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OPTIMA NEWSLETTER

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MAY 12
2026

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Upcoming Regulatory Deadlines

- MAY 15, 2026 | QUARTERLY FORM 13F
- MAY 29, 2026 | QUARTERLY LARGE HEDGE FUND FORM PF
- JUNE 3, 2026 | REGULATION S-P COMPLIANCE FOR ADVISERS MANAGING \$1.5B OR MORE OF RAUM

Upcoming Events

Optima Webinar: CFTC / NFA Compliance Update

WEBINAR | MAY 19, 2026 | 10:00 AM | [REGISTER](#)

Optima Partners is pleased to announce an upcoming webinar co-hosted with Seward & Kissel LLP, focused on the latest CFTC/NFA regulatory developments. The session will bring together leading practitioners to examine recent rule updates, key takeaways from NFA exams, emerging focus areas, common examination deficiencies, and notable recent enforcement actions. Attendees will gain practical insight into how regulatory priorities are evolving, what is driving examination activity, and the steps firms can take to proactively strengthen their compliance programs. The webinar is designed for Commodity Pool Operators, Commodity Trading Advisors, fund managers, CCOs, and senior compliance professionals navigating an increasingly active CFTC/NFA enforcement environment.

Optima Webinar: Credit Markets Under Scrutiny - Valuation, Compliance, and Audit Risks Explained

WEBINAR | JUNE 3, 2026 | 12:00 PM | [REGISTER](#)

Optima Partners is pleased to announce an upcoming webinar co-hosted with Stout and Withum, bringing together senior practitioners across valuation, compliance, and audit to examine the growing pressures facing credit-focused investment managers. The session will explore how regulatory scrutiny, evolving audit standards, and valuation complexity are converging and what that means in practice for firms operating in today's credit markets. Speakers will draw on their collective experience advising investment managers to provide practical perspectives on fair value methodology, audit risk, and compliance exposure across credit portfolios. Attendees will gain actionable insight into how valuation, compliance, and audit functions should be structured and aligned, the areas currently attracting the most regulatory and auditor attention, and the steps firms can take now to strengthen their frameworks and reduce risk.

Regulatory Updates

SEC Divisions of Investment Management and Corporation Finance Issue Staff Guidance Supporting Retirement Plans for Small Businesses

SOURCE | SEC | [READ MORE](#)

On May 5, 2026, staff in the SEC's Divisions of Investment Management and Corporation Finance issued guidance addressing certain questions regarding the application of the federal securities laws to pooled employer plans (PEPs). PEPs allow multiple, unrelated employers to join a single retirement plan, thereby reducing some of the costs, administrative burdens, and potential liability attached to sponsoring a plan on their own. The SEC staff guidance provides the staff's views on the applicability of the federal securities laws to these plans.

SEC Proposes Amendments to Permit Optional Semi-annual Reporting by Public Companies

SOURCE | SEC | [READ MORE](#)

On May 5, 2026, the SEC proposed rule and form amendments that would give public companies the option of filing semiannual reports in lieu of quarterly reports to meet their interim reporting obligations under federal securities laws. Companies that elect to file semi-annual reports would file one semi-annual report and one annual report for each fiscal year in lieu of three quarterly reports and one annual report.

SEC Staff Expands Co-Investment Relief to Registered Open-End Funds

SOURCE | SEC | [READ MORE](#)

On April 27, 2026, SEC staff expanded co-investment exemptive relief to permit certain registered open-end funds to participate in co-investment transactions alongside affiliated private funds and business development companies, subject to specified conditions designed to mitigate conflicts of interest and protect fund shareholders. The relief represents a significant development for fund sponsors seeking greater flexibility in structuring investment opportunities across affiliated fund platforms.

Regulatory Updates

CFTC Chair Defends Federal Oversight of Prediction Markets

SOURCE | CFTC | [READ MORE](#)

On May 1, 2026, CFTC Chairman Michael S. Selig reaffirmed that prediction markets fall under federal derivatives regulation, not state gambling laws. He emphasized prediction markets' role in price discovery and risk management, positioning them as legitimate financial products. The Chairman also highlighted ongoing enforcement efforts targeting insider trading and market abuse in these markets. As prediction markets expand, often alongside crypto platforms, the CFTC is reinforcing its jurisdiction and oversight. The remarks signal continued enforcement paired with increasing regulatory clarity.

CFTC Issues No-Action Relief for Fully Collateralized Event Contracts

SOURCE | CFTC | [READ MORE](#)

On May 4, 2026, the CFTC issued supplemental no-action relief to Railbird Exchange and Bitnomial Clearinghouse, expanding flexibility for fully collateralized event contract transactions. The relief addresses swap data reporting and recordkeeping requirements and removes prior restrictions on third-party clearing. This move supports the continued development of prediction markets and event-based derivatives under the existing regulatory framework. It signals the CFTC's willingness to refine rules to accommodate new market structures while maintaining oversight. For crypto-related platforms, it reinforces a shift toward more tailored, activity-based regulation.

CFTC Sues Wisconsin to Reaffirm its Exclusive Jurisdiction Over Prediction Markets

SOURCE | CFTC | [READ MORE](#)

On April 28, 2026, the CFTC filed a lawsuit against Wisconsin after the state brought enforcement actions against several federally regulated prediction market platforms, including Kalshi, Polymarket, Crypto.com, Robinhood, and Coinbase. The CFTC argues that Congress granted the agency exclusive jurisdiction over event contracts and derivatives markets under the Commodity Exchange Act, meaning states cannot apply gambling laws to federally regulated exchanges. Chairman Michael S. Selig stated that states "cannot circumvent the clear directive of Congress," reinforcing the agency's position that prediction markets fall under federal financial regulation rather than state gaming oversight. The lawsuit is part of a broader push by the CFTC to establish nationwide authority over prediction markets as these platforms continue expanding across crypto and traditional financial markets.

Regulatory Updates

FCA Publishes First Phase of SMCR Reforms in Policy Statement PS26/6

SOURCE | FCA | [READ MORE](#)

The FCA published Policy Statement PS26/6 implementing the first phase of changes to the Senior Managers and Certification Regime consulted on in CP25/21, with most changes taking effect from April 24, 2026. The FCA stated that the reforms are intended to introduce targeted measures to reduce unnecessary burden for firms, including extending the deadline for submitting most Directory updates from seven business days to 20 business days, while retaining the existing timeframe for updates relating to certification staff ceasing to perform certification functions. The Policy Statement also set out further changes that will take effect on July 10, 2026, including increases to certain Enhanced Firm thresholds, with additional reforms scheduled for September 1, 2026, to align with PS25/23 on non-financial misconduct in financial services. The amended rules are contained in Appendix 1 of PS26/6 across updates to SYSC, COCON, FIT and SUP, and the FCA has indicated that a further consultation on phase two reforms is expected later this year.

Enforcement Actions

SEC Charges 21 Individuals with Alleged Wide-Reaching Insider Trading Scheme

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On May 6, 2026, the SEC charged 21 individuals with a decade-long insider trading scheme that used information misappropriated from multiple global law firms, resulting in tens of millions of dollars in illicit profits. This indictment has dismantled a large-scale, decade-long, international organized criminal network of corporate attorneys and financial professionals who are accused of stealing confidential information on nearly 30 merger and acquisition deals and trading on MNPI from several of our nation's leading law firms.

This case highlights the effectiveness of the MAU, which focuses on market surveillance to uncover potential violations of fraud, insider trading, and other illegal activities. The MAU leverages sophisticated data analysis to detect suspicious trading patterns, market manipulation, insider trading, and other crimes.

Enforcement Actions

SEC Obtains Final Judgment as to Investment Adviser and his Entity in Alleged Unregistered Oil and Gas Offerings

[SOURCE](#) | [SEC](#) | [READ MORE](#)

On April 27, 2026, the United States District Court for the Central District of California entered final judgments as to David P. Ortiz and his entity DaveGlo Investment Group, Inc., whom the SEC previously charged with selling securities in unregistered oil and gas offerings, acting as unregistered brokers, and, as to Ortiz, failing to disclose financial conflicts of interest to advisory clients.

SEC Obtains Final Consent Judgments in Connection with Alleged “Free-Riding” Scheme

[SOURCE](#) | [SEC](#) | [READ MORE](#)

On April 27, 2026, the United States District Court for the Eastern District of New York entered final consent judgments against Christopher Flagg, Daquan Lloyd, and Travis Treusch for their roles in an alleged \$2 million “free riding” scheme. According to the SEC’s complaints, the defendants participated in a fraudulent scheme involving unfunded brokerage accounts that were used to generate trading profits in other accounts they controlled by exploiting instant deposit credits provided by a broker-dealer. The SEC further alleged that the defendants used at least 600 brokerage accounts over a four-year period to conduct the scheme and generate guaranteed profits at the broker’s expense.

SEC Files Settled Action Against Financial Technology Company and its Founders for Alleged Fraudulent Disclosures

[SOURCE](#) | [SEC](#) | [READ MORE](#)

On April 27, 2026, the SEC filed a settled action against RYVYL, Inc., and its two founders, former CEO Fredi Nisan, and former chairman of the board Benzion Errez, for their respective roles in making alleged false disclosures in RYVYL’s public filings. According to the SEC’s complaint, RYVYL, Nisan, and Errez defrauded the investing public by falsely depicting RYVYL in its public filings as a cutting-edge financial technology company that developed, marketed and sold “innovative blockchain-based payment solutions” and that its “proprietary blockchain-based technology” served as the settlement engine for all transactions within its ecosystem. However, RYVYL’s actual business was reselling credit card or ACH processing services of other companies and RYVYL never processed any transactions through blockchain technology. The complaint further alleges that, until May 2025, RYVYL never told the public that a substantial majority of its transactions involved high-risk merchants, such as cannabis dispensaries.

Enforcement Actions

SEC Obtains Final Consent Judgment in Alleged Investment Fraud Scheme that Targeted U.S. Navy Veterans and Active-Duty Service Members

SOURCE | SEC | [READ MORE](#)

On May 4, 2026, the SEC charged Robert L. Murray, Jr., a former investment adviser representative, with defrauding elderly clients by misappropriating their funds for personal expenses and concealing the misconduct through false statements and unauthorized transactions. According to the SEC's complaint, Murray abused his position of trust to obtain access to client assets and diverted investor funds for his own benefit over an extended period, causing substantial harm to vulnerable investors. Murray solicited prospective investors in a Facebook group for active duty, reservists, and veterans of the U.S. Navy.

SEC Files Settled Charges Against Former CEO for Misappropriating Corporate Assets

SOURCE | SEC | [READ MORE](#)

On April 29, 2026, the SEC filed a settled action against Anthony J. Cataldo, former Chairman and CEO of a clinical-stage biopharmaceutical company, for allegedly misappropriating approximately \$3.2 million from the company and engaging in deceptive acts to conceal his misconduct from others, including the company's auditors. According to the SEC's complaint, Cataldo made unauthorized transfers of corporate funds to his personal accounts and used nearly \$2.6 million in company funds as a downpayment on a Beverly Hills residence, while allegedly making materially false and misleading statements to auditors and investors regarding the use of investor funds.

SEC Files Settled Insider Trading Action Against Texas CPA and Former Internal Audit Head of Public Company

SOURCE | SEC | [READ MORE](#)

On April 28, 2026, the SEC filed a settled action against Jai Sondhi, a licensed CPA in Texas and the former Senior Director of Internal Audit and Controls at Canoo, Inc., for allegedly engaging in insider trading. According to the SEC's complaint, in June 2022, Sondhi learned during internal meetings that Canoo was on the verge of entering into a major contract with a prominent retailer for Canoo to sell the retailer thousands of electric vehicles. The complaint alleges that Sondhi purchased Canoo common stock and call options in late June and early July 2022, while aware of this material nonpublic information and despite Sondhi knowing that company policy prohibited him from doing so. As further alleged, on July 12, 2022, Canoo publicly announced the transaction with the retailer, and its stock price increased 53%, resulting in ill-gotten gains to Sondhi totaling \$54,965.23.

Enforcement Actions

CFTC Orders New York Trader to Pay \$200K for Spoofing

SOURCE | CFTC | [READ MORE](#)

On May 6, 2026, the CFTC announced an order filing and settling charges against Sidney Lebental, a dual French and American citizen who resided in New York, for spoofing while trading treasury futures, primarily the Ultra U.S. Treasury Bond futures contract, on the Chicago Board of Trade. Lebental engaged in spoofing on approximately 50 occasions from January to September 2019 by placing genuine orders for cash Treasuries (or, in some cases, for a Treasury futures contract) that he intended to execute on one side of the order book while entering on the opposite side of the market in a correlated Treasury futures contract the spoof orders he intended to cancel before execution. Once his genuine orders were filled, he canceled the spoof orders.

CFTC Secures Judgment Against Michigan Commodity Pool Operator and His Company Engaged in Fraud Scheme

SOURCE | CFTC | [READ MORE](#)

On May 1, 2026, the CFTC announced the U.S. District Court for the Eastern District of Michigan entered a consent order against Andrew Middlebrooks and his firm EIA All Weather Alpha Fund I Partners LLC, a Delaware company, based in the Detroit area, for operating a fraudulent commodity pool. From at least mid-2017 through April 2022, Middlebrooks and his firm solicited and retained investor funds through a commodity pool, EIA All Weather Alpha Fund I LP, by making false and misleading statements to existing and prospective participants.

Singapore – MAS Issues Prohibition Order Against Tan Keng Cheng

SOURCE | MAS | [READ MORE](#)

On May 7, 2026, the Monetary Authority of Singapore (MAS) issued a one-year prohibition order (PO) against Mr. Tan Keng Cheng, a representative of Lim & Tan Securities Pte Ltd (L&T), following his payment of \$65,000 to MAS as part of civil penalty settlement agreement for offences of unauthorized trading. From January 2019 to May 2019, Mr. Tan executed trades in Epicenter Holdings Limited (Epicenter) in three L&T accounts he managed, based on instructions from a third party. In doing so, Mr. Tan deceived L&T into believing that the account holders had instructed the trades and were the beneficial owners of the shares. Under the PO, effective May 7, 2026, Mr. Tan is prohibited, for one year, from carrying on or providing any MAS regulated or authorized activity or business, from participating in the management of any financial institution, and from acting as a director, partner or manager of any financial institution. He is also prohibited from becoming or increasing his interest as a substantial shareholder of any financial institution that is a corporation.

Crypto Corner

DOJ Signals Focus on Crypto Crimes, Not Developers

SOURCE | DOJ | [READ MORE](#)

On April 27, 2026, acting U.S. Attorney General Todd Blanche reiterated that the DOJ’s focus is on criminal misuse of crypto, not on developers or coders building blockchain tools. Speaking at the Bitcoin 2026 conference, Blanche said developers who do not knowingly assist criminal activity “are not going to be investigated and not going to be charged.” The comments built on Blanche’s April 2025 DOJ memorandum, *Ending Regulation by Prosecution*, which directed prosecutors away from targeting software developers absent evidence of willful criminal conduct. The DOJ emphasized that enforcement efforts will remain focused on fraud, sanctions evasion, money laundering, and other illicit activities. The remarks signal a continued shift toward distinguishing neutral software development from criminal facilitation.

Leadership & Development

Leadership By Example Is the Discipline AI Cannot Replace

FAUSTINO JÚNIOR | [READ MORE](#)

Culture is not defined by what leaders say. It is defined by what they do when conditions make integrity expensive. Across coaching engagements, the pattern is consistent: the leader articulates clear values, then behaves differently under pressure. That gap, repeated daily, becomes the operating culture. The problem is structural, not moral.

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