



## Kenneth E. Yeadon

### Partner

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Ken Yeadon uses his valuable experience as an Assistant U.S. Attorney and SEC Enforcement Attorney to help companies and individuals navigate investigations, indictments, and lawsuits by federal and state agencies and self-regulatory organizations (SRO), including the U.S. Department of Justice, U.S. Attorney's Offices, State Attorney Generals, the Securities and Exchange Commission (SEC), and all other federal and state securities, health care, and regulatory agencies and bodies.

Ken counsels clients on all aspects of federal and state criminal and regulatory investigations and prosecutions, voluntary requests, subpoenas, civil investigative demands, proffers, grand jury subpoenas, grand jury appearances, testimonies, the SEC's Wells process and other administrative issues, sentencings, and appeals.

Ken and his team also handle internal investigations for companies, boards of directors, and public entities, including allegations involving whistleblowers, conflicts of interest, and employee theft. He advises companies on regulatory compliance issues, including the federal and state False Claims Acts, civil money claims, and asset seizures and forfeiture.

An accomplished trial and appellate lawyer, Ken has successfully tried multiple jury and bench trials in federal district court, administrative proceedings, and arbitrations. He has argued numerous appeals before the U.S. Court of Appeals for the Seventh Circuit.

Before joining Hinshaw, Ken tried criminal cases as a first chair trial attorney with the U.S. Attorney's Office in Chicago. He handled complex fraud cases in the Securities and Commodities Fraud Section. Ken also led a number of significant investigations and prosecutions involving the federal securities and commodities laws, insider trading, Foreign Corrupt Practices Act (FCPA), bribery, forfeiture, money laundering, obstruction of justice, perjury, trade secret theft, and bank, financial, health care, tax, and wire fraud. He also oversaw the bankruptcy fraud program for the U.S. Attorney's Office in Chicago.

Ken was an SEC Enforcement Attorney for seven years and lead attorney on a number of high-profile SEC investigations and prosecutions involving revenue recognition, financial statement and disclosure fraud, insider trading, investment advisory fraud, prime bank and Ponzi schemes, market manipulation, failure to supervise, broker-dealer misconduct, and record-keeping, reporting and registration violations. He has vast experience litigating in the SEC's

### Practices

Government

White Collar Defense & Internal Investigations

Securities Litigation and Enforcement

Commercial Litigation

Regulatory Investigations and Compliance Counseling

Internal Investigations

Sustainability & ESG

### Industries

Health Care

### Education

J.D., DePaul University College of Law, 2000

- *Journal of Health Care Law*, Member

B.A., Accounting, Western Washington University, 1991

### Admissions

Illinois

U.S. District Court for the Northern District of Illinois

U.S. District Court for the Northern District of Illinois Trial Bar



administrative hearing process. While with the SEC, Ken worked closely with U.S. Attorney's Offices, the FBI, the U.S. Postal Inspection Service, State Attorney General's Offices, and FINRA on parallel investigations.

During law school, Ken served as a judicial intern to the Honorable Wayne R. Anderson, U.S. District Court, Northern District of Illinois.

Before his legal career, Ken was a CPA. He passed the Uniform CPA Examination in 1992.

## Honors & Awards

- Division of Enforcement Director's Award, SEC Division of Enforcement
- Special Acts Award, SEC Division of Enforcement

## Representative Matters

### Internal Investigations:

- Investigation of an international manufacturer into whether federal export control regulations were violated, resulting in a recommendation that the company did not need to self-report to the government.
- Investigation for ESOP-owned company's Board of Directors into financial claims made by the company's founder.
- Investigation into tampering and theft of controlled substances from a plastic surgery center, including filing DEA 106s and reports with the state board of nursing, and representing the company in the DEA and FDA's investigation with no action taken against the company.
- Investigations for a school district involving theft of services, misappropriation of public funds, and whistleblower retaliation.
- Investigation for a state agency into allegations of undisclosed conflicts of interest in a billion-dollar procurement contract.
- Advised private company that was a victim of cyber-intrusions and email compromise fraud.
- Investigation for a transportation company into whistleblower allegations involving conflicts of interest.
- Investigation for a technology company into accounting fraud and employee theft that resulted in recovery of the stolen funds and federal prosecution of an employee.

### Governmental Investigations:

- Represented executives and companies in numerous federal criminal and state investigations involving allegations of accounting fraud, securities fraud, health care fraud, misuse of investor and public funds, and obstruction of justice.
- Represented individuals served with subpoenas to testify before federal grand juries, the SEC, regulatory agencies, and at trial.
- Represented individuals and companies served with subpoenas to produce documents to federal grand juries, federal regulatory agencies, and at trial.
- Represented state legislative body in federal public corruption investigation.
- Represented school district in grand jury investigation by FBI and U.S. Department of Education involving bribery and kickbacks relating to grants for student services.
- Defended innocent spouse from efforts by the U.S. Attorney's Office Civil Division to collect on a judgment owed by the spouse's husband.
- Represented a company in an investigation by the U.S. Small Business Administration regarding eligibility for COVID-19 loans.
- Represented companies and their employees in investigations by the City of Chicago Office of Inspector General and Illinois Office of the Executive Inspector General.



- Advised international professional services company regarding compliance with the Foreign Agents Registration Act.
- Represented U.S. Department of Defense contractor in an investigation by the U.S. Department of Justice's Antitrust Division.
- No charges incurred for our corporate clients in federal immigration investigations.

#### **Accounting and Tax Fraud:**

- No action taken by FINRA. Represented executives and compliance employees of a major financial services firm in a FINRA investigation involving allegations of failure to supervise.
- Represented a major bank in a U.S. Department of Justice investigation involving a bank customer's violations of FIRREA's civil money penalties statute.
- Represented a transportation company in multiple federal and state False Claims Act and price gouging investigations.
- No charges against our clients in multiple SEC insider trading investigations.
- Favorable outcome for an investment advisory firm client in an SEC investigation into allegations of failing to disclose revenue sharing in cash sweep vehicles.
- Represented individuals in SEC investigations involving initial coin offerings and securities filings.
- Represented a certified public accountant in a PCAOB investigation that resulted in no action against the client.
- Represented an investment adviser charged by the U.S. Department of Justice with defrauding clients.
- Represented a bank in response to a seizure warrant for client account funds from the U.S. Department of Justice.

#### **Health Care Regulations and Compliance:**

- Represented a for-profit owner of skilled nursing facilities in investigations by the federal and state governments in multiple jurisdictions involving the False Claims Act.
- Represented a plastic surgery center in an investigation by DEA and FDA involving tampering and theft of controlled substances, including filing DEA 106s and reports with the state board of nursing with no action taken against the company.
- Represented nonprofit skilled nursing facilities in investigations by the federal and state governments in multiple jurisdictions involving the False Claims Act.
- Represented a psychiatric service provider for skilled nursing facilities in inquiries and investigations by the federal and state governments, including state survey teams.
- Represented nursing home executive in investigation and prosecution by the U.S. Department of Justice.
- Represented chiropractor accused of falsely billing insurance company for services with no charges and pre-trial diversion.
- Represented pain management specialist in an investigation by U.S. Department of Justice.
- Represented a medical devices manufacturer in a federal grand jury investigation involving allegations of kickbacks.

#### **Trial Experience:**

- Successfully tried multiple jury and bench trials in federal district court and SEC Administrative Proceedings.
- Successfully argued numerous cases before the U.S. Court of Appeals for the Seventh Circuit.
- Successfully resolved arbitrations and mediations.

## **Presentations**

- "'Crypto Wallet' – Creeping into Crypto," Hinshaw University, Webinar, August 19, 2021
- Moderator, "Law Firms are Rushing to Open Cannabis Practices: What Should General Counsel Do?," LMRM Conference, Chicago, Illinois, March 5, 2020
- "Initial Coin Offerings and Blockchain: Where Securities Law and Cryptocurrencies Intersect," Hinshaw University, Chicago, Illinois, July 18, 2019



- "Internal Investigations for Illinois Municipalities," 2018 Illinois Municipal League Annual Conference, Chicago, Illinois, September 20, 2018
- Co-Presenter, "Cybersecurity in the Workplace: How to Strengthen and Protect Your Business in an Era of Easy Computer System Access," Webinar, August 16, 2018
- "Health Care Fraud and the 60 Day Over Payment Rule," Hinshaw University, Chicago, Illinois, June 21, 2018
- Panelist, "General Counsel's Office: Legal Oversight of Business Operations," NAIC Midwest Zone Conference, Chicago, Illinois, June 13, 2018
- Moderator, "Global Risk Management and Compliance Strategies," 18th Annual SuperConference, Chicago, Illinois, May 23, 2018
- "How Home and Community Based Programs are Becoming the New Legal Target: Hot Spots for Fraud and the 60 Day Over Payment Rule," 2018 LeadingAge Illinois Annual Meeting and Expo, Schaumburg, Illinois, April 17, 2018
- "A Practical Guide for Health Insurers in Defending False Claim Act Cases after *Escobar*," DRI's Life, Health, Disability and ERISA Seminar, Boston, Massachusetts, April 12, 2018
- "Recent Events in Insider Trading," Hinshaw University, Chicago, Illinois, March 14, 2018
- "SEC Enforcement in Municipal Public Finance," 2017 Illinois Municipal League Annual Conference, Chicago, Illinois, September 22, 2017
- "Ethics in Negotiating and Documenting Private Transactions," Practising Law Institute's Acquiring or Selling the Privately Held Company 2017 Conference, New York, New York, June 23, 2017
- "Latest SEC Enforcement and Regulatory Issues," Hinshaw University, Chicago, Illinois, May 24, 2017
- "FCPA and Anti-Corruption Due Diligence for Joint Ventures and Mergers and Acquisitions in Latin America," Trade Restrictions and Anti-Corruption Laws: The Realities of Doing Business in Latin America, Miami, Florida, May 9, 2017
- Instructor, U.S. Department of Justice Office of Overseas Prosecutorial Development Assistance and Training Programs, Bangladesh Police Staff College Financial Crimes Training Program, Dhaka, Bangladesh, January 2016

## Publications

Ken is a frequent commentator in the press on the government's criminal and civil fraud enforcement efforts and the SEC, and has been quoted in the *Wall Street Journal* and other media. He writes regularly on these same topics.

A selection of publications include:

- "[Town Supervisor Sentenced to 30 Months in Prison in Municipal Bond Securities Fraud Case](#)," Hinshaw's *Informing Illinois Alert*, February 6, 2018
- "[SEC Proposes to Add New Reporting Events to the Municipal Disclosure Rule](#)," Hinshaw's *Informing Illinois Alert*, April 24, 2017