

Chris Conte Oral History

November 15, 2018

Harwell Wells: I'm here with Chris Conte in Washington DC at the Office of Steptoe & Johnson, on a snowy November 15th, doing an oral history for the SEC Historical Society, covering Chris's career in the Division of Enforcement at the SEC. We usually like to start our interviews with a little discussion about your background.

Chris Conte: Sure.

Harwell Wells: About where you grew up, where you went to college, how you got interested in the law.

Chris Conte: Happy to.

Harwell Wells: Can you tell me a little about that?

Chris Conte: Happy to Harwell, thanks for having me. I grew up in Connecticut and went to undergrad at Brown University. When I graduated from Brown, I really didn't have a sense as to where I was going long term. I ended up getting a job in retail. I came to Washington DC and worked for the Hecht Company, in their management training program. After about two years of being at the Hecht Company, I decided I'd give law school a shot and see what that was like. And went to Catholic University here in DC and took a job at Steptoe where I obviously am now. I was in their summer program and then came to Steptoe and worked there for four years.

Harwell Wells: Did you have an interest in securities law in law school? When did that develop?

Chris Conte: I would say my interest in securities law developed when I was thinking about leaving Steptoe. I think I may have taken one securities class in law school. My interest really wasn't so much in securities law as much as it was what the SEC and Division of Enforcement did.

Harwell Wells: How would you describe that thing, because I'm curious about why you chose when you left the firm to go to the Division of Enforcement and what attracted you to that?

Chris Conte: I was a litigation associate at Steptoe. And while I loved being here, and I loved all the people, I didn't find the work at the time to be particularly inspiring. I'm a competitive person, I like to win. Litigation is often about trying to win, and I enjoyed that aspect of it, but I really wasn't someone who loved to write briefs. I didn't love all of the bickering and back and forth that went along with typical litigation. What I really enjoyed doing was taking depositions, reviewing

documents, figuring out what happened. But when you get to the deposition stage in litigation, it's not actually trying to figure out what happened, it's about creating a record that's going to be successful for your objectives.

Chris Conte: When I was looking for places I might want to go, the SEC stood out over a number of others, because I had spoken to people who were working there at the time and they said, "Look, you get to investigate, you get to find out what happened. You get to go through the documents and ask the questions." And it's really more of an open-ended effort to try to really explore and determine what happened, and so I found that idea to be very appealing. On top of it, it seemed like the work of the Commission and the SEC at the time and still to this day was very meaningful. Doing litigation was oftentimes about, okay, who's going to write the big check or write the check or whatever. But I didn't feel that I was making much of a difference in the lives of people, if you will. The idea of investigating possible violations of the federal securities laws and bringing some redress to people who have been harmed and to try to prevent harm going forward.

Chris Conte: All those things were very attractive to me when I was thinking about where to go after Steptoe.

Harwell Wells: You joined the SEC in 1992 after a couple of extraordinary decades in the history of the Enforcement Division dating from Judge Sporkin, and then the 1980s, with a lot of high-profile cases -- insider trading, and so forth. What was your impression? Before you walked in the door what was your image of the SEC? You've already answered that a little.

Chris Conte: Right. I knew nothing but good things about the SEC. I told people I was going to go work there, and particularly at Steptoe there's a strong history of government service amongst the folks who work here, and there were all sorts of examples here of people who spent time in the government, and so going to government and government service certainly was held in high regard. And the SEC in particular, again, I knew people who were working there, and they just loved their jobs. They loved the mission, they loved doing the work, the investigations. And so I felt very confident that I was going to a place that had a terrific reputation, that did meaningful work, and, as corny as it sounds, an example of good government, and good for the people.

Harwell Wells: I'm just curious about both your early career and I guess the early career of any staff attorney at the SEC. When you first came in, you said you had not done a lot of securities or maybe taken one securities class. What initial matters did they put you on? I'm also curious what training you might have gotten?

Chris Conte: When I came in it was the fall of 1992, and it was interesting because I had gotten hired, I had told folks here I was leaving, and then there was a hiring freeze. And so my actual departure got delayed weeks and then months. And so I showed up, I think it was in the fall of '92, and at the time there really wasn't anything that I was put on. I think in part it was because at the time there was a

group of folks who were finishing up a very significant investigation involving Salomon Brothers and the Treasury auction scandal. And because I had had a litigation background, when I came in pretty early on, people said, "Well, I think you would be good for that." And so that ended up being ... that litigation ended up being brought relatively soon.

Chris Conte: For my first couple of weeks, months, I was just analyzing some trading records to see if they might reflect potential insider trading and a case we'd want to investigate at the time.

Harwell Wells: And then that's before they moved you on to the Salomon Brothers matter.

Chris Conte: Yes.

Harwell Wells: And then what did you do on Salomon Brothers? Obviously, the auction rate securities case are very big deal in the early '90s.

Chris Conte: This involved Solomon Brothers submitting false bids in Treasury auctions. And so, what happened there is that Solomon Brothers would end up through false bids and unauthorized customer bids acquiring substantially more of the securities than they could have otherwise. And so, when I first got put on that matter, the two managing directors who had been sued, Paul Mosher and Tom Murphy, were the principal defendants, and there were also criminal investigations that were going on at the same time. So, we had written the complaint and we were going to go forward with discovery. So, it was document review, motions, writing, responding, but then doing deposition, deposition prep and the like.

Harwell Wells: It's my understanding there was a separate trial unit within the Division of Enforcement, is that something ... I don't know if you were assigned to it, or did you just work with them?

Chris Conte: I just worked with them at the time. There was and remains a trial unit in DC, and the approach to how the trial unit works with the investigative side of the Division of Enforcement has been tinkered with over the years. But I ended up working with a gentleman there whose is an institution, Kevin O'Rourke, who was known for his idioms. You walked in, you spoke to Kevin, he's like "what do you hear, what do you say" like right out of James Cagney. And Kevin would say, "No, give me the local color." "What do you mean give me the local color?" It means he didn't want an explanation of what actually happened. He wanted to know what the room was like, and did people seem nervous. It was all the soft stuff. "I don't want your deliberate thought here, or deliberate reflection. I just want your impressions" Kevin was great, but he loved to push buttons. And that played out a few times when he was taking the depositions.

Chris Conte: And there was a little bit of upheaval in a couple of those, but great guy, great to work with as well. And those cases ended up ultimately settling.

Harwell Wells: If that was your early experience, how would you describe ... I guess that was your training then, to work alongside them. What did you take away from that?

Chris Conte: Well, it was great to have that opportunity so early on to work on something that was so significant and important, but it wasn't the real, typical work at least on the investigative side for staff attorneys. And so I didn't do that full time, but as I did that, and started to get more rolled in if you will to the Division, I started doing cases that were the typical kinds of cases a staff attorney would work on early in their career - - insider trading and financial fraud. At the time pump and dump cases. All of those started to end up on my plate as I was working my way through my staff attorney years.

Harwell Wells: Okay. And you say typical, is that because it was typical for the Division of Enforcement, or because it was typical for relatively junior attorneys to be given those matters?

Chris Conte: I think both. At the time, and obviously all of this changed towards the end of my career when Rob came in as Director and the Division went to specialized units, there were no real specialized units at the time, everybody was a generalist. And so, there were certain cases that people, the supervisors felt were good cases to learn on, and they were frequently many of these kinds of investigations that you could pursue. Not all of them turned into a matter that ended up being brought. But insider trading, pump and dump, offering frauds, financial frauds - - those are all the types of cases that certainly back then, and certainly to a degree now, still remain very prominent. And so, they were the work most everybody did, but also the kinds of things people worked on early in their careers.

Harwell Wells: I guess my question is the autonomy you had against oversight that was provided you. So when you were given a matter, did you work on it alone, did you work with other individuals? And to what extent did you have ... were you provided significant oversight by the division?

Chris Conte: When I came in there wasn't any real formal training that I remember. You learned as you went along. And you relied on your Branch Chief who was your first line supervisor to assist you in the day-to-day work. So, writing a subpoena, how to review documents, what to review for, how to take testimony, do a testimony outline - - all those things to a significant degree were learn as you go. But the Branch Chief would advise and assist in your training with respect to that, but also give you overall objectives, purposes, help you identify issues. And the Branch Chief was there in most every instance when you took testimony early on, so that they could jump in and help if necessary.

Harwell Wells: Were any of those more ... I don't want to say ordinary, but perhaps the more typical matters particularly memorable for you looking back?

Chris Conte: There are a couple that I can remember as a staff attorney. There was a financial fraud investigation that we were doing. It was a company that was a new company trying to gain traction, had a good product but one that was still suffering some quality issues. I remember a couple of aspects. I remember looking at documents, and I'm looking at these billing invoices, and I'm looking at the one on the left and I'm looking at the one on the right, and there's something odd about the lettering for what is otherwise the same company name. And I'm looking at it, and I'm like, "Well why does that zero have a line through it and why does that zero not? And it occurred to me at that moment, that one had been generated in a computer and the other one had been typed.

Chris Conte: And before long we realized that on midnight, just before midnight on 12/31, because none of these orders were going to actually ship and bill on time, they took a typewriter and they typed up all the invoices and billing documents because the computer couldn't be altered in that way. And so, I remember just because I, for some dumb reason was looking at it, realized that all these things have been back dated, the documents have been falsified. And I remember the CEO who came in and cried in testimony, and he said, "Mr. Conte, I hope someday you'll appreciate, I'm not a bad person. I didn't mean to do bad things, but I had so many people depending on me, people's jobs and families whoever I ... Maybe we made some mistakes." And I think the lesson I took away from that is that, look, there's some really evil, bad people in the world but most people want to and try to do the right thing, but they're put in very difficult situations. And it's hard to make the right choice and do the right thing.

Chris Conte: Either because they feel responsibilities or because other people come to them and put pressure on them. A lot of my cases over time were examples of just people who, for one reason or another just, ... they had a moment of failure. Not that they were truly bad, greedy people. Look, there were certainly those. But I remember that being an aspect of that case and just appreciating again the human element of and the human condition of what happens.

Harwell Wells: Does that change the way you deal with either those individuals or deal with perhaps future individuals you're investigating?

Chris Conte: The way it worked for me was to ... and I would always coach and advise staff attorneys. And I would always say to them, "Look, what you are investigating has happened in people's lives. They know everything about it, they lived it. You need to learn it as if you lived it." I said, "Because if you do, then when you step into testimony, you will see and be able to draw relationships between documents and words and it emerged." Because in getting back to your point, in order to be effective, you need to tap into something that has occurred with that person that might open them up to say something that they may not have otherwise been prepared to do when they walked in. To me, it was always trying to humanize it. And so that experience of having that CEO talk very personally about what had happened - if you try to understand about the human dynamics of things, you can relate to people across the table, and they may open up and reveal things that they weren't otherwise prepared. That's

one example of how that situation for me at least carried forward into trying to become a more effective investigator.

Harwell Wells: Would it ever have changed the way you felt about penalties, about the, that staff's response to ... apart from the, right, making you a better investigator?

Chris Conte: I think it did. I always looked at ... A lot of times you would, in matters, you would want to try to find precedent for what you were doing so comparable cases should be dealt with comparably. That's how the government ought to be. On some level you would sometimes be constrained because of the way to charge it, or the penalty, or the approach. You had five or 10 other cases that looked pretty similar and that set the domain. But ... sometimes you really didn't have a whole lot of latitude that you could utilize. But no, I think even if it was a case where discretion was limited maybe on the charging or the penalty side, you maybe, in terms of how you wrote it up, or at least maybe how you dealt with the lawyer, how you dealt with the person, you could take and be more humanistic as part of it.

Harwell Wells: I don't want to take too much time. But can you walk a little through how you would have walked a typical matter from beginning to end while a staff attorney?

Chris Conte: Sure, well as a staff attorney the staff was ... there was no Office at the time of tips, complaints and referrals. It was people who would read things in the newspaper, people would get referrals from what was then the NASD. You might have some companies come in and self-report. Things would just come in through some mechanism or another, and you'd get assigned to it. Typically, while there is informal, and there's formal, investigations, frequently you knew pretty early on that it was something you were going to need a subpoena for. It's not like cases got worked up for three months or six months and then transitioned. Typically, you knew, okay, I'm going to need subpoenas to do this, and you went to that. And getting a Formal Order from the Commission wasn't a particularly high bar. I think the standard has always been official curiosity, although that said, certain Commissions have wanted to be more engaged early on. And practices around Formal Orders, there was delegation that certainly occurred under Rob. And then those things, I think got pushed back a little bit.

Chris Conte: Anyway, you figure out what documents you need, you write up your subpoena, send it out. You collect the documents, you review them. If you see things that are reflective of further inquiry, you develop a testimony outline, you start bringing people in, ask them questions, and then at the end, together with your Branch Chief at the time, assess the record. Is there more that we need to do, is they're not, is there a potential violation or not? If there is, then you go forward with what then was the Wells process. It was less white paper stuff that went on. And then you would engage with counsel, and you'd pretty quickly discern whether or not this was something that you had gotten right or felt you were right.

Harwell Wells: Engage with counsel, engaging with the opposing party's counsel.

Chris Conte: Yes, opposing counsel, Wells submissions. You would review the record. You'd either feel good about what you've done or realize maybe you left some things, things that you missed or should have focused on. And typically, the cases settled. Not all of them, but a large number of them did. And then you're taking whatever the recommendation is, whether it's to recommend that a matter be brought and settled, or a matter be brought and litigated. And back then the trial unit got involved only after the investigation was done. That model has been, again, tinkered with over time. That's really from start to finish how an investigation is done.

Harwell Wells: Okay. And in '97 you became a Branch Chief.

Chris Conte: Yes.

Harwell Wells: How did that change what you were doing?

Chris Conte: Well one thing that was really interesting is that back when I ... As an aside, when I was applying for the Branch Chief position, there were, I think seven of us applying for five positions. Now, and it changed even before we had the restructuring where Branch Chiefs went away and became Assistant Directors, now there's like 40 people applying for three positions. My chances were a lot better back then than they would ever have been now. I'm a Branch Chief. I had done whatever investigations I had done. The first thing I did when I met with people was say, "Look, I need your help. I've been here for this long, you've been here for 20 years. I haven't done nearly as much as you've done."

Harwell Wells: You're talking about the staff attorneys under you.

Chris Conte: Yes.

Harwell Wells: Okay.

Chris Conte: Some of them had been there for 20 years, some of them had been there for three or four. It's all depended. But I felt, at least for me, the best approach was to come in and just be transparent. I've done this stuff, I haven't done that stuff, we're going to figure it out together. I hope that, even though I've only been here X amount of time, and you've been here longer, or you may have applied for the job that I got, because that happened all the time. Let's work together. Let's bring good cases. Help me learn. We'll go forward and we'll do so. Early on, you have to adjust your focus because while you're responsible as the Branch Chief, ultimately, for the matter and the matter getting done right, you also are in a supervisory role, so you can't take the lead on everything. You have to train and help people grow and develop as attorneys.

Chris Conte: Now you're reporting to an Assistant Director who has again a breadth and depth of experience that you don't have, and I was so fortunate to work under Jerry Eisenberg as my Assistant Director who was just crazy smart, sensible and very ... just a tremendous person too. So, you have that different change in scope and focus as a Branch Chief.

Harwell Wells: I want to move on a little bit. Before I do, a lot of the ... sometimes the easy people to study, or the easy to learn about, are those who are Directors, were those who were Chair of the Commission and I'm curious if there are individuals who really stuck in your memory. You already mentioned Kevin O'Rourke as really contributing a lot, as very memorable individuals who, while you were in during this period at the Commission.

Chris Conte: There's one person that I worked with as a staff attorney who really taught me a lot about how to investigate and how to ask questions. And her name was Shelley Grant. Shelley was a tough, tough person. Very demanding, high expectations. I still remember we interviewed somebody one afternoon, and she's like, "We're getting on the plane now. We're flying out, we're going to lock him in tomorrow in testimony." I was like, "Whatever you say, Shelley, let's do it." I remember her asking questions, and she didn't like the questions that I was asking. And she started kicking me, and kicking me hard, under the table while I was asking the questions. She never backed down. Her questions were really sharp. So, she's someone in particular, at least in terms of helping me from an investigative standpoint, I do think of her a lot.

Chris Conte: Jerry Eisenberg, who I worked so closely with, just for always thinking about doing the right thing -- investigating cases that made sense to investigate. Jerry was just terrific at always asking the question, like, why are we doing this? Does this make sense to do? And just having a tremendous sense of, "We have to make sure we're feeling good about what we do."

Harwell Wells: Obviously during your time the leadership changed as it inevitably does. Early on you worked first ... The first director you would have worked under would be Bill McLucas succeeded by Dick Walker in 1998, and we can get to the individuals who then succeeded them a little later. But I'm curious from your perspective, how did it change, if the top of the Division changed, the work you did, change the tone of the Division of Enforcement?

Chris Conte: I was a supervisor for a little ... for just I think a couple years when Bill was there. My interactions with Bill when I was a staff attorney were primarily, we worked out in the gym at the same time and so we got to know each other in that way. As a supervisor and as a Branch Chief, I didn't have as direct contact with him as say the Assistant or the Associate. But I remember we had these big huge Monday meetings with supervisors and go around the table to figure out what the issues were going to be for the week or the coming weeks. And Bill was always very direct and very pragmatic, and smart, down to earth, very easy to relate to. He always had this - - rubbing his face thing - - when he'd ever feel like the pressure of what's coming. Those were my memories of him. But always

when I think of Bill, I just think about somebody who's just no nonsense, whatever it is, let's get it done and move forward and stay aggressive.

Chris Conte: Dick was somebody who I think of as always being bright and positive, who was ... enthusiasm just coming out of his pores. He I remember ... I think under him, I just remember doing a lot more sweeps and internet-related sweeps, pump and dump, promoter cases. The idea of trying to have a big impact in an area where you could do 10,000 cases, you'd never stopped doing these cases. The idea being, let's bring a bunch of them and see if we could extinguish conduct or effect conduct far and wide by bringing a whole bunch, and being impactful and hopefully deterring the thing. That was a way to leverage the resources that we had to try to maximize the message.

Harwell Wells: Was the idea of the sweep to hit some of the worst actors or to get a lot of media coverage that would scare people away?

Chris Conte: I think it was really the latter. Certainly in the areas of the pump and dump, the promoter kinds of cases, because they're just so many of them, the idea was to say, "Look, we could do this many, do them fast and watch out we could come after you tomorrow." And so, it was not necessarily about, at that time, trying to go and find two, three high profile entities and pursue them.

Harwell Wells: Also in this period in the late '90s, there were certainly media reports at the time that increasing numbers of people would be leaving the Division of Enforcement, frankly, because the Division paid ... the law market was booming, the internet economy was booming, because the rewards outside of the Commission were so great that there was really a lot of turnover and there was some discussion of morale. What was your impression being there?

Chris Conte: So, I certainly remember that that was happening, and I think everybody was in their own particular situation or circumstance. I don't know if at the time, I don't think ... At some point I got married and I had two young kids. My wife worked as well, and so you we were able to do just fine. At some point the SEC pay scale was adjusted, and we at the SEC had salaries that were much higher than other GS government employees. And I think that was a way to try to address the retention issue, to try to keep people there and not lose quality, capable people. It certainly affected folks. I think it got addressed to some degree. I don't remember it crippling or having a crippling effect, but it certainly was an issue.

Harwell Wells: I'd like to move on a little to the 2000s when you rose up in the Division, and at some point I want to turn to the cases you were involved with, but I want to preliminarily talk about some questions about the roles you played and about the structure of the Division and the Commission. In 2000, you became an Assistant Director. And what did that actually mean? What did it entail to become an Assistant Director and your responsibility?

Chris Conte: Sure. As an Assistant Director you supervised, and it depended on how it was constituted, three or four branches. You had three or four branches reporting to you. A branch back then could have anywhere from three to four staff attorneys and a Branch Chief. Basically, I ended up supervising, three or four Branch Chiefs and a total of somewhere around 14 or 15, 16 staff attorneys. The work changed because I was no longer having day-to-day responsibility for the running of cases, the Branch Chiefs were doing that. And so, they were providing direct supervision and training and the like. I became more involved with the overall scope, direction, planning ... moving things along, interfacing with the Associate Director who had greater contact with the front office and the Commission.

Chris Conte: It ended up being far more supervisory, less hands on, and more memos to read, more things to move along, and, ultimately, now becoming more involved in the negotiation of the resolution of cases. As a Branch Chief my role was to assist the Assistant Director and the Associate in doing that, but now when cases were coming to an end and they were being ... the Wells were being discussed and the resolution was on the table, the Assistants and the Associates were playing a greater role.

Harwell Wells: I think you already answered some of this question, but I am curious. To what extent would you actually ... so before negotiation would you find yourself very involved in a case? Would you just be loosely keeping an eye over a staff attorney handling a particular matter?

Chris Conte: I would say I was mostly interfacing with the Branch Chiefs, but the Branch Chiefs would come in and we'd report ... they report on the cases they were doing and investigating. For me, my first ... I don't want to say first because no case should have ever gotten to my desk with me not knowing anything about it. I would know things about it, but really the memo would come, and it was really ... For me the biggest challenge was trying to look at the memo and appreciate what the evidence really was.

Harwell Wells: When you say the memo is that after a formal-

Chris Conte: The action memo.

Harwell Wells: The action memo.

Chris Conte: Yes. I apologize. When the Division of Enforcement is going to make a recommendation, what it does is prepare a memo that summarizes what the facts are, analyzes the law with the facts, and then recommends what the proceedings should be. And so, the action memo was a document that was 10 to 20, 25 pages that basically laid out the evidence. And so, because you're the Assistant and not the Branch Chief, you're not in testimony, you're not reviewing the documents. And so that document is several steps removed from what has actually happened. Those were things that the Assistants read, and for

me it was a significant point in the investigation, where I had to try to appreciate how strong is the evidence, have we assessed the evidence correctly? How strong a case is it given what we have to prove?

Chris Conte: And so, the action memo process and review ended up being a fairly critical piece of the job.

Harwell Wells: Just because I'm curious about the process, was there ever a point where you would get an action memo and say, "We're not going to proceed with it or was it just your job to strengthen what was going?"

Chris Conte: Generally speaking, for it to progress to that point, you should know enough about the case to say, "We're bringing something." What might change would be that let's say you had been investigating and there were four individuals that you thought an action ought to be brought against. You may look at it and say, I think we're there with two of them, but I don't think we're there on the other two. That could change. Or I don't think this charge is one we should include, or we've sufficiently supported, so we shouldn't go with that. Those are the kinds of things that could happen. But it was ... I'm not sure I remember a situation where I got something that was insupportable, and I killed it at that point. Those kinds of things happened as a result of the Wells process, where in fact we did back off of bringing something or changed it because of the Wells process.

Harwell Wells: And then you became an Associate Director in '06.

Chris Conte: Yes.

Harwell Wells: How did that change from being an Assistant Director?

Chris Conte: From there you go to having three Assistant Director groups under you. You've now got 45 to 50 people who report to you, and they're ... you're trying to figure out from a group perspective how the cases are proceeding, making sure they're moving along. Making sure that you let your good people do their jobs and not get in the way and spend your time and attention where necessary if you've got folks who need the help. So, there was that, but really at least from the Associate standpoint you're much closer, much more closely connected to the Deputy Director, Director and the Commission. So, you again, you're involved in resolving cases, but you're more involved in getting cases through the Commission, presenting at Commission meetings, really assisting the Director and deciding policy, policy initiatives, operational matters for the Division. Those kinds of things.

Harwell Wells: Before we go on, did you like the supervisory jobs as opposed to being a staff attorney?

Chris Conte: I found that with every promotion I got, I moved a little further away from what I honestly thought I was best at. Look I enjoy working with people, and we

brought a lot of great cases, and I ultimately think I was pretty good at my job. But when I think about all of the skills, all of the responsibilities, I think the Staff Attorney, Branch Chief jobs were the most fun because of the nature of the work. At least that was true for me.

Harwell Wells: And obviously in these roles that you had other Directors you worked with -- first, Steve Cutler, then Linda Thompson, and then towards the end of your time, Rob Khuzami. As you got closer to those individuals, what was your impression of each of them?

Chris Conte: Sure.

Harwell Wells: And then as well, how did a new Director of Enforcement change your work or change the direction of the Division?

Chris Conte: Steve came in, and I had had Steve in a case before he was Director. And so I knew him from that experience.

Harwell Wells: I'm sorry, when he was ... other side of the table, or as deputy?

Chris Conte: Wilmer, he was at Wilmer.

Harwell Wells: Okay.

Chris Conte: He was at Wilmer, and I can't remember what the exact issue was in the case, but I just remember thinking, "Oh we got this one right?" And he came in and I realized that there was stuff we didn't know and didn't appreciate. I knew he was a very capable lawyer, smart guy. So, when Steve came in, I had a lot of interaction with him, because at the time, I was further up in the chain. There were a lot of financial fraud cases that I was bringing. Steve was pretty hands on, accessible, very deliberate, thoughtful, super smart, aggressive. It was in that period of time, I think, when he came in it was Sarbanes Oxley post Enron all that time. And I just had a lot of respect for Steve. He was very relatable and, he was funny as well. So, under him we had a terrific relationship with the Chair at the time, so all around just terrific things.

Chris Conte: Linda had been working for Steve and I had grown to know Linda well. I reported to Linda. She made me an Associate under her, and we had a terrific partnership and relationship. She was more hands off I think, hopefully, reflecting that there was some degree of trust there that we'd get things right. The other Associate that was reporting to Linda at the time, who's now passed away, was Scott Friestad. My career and Scott's career were running in parallel. He got an Assistant job and then I got one, he got the Associate job and then I got one. And we were very close and would talk to one another a lot about our cases. And so, Linda was ... I always remember Linda was terrific at working the room when it came time to come in and you got opposing counsel. Again, Linda

was not as involved necessarily in the cases, but she'd come in as if she knew everything.

Chris Conte: And I think maybe her experiences as an AUSA allowed her to be able to think on her feet and move and work in the room really well. So, she was terrific at advocating in those group settings, and making everybody believe she knew everything even though she ... and I don't mean this as a slight, didn't know nearly as much as she may let on, but she did a terrific job.

Chris Conte: Rob came in and he came in under entirely unique circumstances, and Rob had a mandate to bring about change and was able to execute on that, because it was, I think, fairly stark at that point. The Division was in a really bad place, the Commission was generally, post Madoff, and so he brought about a lot of reforms that were necessary, so just turned the Division around to a place where if we didn't do it, it was going to get done to us.

Chris Conte: I think that's, at least in my part, because I was only there for a couple years with him, that's how I think of him, and his importance, significance to the Division.

Harwell Wells: And in discussing them you obviously, you mentioned Enron, you mentioned Madoff, so certainly, and Sarbanes Oxley and the aftermath. So, some of what the Division is doing is inevitably dictated by outside developments.

Chris Conte: Correct.

Harwell Wells: Did you ever sense that any of the Directors had their own ... that being said, still have their own particular interest, their own initiatives they might have wanted to ... concerns they wanted Enforcement to focus its resources on?

Chris Conte: When I think of Steve I think of gatekeepers. I think that became a real emphasis. Again, on the issue of resources, if you bring cases against gatekeepers, then all the gatekeepers throughout the industries pick their heads up. If you bring cases that involve compliance officers, CFOs, accountants, you're affecting an entire industry in ways that allows you to be effective without bringing 100 cases. The gatekeeper focus was one I think, and I think whether it was Steve's idea or one that was developed, I think of Steve in that regard.

Chris Conte: Linda had a number of different things occur on her watch. But there, it was just a function of, for example options backdating just exploding. And so, you got to figure out how to manage that stuff and Rob came in and inherited the financial crisis. I think Rob ushered in an effort to turn the Enforcement Division again, with the idea of try to maximizing, leveraging the limited resources, with all the cooperation tools and the cooperation program, trying to encourage and incentivize people to come in with the whistleblower program. Again,

incentivizing people to come in with high quality leads, tips and referrals so that you could bring impactful cases and hopefully do some more quickly.

Harwell Wells: Let me actually jump ahead, I want to return in a minute to the spirit of time. From where you sit now which is being in private practice for a number of years, has all the incentive towards self-reporting, the whistleblower program changed the behavior of individuals who are issuers, companies, a range of entities that are concerned about enforcement?

Chris Conte: Yes, being on this side there's enormous compliance. The apparatus that have built up certainly within financial institutions, there's been greater attention being placed around compliance and regulated entities. You've got tremendous resources around internal controls. All of these things are intended to catch things and keep things from becoming problems. But there's still a raging debate over the benefits of self-reporting if you're an issuer. And I think most practitioners constantly weigh the question of, "If I do an investigation, I look at the following things, and I think I've got it pretty well assessed, do I nevertheless run to the government because I'm afraid that I will be penalized for not self-reporting? Will that be understood? Will I suffer repercussions?"

Chris Conte: I think that debate rages on to this day. All the incentives that were put in place to self-report still are things that are challenging aspects in private practice.

Harwell Wells: Going back a bit, by the time you said you were Assistant, Associate Director, you're getting more exposure, perhaps spending more time presenting to the Commission itself. And I'm curious how the changes in the Commission especially changes in the Chair from Levitt, Harvey Pitt, Donaldson fill out the list. Did you have a sense that that changed the work Enforcement was doing? Or how did that impact on what you were doing?

Chris Conte: Sure. I think there was a period of time after Donaldson left and Pitt came. Chairman Pitt was there for a shorter period of time. But under Chris Cox, there I think were increasing reports particularly around issues of penalties, and issuer penalties. It's always been a long and a principled debate over should public companies be penalized when the harm is really ... the penalty really just ends up harming shareholders who have already been harmed by the conduct of the folks. There are principled reasons for questioning penalties, but I think there was some concerns, certainly they were echoed outside of the building, about whether or not the Enforcement Division... issuer penalties were undergoing a little more scrutiny and if there were some efforts to pump the brakes, if you will, a little bit on Enforcement.

Chris Conte: I think we felt a little bit of that in the Division at the time for a few years. But then those things I think it was at the same time though, to be completely fulsome, every Commission is pro-enforcement and so, bringing cases, bringing good cases, bringing them quickly ... those things were always embodied in the Commission's mandate and its work. But I think some aspects of the program

may have gotten a little more attention and may have been, like I said, ... the brakes might have been pumped a little bit.

Harwell Wells: Actually, just looking back over a lot of things you did in Enforcement, there must have been moments where an attorney for instance wanted to bring a matter and, ultimately, he was told he was not able to do that, or the Commission chose to take a different route. How do you respond when you've spent a significant time on a matter and it doesn't pan out?

Chris Conte: It's challenging. I had a matter like that as well. When I was a Staff Attorney, I spent a tremendous amount of time investigating it, and it didn't move forward for various reasons, and telling people ... hearing that they weren't going to bring it was tough. You hope that if you're supervising cases appropriately that you don't get to the point that you decide a matter in its entirety isn't going to get brought. Meaning it's already gone through the full investigation, an action memo brought up to be circulated internally in the building before it goes to Commission, and then saying no, we're not doing it. It's really hard but sometimes things have emerged in the process, and it's evident that maybe the investigation wasn't done the right way. Maybe ... and further investigation wouldn't ... further investigation wouldn't overcome the evidence that you are now seeing that maybe through the Wells process you hadn't seen before, so it's tough. There's no easy way to say sorry.

Harwell Wells: Actually, we now want to turn back to some of the cases you did work on as Assistant and Associate Director. You mentioned Enron, and I know you didn't work on Enron. But immediately after that there were a series of explosions in major American companies, lots of allegations of accounting fraud. And I know you worked on some major accounting fraud cases, and I wonder if you could talk about one or two of those.

Chris Conte: Sure. Two that come to mind. I worked on a case involving ConAgra, which involved both revenue recognition issues, and the misuse of reserves. Bill McLucas was actually on the other side of that case. And one of the biggest challenges in that time period were the issues of penalties. What penalties make sense. You had enormous penalties in cases involving financial fraud. How do you determine what the right number is? There was penalty guidance. Eventually there was a pilot program that the Commission created, which had the Commission determine whether there would be a penalty in an issuer case and then what that penalty would be. And I ... one of my cases was the first case to go through the pilot penalty program where the Commission actually determined a range for the penalty and set the negotiating parameters.

Chris Conte: Typically, in the process it was the Division of Enforcement that would negotiate the penalty, bring it to the Commission as a recommendation. At that point there was little ... the Commission could always do what it wanted, but if the penalty was \$50 million, asking for more or making it less was a challenge. So Conagra was one of those. Cardinal Health was another one that I worked on where they, by virtue of letting certain products sit on the dock for 24 hours and

a minute, it suddenly became operating revenue which mattered versus bulk revenue which everybody ignored. So those two cases ended up ... Cardinal I think was \$35 million, ConAgra was \$40 million, we did Nortel as well which I think was \$25, \$35 million, I can't remember the number. I mean they were big numbers. And again, those kinds of things were getting a lot of attention.

Chris Conte: Later on, as an Associate, we brought Dell which was a disclosure related case around certain ... suddenly escaping the word, exclusivity payments. Dell didn't want ... wanted ... Intel was paying Dell for utilizing its Intel chips, didn't want them to move to AMD, but those became increasingly necessary for Dell to make its operating income, and that really wasn't being disclosed. That ended up being \$100 million so that was a big number as well. I don't think ... these days, outside of FCPA cases, there aren't big issuer cases that have those kinds of penalties -- at least I don't think.

Harwell Wells: Any idea why not? I'm curious.

Chris Conte: I just think the ... first of all, there certainly aren't the level and degree of financial fraud cases that there used to be. Whether that means those issues have been solved or gone underground I'm not quite sure, but it's been many years now without the rampant fraud. I think you have to chalk it up to Sarbanes Oxley and internal controls, and auditors who themselves have significant liability exposure, and so I just think the circumstances with the Commission are just such that big issuer penalty cases, they are not the kinds of cases that are there.

Harwell Wells: And I guess moving on or perhaps moving back, there were also a series of cases I understand you worked on about IPO allocation. In the year 2000s the incredible bubbles with one incomprehensible company after another.

Chris Conte: Yes, that was where anybody who had an idea, they scribbled out on a piece of paper, next thing you know they had a \$500 million valuation. Things were going crazy. Yes, in the IPO market back in the day you'd have these IPOs going off, but then within five, 10 days of the aftermarket for those cases, the stock price and the aftermarket of those newly public companies are just through the roof. And so, we looked at a number of the practices that were going on. We ended up bringing a case against JP Morgan and Morgan Stanley, based on the same conduct which was inducing or attempting to induce those who were getting IPO allocations to make purchases in the aftermarket.

Chris Conte: Basically, the idea is the aftermarket ought to reflect the true supply and demand as opposed to having some inducements for people to step in. And so we at the time alleged that Morgan Stanley and JP Morgan had essentially given IPO allocations to firms who were going to come in and come in at increasingly higher prices. Robertson Stevens was another one where the practice was that to get IPO allocations the.... Basically, hedge funds at the time, would agree to do trades in highly liquid exchange traded stocks at significantly higher

commission rates than normally you could ... instead of doing six cents you're paying \$2.50 and they would be sharing in the IPO profits through that practice.

Harwell Wells: Robertson Stevens.

Chris Conte: Robertson Stevens, yes was a commission case, yes. It was a brand new area, it was I think fairly labeled as enforcement, regulation through enforcement, but there was a rule, Reg M Rule 101, that had not been enforced in any way up to that time. But exactly what conduct would violate Reg M? There hadn't been any cases and there weren't any guidelines. But the rule was pretty clear in terms of the conceptual... what the nature of the violations would be, but those are very difficult, contentious, challenging negotiations, and we were.... I still remember being ... you couldn't be further apart when we called and said, "We want X" and they said, "Okay, we'll give you Y." And think of the two biggest numbers, think of the biggest difference between two numbers and that's where it started.

Harwell Wells: This is because of the law never having really been applied before, so they felt it was unjust to suddenly, or did they just think they hadn't done anything wrong period?

Chris Conte: I think it was that plus it was just a function of the [financial] firm, the nature of it. There were challenges in these cases that also brought other cases that involved [financial] firms being sued for their email practices, and the productions and retention of emails. And so some of the [financial] firm's had issues there that affected some of the investigations that were going on. Just a challenging environment and pretty aggressive lawyering.

Harwell Wells: And actually, you bring up something so regulation through enforcement is a term that is sometimes used to describe what's sometimes perhaps more prejudicial. I believe, Commissioner Carmel in her day viewed it as a way of criticizing it. How would you describe ... because you just used a pretty neutral or descriptive way. Did you think that was a fair characterization of what you were up to?

Chris Conte: Well, I think it was fair to raise the question, but in the sense that the contours of what was or wasn't prohibited by the rule hadn't been really fleshed out, but there was a rule. And the rule said, you can't induce aftermarket activity. The fact that there hadn't been a case before didn't mean you couldn't bring one. There was a lot of argument around what are the standards, because look it was ... we were very engaged with CorpFin then, and at the time Market Reg, because we didn't want to stamp out the IPO markets and practices. We didn't want to suddenly take conduct that was appropriately part of the capital formation IPO process and suddenly impede that. So, we worked very closely with Alan Beller at the time. Alan had tremendous respect in the industry based on the practice that he had before coming to the SEC.

Chris Conte: And we picked things that ... we identified things in the practices that really were, at least in our view, were outside of what would be normally expected to occur between a [financial] firm and an entity that was seeking to subscribe in an IPO.

Harwell Wells: Actually, in a second, I want to ask about options backdating which also occurred at the time. But if I can, was it unusual for Enforcement to work that closely with Corp Fin and the other divisions, or was that something that was ... it had occurred more regularly during your time?

Chris Conte: In the typical case, an Enforcement case always ultimately ran its way through the other divisions and offices to the extent that those rules were implicated. So, if it was a Section 5 case Corp Fin had to review it and pass on it. And if it was an application of an IA rule or an IM rule they had to review and be comfortable with it. Frequently in Enforcement you brought those folks on sooner rather than later. The last thing in the world you want to do is to do an investigation have it circulate in the building and have somebody from Investment Management say this is not a violation or you didn't do it right, there was no evidence.

Chris Conte: You did engage with folks early. That was a little bit unique though, because it was the application of a rule for the first time, and it got a level of attention that was significant. And then Corp Fin in fact came out with guidance or rules after that, that helped flush things out. So, that was unusual because of the nature of it, but it wasn't unusual to work with other offices and divisions.

Harwell Wells: Another matter you worked on was the options backdating matter which I guess 2003 would have been I can't remember the exact date.

Chris Conte: It hard to remember exactly when that whole

Harwell Wells: But it very quickly turned out that a great many companies were implicated in options backdating. So, I'm a little curious about both the matters you handled and frankly this may be another question of how does the SEC use its resources when a huge number of potential matters are out there?

Chris Conte: That was a, I don't know what to call it, a crisis, or a scandal or whatever the right word is, and I'm not sure either of those were right. But when the whole options backdating thing hit, as you said it potentially implicated hundreds or thousands of companies. The Commission very early on, and I think appropriately so, had to figure out what are the parameters around these cases. The Commission was involved, and Linda was involved at the time. I did a lot of these, there was actually an options backdating group working group. We kept track of the inventory, we kept track of factors.

Harwell Wells: Inventory meaning-

Chris Conte: The cases that were under investigation, and any new cases had to be assessed against a matrix of facts and factors. And if they didn't appear to satisfy the factors, the idea was to shut those down pretty quickly. There had to have essentially been some element of falsification and fraud that had occurred in connection with the activity. I did Converse, which was very significant because it was a criminal matter at the time. A number of these cases didn't involve criminal matters. And the gentleman who had ... the CEO of the company was supposed to surrender himself and he never showed up and he ran off to Namibia. And I've always felt that that gave this practice certain attention and notoriety. At the time there was this raging debate of whether there was anything illegal or wrong about it. And when a guy doesn't ... when a guy flees to Namibia, it gets a lot of attention.

Chris Conte: We also brought a case in this area which was unique and significant. We actually brought a case against outside directors for their role in the options approval process. Outside directors sit in a very different position versus inside directors so their knowledge, awareness or participation can be limited, but again we brought a recklessness case against these outside directors based on the information that had come to their attention which essentially, the argument was, the allegations were that they were reckless in not knowing that the options had been backdated in a way that was essentially fraudulent. And so that was another case that we brought.

Harwell Wells: Options backdating, obviously a lot of ... It's the matrix I think you mentioned, it's very interesting. I haven't heard that before. How did ... especially I guess an Assistant, Associate Director, when you chose which cases were ... Help discuss which cases to pursue? How would you divide perhaps resources between cases that appeared to be fairly straightforward, fairly manageable, and cases that might appear as though they would require much more resources from the staff and perhaps take a much longer time to reach resolution.

Chris Conte: I think when it came to assigning work and it ... I don't want to say it was a "you eat what you kill mentality," but the Division moved away, ultimately through specialized groups, and tried to be, think differently about the cases that were brought and the resources, the resources it would be assign. Back then it was if you've identified the case it was yours, whether it was with at the time the best staff attorneys and the best supervisors in the group. Or it was with people that were, instead of being the best, they were terrific, but not the best. We didn't really move a lot of things around back then, so if people had time to work on things you just assigned them to the cases. The idea was that they should be able to do any case. Again, not saying that was the smartest thing to do, but it was the way we typically did things.

Chris Conte: And so, you relied on the experience of the Branch Chief, the experience of the Assistant Director to be able to know how an investigation should be done. And so, we didn't necessarily pull the people who had the most experience doing certain kinds of things, or pull somebody off of something that was really good

at it, and tell them look I need you to work on this thing and not that thing. I'm going to give you ... It was probably more or less catch-as-catch-can.

Harwell Wells: I want to ask about one other matter you worked on at this time, which I gather was the Collins & Aikman, David Stockman case, and how that came about what your role was there?

Chris Conte: Sure. Again, that was another financial fraud case. My memory is that it involves a round trip transaction, and rebates and the like. It's a case that was brought criminally but very soon thereafter had to be dismissed because of issues in the case. We brought a case against David Stockman and other individuals and I think we ultimately resolved those cases. There's a funny story about being in a meeting with a whole bunch of lawyers representing David Stockman, and it happened to involve Morvillo, Abramowitz. I kid you not, I think there were 12 lawyers sitting around the table. That was probably the most expensive meeting I ever witnessed as an attorney at the SEC with the lawyers on the other side..

Chris Conte: But all the attorneys from Morvillo, Abramowitz were introducing themselves saying, I'm so and so from the Morvillo Firm, I'm so and so from Morvillo Firm. And Elkan Abramowitz who was there. I think, by the time it got to him, everybody appreciated what had been said. So, Elkan Abramowitz said, "I'm Elkan Abramowitz I'm from the Morvillo Firm too," even though obviously he's one of the named partners, but he gave in and said he was from the Morvillo firm, so that was a funny story.

Harwell Wells: I'm sorry. I just realized there are one or two more matters I wanted to ask about. One of which was your work on insider trading cases. At this time, I guess insider trading cases seem to be ... they're matters that show up for a brief time and are very important, and then they fade and then they're kind of perennial matters, and insider trading seems to be a perennial matter.

Chris Conte: Yes, those were always fun cases to do. It was about reconstructing somebody's life, trying to figure out where they were, when they were somewhere, how the information got to them. I liked doing insider trading cases. Again, as I described earlier, I brought some cases against ... some institutional cases, folks that were working at financial institutions who acquired information and engaged in trading. I brought a case that involved a bunch of brokers who found out about a potential acquisition. One of the funny ... they were on tape. One of the funny things they did was, because of the industry the acquisition was in, they went out and bought chickens and put them in the front yard of somebody who had also traded, and they were very excited about having made money. I did a case that involved an analyst at S&P who was passing along rating information. And a matter that involved an individual who was a lawyer at a law firm, who was passing tips on potential M&A activity to a friend and they were engaging in all sorts of trading activity.

Chris Conte: The one case that was an interesting twist on the traditional insider trading case, involved hacking. And there was a TRO that we brought because there had

been an intrusion into a Thomson Reuters site that was hosting earnings information for an issuer. And someone had gained access through hacking to the information that was going to be disclosed in an earnings call later that day or a day later and did a whole bunch of trading and was poised to make a lot of money, but we were able to freeze the assets. It was a very interesting situation because when we brought the case, the District Court said, "Well, I look at this as insider trading, and there's been no breach of duty. All the person did was gain access, but there's no duty here." And so we were able to go to the Second Circuit and got it reversed on the grounds that 10(b) is a fraud statute, deception had occurred because in order for the outside entity to have gained access to the material, as we argued, they had deceived the host into thinking that they rightly had access to the material.

Chris Conte: And so, the hacking with that form of deception was covered by 10(b), and so they reversed it and the case went forward. But it was a very early indication, well before these kinds of intrusions were occurring, that they were possible. I remember we spoke to the Justice Department about that, and they dedicated resources to begin to look at those things. But it was a precursor if you will to the kinds of things that nowadays with intrusions happen all the time, yes.

Harwell Wells: Are common right. Let's ask about the financial crisis, because that seemed to change a lot of things and obviously for the SEC, what was particularly significant was the Madoff scandal. My first question is when the Madoff scandal broke, what was the reaction within the Enforcement Division to that particular piece of news?

Chris Conte: Sure. Using words that weren't the words that everybody used at the time, it was a very bad, unfortunate, and embarrassing situation. And so, the Division very quickly, and look rightly so, came under scrutiny. A lot of attention was paid to what happened, how things unfolded, were things missed, if things were missed, how come and why. I didn't follow the ins and outs of that, and I appreciated that people were well intentioned and hard working. I don't ... To this day I don't know exactly kind of, if there were failures, what they were and how come they occurred. But it was very clear given the immensity of the harm and the issues, in terms of the investigations, that the Division was kind of on, I don't want to say life support, but the Commission was really rocked.

Chris Conte: It was really difficult having been at a place for so many years where you said you worked at the SEC and everybody thought, well that's great, you've done this, and you've done that. Now you said you were from the SEC and people got angry, and understandably so. That was a really difficult, challenging time, morale wise, and then with the financial crisis and concerns there about whether the Commission and the Enforcement Division had done enough, if they were on top of things enough, those kinds of things. How come they hadn't spotted it or were investigating cases? So those things happened, and reforms needed to be made. If the Division didn't take care of it, they would be taken care of by outside forces. So, there was an opportunity to institute changes that

came in under Rob, that were designed to make the Enforcement Division more specialized, smarter, more efficient.

Chris Conte: Some of the positions ... there was a move away from Branch Chief to Assistant Directors, so the organization was flattened from a supervisory perspective to bring about better, more nimble and more efficient reporting. Madoff ushered in a lot of reforms. But it really was tough to be there, to be so proud and to say you were from the SEC. Again, not in any way, shape or form to take away from the good hard work that I know people did looking into Madoff. But still there were issues you just had to answer to, and it was hard.

Harwell Wells: And did you wind up believing your reforms? Because I know you were there till 2010, so in fact, you helped implement many of those reforms. Do you think there was significant improvements? Do you think they've made it less likely ... I guess you can't always fix the problem that occurred in the past. On balance, do you think those were good changes they made?

Chris Conte: I think the idea of trying to bring specialized ... to increase and enhance training around certain specific programmatic areas made sense, and there were very, I think obvious, benefits, but they were born out of a crisis. When the crisis goes away, then you start to say, "Okay, now what's the best way to employ the specialized resources in a post crisis landscape?" I think the Division has been trying to adjust to those new forces and to figure out how to balance things. Overall yes, I think the move to specialization was good. Certainly, the process of bringing people in changed dramatically as well. There were practical exams and different kinds of interview processes, so even on the intake there was an effort to try to find people that they felt had certain backgrounds and experience levels that were desirable.

Harwell Wells: Okay, and then I guess I want to close with a question which is asking you to reflect back on your close to two decades on the staff, about the responsibilities that came with your position, and responsibilities to the public, to the victims of crimes, but even to the individuals charged. And how you view your time at the SEC and your reflection on your responsibilities and your time there.

Chris Conte: I loved the job. I left for personal reasons having to think ahead and pay for school and all that stuff that are the reasons many people leave the jobs they have in the government. I learned a lot. I learned how to be a good lawyer. I think it's helped me tremendously on this side of the table. I learned a lot, again as I already mentioned, that there's some truly bad people in the world but more often than not, you're dealing with situations where people have just been put into difficult situations, and they make bad decisions or bad choices. The impact of our cases ... I would always say to the staff attorneys, "Look we're the United States government, what we do is going to change people's lives forever the minute we send a subpoena to somebody, even if they're at a company and they get 100 of these a day, they affect people's lives." I have a couple of memories of profoundly experiencing that with an insider trading matter that was going to ...

Chris Conte: We were coordinating with Canada and the US Attorney's office in New York, and we got a call that the tipper if you will, who was coming to surrender, had killed himself. And I just remember walking around for a few days just reflecting on look I ... Whatever brings someone to commit suicide is a very complicated equation of events and circumstances. But even though I didn't feel responsible for that, nevertheless it had happened and clearly I couldn't hide from the fact that it did. There was another instance too where there had been somebody who committed suicide as a result but after a case had been brought. In terms of impact on people's lives, I still remember we brought a case that involved a company that had a product where they put soap inside of a sponge. And they were a company, and they were a public company, and their statements about their revenues and earnings were, we alleged, totally fabricated.

Chris Conte: Yes, they had some product, and believe it or not, you could see their advertising. If you went to the US Open, there they were. But we brought a case and a lot of people had invested in them, and I got close to 80 phone calls from people who had invested in that company. I don't think a single one thanked me, and I'm not trying to say that they should have, but mostly they called and said, "My life is ruined. I had invested all this money ... How could they be a fraud? They can't be a fraud. You're wrong." They were a fraud. But I don't think I appreciated at all the consequences, the ripple effect. A lot of times you think that it's just the bad guys trying to make money, but sometimes a fraud ... And a lot of times a fraud just ensnares truly innocent people who've ... People calling and saying, "It's all the money I had, and I got my friends involved and we made this investment, and now I've got nothing. Why did you do this to me?"

Chris Conte: And I was like, "I didn't do it to you, but they did it to you, but I'm sorry." And I just kept saying like, I ... It was a really tough situation to be in, but I called everybody back and got yelled at over and over again. But I felt it was my responsibility to do that. I represented the government, we had brought this action. And so if people called to complain, and they were calling to complain to me, I was going to answer all the calls. It wasn't easy. It took over a week, probably two weeks to do but ... and it wasn't easy.

Harwell Wells: Well, thank you so much for your time. We really appreciate it.

Chris Conte: Sure. Happy to.

Harwell Wells: It's been a fascinating interview. Thank you so much for your time. We really appreciate it.

Chris Conte: Great, thank you. I really appreciate you reaching out, I enjoyed it.