance and blockchain innovation.^[6] This is a key priority for Chair Atkins, as indicated in his opening statement at his confirmation hearing.^[7] At the hearing, he emphasized the need for clear, effective, and nonpolitical regulation, especially regarding digital assets, through a “rational, coherent, and principled approach.”^[8] Regardless of the outcome of its crypto rulemaking and guidance, the SEC will continue to focus on protecting investors from fraud involving crypto assets,^[9] blockchain technology,^[10] and artificial intelligence and machine learning,^[11] through the work of the Cyber and Emerging Technologies Unit (“CETU”).

- **Rulemaking and Guidance for Broker-Dealers, Investment Advisers, Public Companies and Other Market Participants:** Since January 20, 2025, we have seen long-awaited and common sense guidance on a range of regulatory topics, including updates to Schedule 13G eligibility, updated FAQs for SEC Rule 206(4)-1 (the Marketing Rule under the Advisers Act), and new Staff Legal Bulletin 14M on shareholder proposals. Furthermore, the implementation date for recent Form PF Amendments was extended from March 12, 2025 to June 12, 2025.
 - **What’s Next:** In contrast to other areas, we expect the speed and cadence of SEC rulemaking to potentially decelerate, largely because of the February 18, 2025 “Ensuring Accountability for All Agencies” Executive Order (“Accountability Order”), which applies to the SEC as well as other agencies.^[12] Among other provisions, the Accountability Order requires agencies to submit for review all proposed and final significant regulatory actions to the Office of Information and Regulatory Affairs (“OIRA”) before publication in the Federal Register.^[13] Separately, we also note the impact of other Executive Orders, such as Executive Order 14219, which orders agencies to identify unlawful regulations as part of the “Department of Government Efficiency” deregulatory initiative.^[14] We expect Chair Atkins to evaluate the cumulative burden of existing regulations.^[15] Certain individual rulemaking areas, however, may continue to move swiftly (e.g., crypto). An open question will be how much Chair Atkins and the Commission rely on guidance—instead of Commission interpretations and rulemaking—to help provide

clarity, certainty, and workability to industry participants, whether financial service providers or public companies.

- **A Back to Basics Approach to Enforcement:** During then-Acting Chair Uyeda's tenure, the Commission approved amending its regulations to eliminate authority delegated to the Director of the Division of Enforcement for issuing formal orders of investigation. This change essentially takes the SEC back to a pre-2009 posture, where only the Commission could issue a formal order and there was no authority delegated to the Director of Enforcement. The impact will be two-fold: (1) novel case theories will need to be approved by the Commission before a subpoena can be issued (rather than at the conclusion of an investigation), which should help avoid over-reach and (2) the investigatory process is more likely to involve informal interviews and document requests for some enforcement targets. For registrants, however, an informal request will remain a serious matter requiring response.
 - **What's Next:** With regard to enforcement, Chair Atkins is expected to return to a focus on investor harm, including actual fraud, repayment, and reimbursement to investors. However, certain non-fraud fundamentals will remain areas of enforcement focus, including compliance, valuation, billing and disclosure. Based on public statements by then-Acting Chair Uyeda and Commissioner Peirce in the weeks leading up to the start of Chair Atkins' tenure, we expect that there will be renewed interest in these case theories, as they focus on retail investors. In practice, we expect this shift will mean renewed interest in investment advisers and broker-dealers non-fraud fundamentals, as opposed to the recent focus on record keeping and off-channel communication matters. We note that the most recent investment adviser settlement followed a classic disclosure theory.^[16] Furthermore, Chair Atkins has long been on record for assessing significant penalties against public companies that do not provide adequate redress to shareholders because it amounts to paying shareholders with their own money.^[17]
- **Public Companies:** The most significant development related to SEC oversight of public companies during then-Acting Chair Uyeda's tenure was the Commission's vote to cease defending the public company climate disclosure rules.^[18] Then-Acting Chair Uyeda noted that, without a Congressional mandate, the SEC was not "in the business of facilitating the disclosure of information not clearly related to financial returns."^[19] We expect a pro capital formation stance to continue

with disclosure “tailored to a company’s sizes and resources, while still maintaining appropriate levels of investor protection.”^[20] Chair Atkins has previously warned of the risk of too much disclosure in a range of public company contexts,^[21] and has also expressed concern with the burdens of Dodd-Frank. Indeed, Chair Atkins once noted that Dodd-Frank “was not subject to what legislators call ‘regular order’ – an open, normal way of considering legislation with hearings and informed debate of likely consequences. . . . The process was truly a travesty of the democratic legislative process.”^[22]

- **What’s Next:** We expect a review of public company disclosure rules pursuant to Dodd-Frank as well as a re-evaluation of Regulation S-K, largely because of concerns about discouraging companies from accessing public markets. In light of the end of the climate disclosure rules, we expect more initiatives to reduce the disclosure burden on public companies.^[23] We also expect scaled-back reporting obligations for emerging growth companies and smaller issuers as well as a possible reconsideration of the definition of “accredited investor” to facilitate early-stage capital raising.^[24] We note that, under Acting Chair Uyeda, the Division of Corporation Finance has already enhanced certain accommodations to facilitate capital formation.^[25]
- **Continued Recalibration of SEC Resources and Staffing:** There continue to be reports about the attrition at the SEC during this Administration.^[26] This attrition is novel when compared to prior administrations for two key reasons. First, the current attrition has happened over a period of just three months, while in previous administrations it was spread out over the first few years.^[27] This acceleration means greater disruption in established processes and decision-making hierarchies. And, second, attrition in previous administrations did not affect senior staff to the extent we are seeing in 2025.
 - **What’s Next:** This workforce rebalancing will continue in light of recent market turmoil and the importance for Chair Atkins to balance smart regulation with sufficient resources. In the area of examinations and enforcement, we expect continued emphasis on data-driven initiatives that require fewer staff hours.

For any further questions, please reach out to the authors or your regular Armstrong Teasdale lawyer.

For additional insights, listen to the April 2025 episode of Brief

Encounters, a podcast of the Washington D.C. Bar: “[New Leadership, New Priorities: Paul Atkins at the SEC.](#)”

[1] See, e.g., *Insights: Securities*, Patomak Global Partners, available at <https://patomak.com/insights-archive/insights-securities/>; see also Paul S. Atkins, CEO of Patomak Global Partners, [Keynote Address: Practising Law Institute Broker/Dealer Regulation and Enforcement 2016 Conference](#) (Oct. 20, 2016).

[2] Press Release, U.S. Sec. & Exch. Comm’n, [SEC Crypto 2.0: Acting Chairman Uyeda Announces Formation of New Crypto Task Force](#) (Jan. 21, 2025).

[3] See e.g., Press Release, U.S. Sec. & Exch. Comm’n, [SEC Announces Dismissal of Civil Enforcement Action Against Coinbase](#) (Feb. 27, 2025); see also *U.S. Sec. & Exch. Comm’n v. Payward, Inc. & Payward Ventures, Inc.*, No. 3:23-Cv-06003-WHO (N.D. Cal. Filed Nov. 20, 2023), Litigation Release No. 26278 (Mar. 27, 2025), available at <https://www.sec.gov/files/litigation/litreleases/2025/lr-26278-joint-stipulation.pdf>.

[4] U.S. Sec. & Exch. Comm’n, [Staff Accounting Bulletin No. 121](#), 87 Fed. Reg. 21015-01 (Apr. 11, 2022); U.S. Sec. & Exch. Comm’n, [Staff Accounting Bulletin No. 122](#), 90 Fed. Reg. 8492 (Jan. 30, 2025).

[5] SAB 121 applied to entities who file financial statements with the SEC, including public companies as well as banks and financial institutions subject to SEC reporting.

[6] While at Patomak, Atkins was co-chair of the Token Alliance, a cryptocurrency advocacy group for the Chamber of Digital Commerce. Press Release, Chamber of Digit. Com., [Blockchain Industry and Regulatory Leaders Launch Token Alliance](#) (Sept. 18, 2017).

[7] Testimony of the Honorable Paul Atkins, Full Committee Hearing: Nomination Hearing, Mr. Paul Atkins, Member Designate, Securities and Exchange Commission, U.S. Sen. Comm. on Banking, Hous., & Urb. Aff., 119th Cong. (Mar. 27, 2025), available at <https://www.banking.senate.gov/download/atkins-testimony-3-27-25>.

[8] *Id.*

[9] Press Release, U.S. Sec. & Exch. Comm’n, [SEC Charges PGI Global Founder with \\$198 Million Crypto Asset and Foreign Exchange Fraud Scheme](#) (Apr. 22, 2025).

[10] *U.S. Sec. & Exch. Comm’n v. Rari Capital, Inc., Jai Bhavnani, Jack Lipstone, and David Lucid*, Litigation Release No. 26148 (Oct. 2, 2024), available at <https://www.sec.gov/enforcement-litigation/litigation-releases/lr-26148>. We

note that the litigation involving Rari Capital involved several misrepresentation issues regarding investment products leveraging the blockchain.

[11] *See In the Matter of Global Predictions, Inc.*, Advisers Act Release No. 6574 (Mar. 18, 2024), available at

<https://www.sec.gov/files/litigation/admin/2024/ia-6574.pdf>; *see also In the Matter of Delphia (USA), Inc.*, Advisers Act Release No. 6573 (Mar. 18, 2024), available at <https://www.sec.gov/files/litigation/admin/2024/ia-6573.pdf>.

While these settlements date back to 2024, we note that Commissioner Uyeda supported both, and Commissioner Peirce supported both on the merits, and Global Predictions on both the merits and penalty.

[12] Exec. Order No. 14215, Ensuring Accountability for All Agencies, 90 Fed. Reg. 10447 (Feb. 18, 2025).

[13] OIRA is within the Office of Management and Budget, which is in turn part of the Executive Office of the President.

[14] Exec. Order No. 14219, Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative, 90 Fed. Reg. 10583 (Feb. 19, 2025).

[15] We note that in the past Chair Atkins has also expressed concern about one-size-fits all regulatory regimes for financial institutions. *See, e.g.*, Paul S. Atkins, CEO of Patomak Global Partners, Keynote Address: Practising Law Institute Broker/Dealer Regulation and Enforcement 2016 Conference (Oct. 20, 2016).

[16] *See In the Matter of Transamerica Retirement Advisors, LLC*, Advisers Act Release No. 6876 (Apr. 25, 2025), available at <https://www.sec.gov/files/litigation/admin/2025/ia-6876.pdf>; *but see U.S. Sec. & Exch. Comm'n v. Commonwealth Equity Servs., LLC*, No. 24-1427 (1st Cir. 2025), which could have an impact on materiality assessments, particularly in terms of context of information available to clients.

[17] *See, e.g.*, Comm'r Paul S. Atkins, U.S. Sec. & Exch. Comm'n, Remarks before the Atlanta Chapter of the National Association of Corporate Directors (Feb. 23, 2005).

[18] Press Release, U.S. Sec. & Exch. Comm'n, SEC Votes to End Defense of Climate Disclosure Rules (Mar. 27, 2025).

[19] Comm'r Mark T. Uyeda, U.S. Sec. & Exch. Comm'n, Acting Chairman Statement on Climate-Related Disclosure Rules (Feb. 11, 2025); *see also* Comm'r Hester M. Peirce, U.S. Sec. & Exch. Comm'n, Green Regs and Spam: Statement on the Enhancement and Standardization of Climate-Related

Disclosures for Investors (Mar. 6, 2024).

[20] See Comm’r Mark T. Uyeda, U.S. Sec. & Exch. Comm’n, Remarks at the 44th Annual Small Business Forum (Apr. 10, 2025).

[21] “These overwhelming shareholder majorities understand that sometimes, as in this case, excessive and selective disclosure is not in their economic interest. Why then would the SEC consider imposing an intrusive mandate to the detriment of the very investors that the agency is supposed to protect?” Paul Atkins, SEC Disclosure Rule Too Extreme, Politico (Feb. 3, 2013).

[22] Paul S. Atkins, CEO of Patomak Global Partners, Keynote Address: Practising Law Institute Broker/Dealer Regulation and Enforcement 2016 Conference (Oct. 20, 2016).

[23] For example, Commissioner Peirce has advocated for principles-based disclosure rules that “do not prescribe corporate disclosure, but instead provide the framework within which companies make material disclosures to investors.” Comm’r Hester M. Peirce, U.S. Sec. & Exch. Comm’n, Should We Pick Up the Slack?: Remarks before the Investor Advisory Committee (Mar. 6, 2025).

[24] Comm’r Caroline A. Crenshaw, U.S. Sec. & Exch. Comm’n, Remarks at the 44th Annual SEC Small Business Forum (Apr. 10, 2025).

[25] Press Release, U.S. Sec. & Exch. Comm’n, SEC Staff Facilitates Capital Formation for Companies Planning Public Offerings (Mar. 3, 2025).

[26] Douglas Gillison & Chris Prentice, Wall Street watchdog staff shrinks 16% in last year, includes key units, sources say, Reuters (Apr. 24, 2025).

[27] Chris Prentice, Exclusive: US Securities and Exchange Commission shakes up enforcement, exams units, Reuters (Apr. 2, 2025).