

Annual Report

2024



<https://www.icanlaw.org/>

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ICAN
If ICAN, You Can

A Message From Our President

Thank You

In early 2024, inspired by the overwhelmingly positive response ICAN was receiving from friends and allies, I took a leap of faith, stepping down from my position as a chair of litigation in the Los Angeles office of the international law firm Paul Hastings to focus full-time on building ICAN and expanding our efforts.

Reflecting on all that we have accomplished since then, two words come to mind: MOMENTUM and GRATITUDE. In our first year of full-time operation, ICAN secured a series of courtroom victories, began building a growing list of clients with potentially precedent-setting cases, and positioned ourselves as the go-to organization for pushing back against SEC overreach. We have also established a strong organizational foundation for continued success with a growing team of talented, experienced staff.

And we are not resting on our laurels.

With the changing landscape in Washington and the push for regulatory reform now front and center, ICAN's work has never been more important. Our team has the experience and technical expertise to help accelerate real reform, ensuring leaders in Washington are equipped to make the right decisions when it comes to capital markets. At the same time, we continue to ramp up our direct litigation and watchdog efforts, establishing precedent-based limitations on the SEC's reach.

But none of this would be possible without the generous support of all of those who have given their time, talent, and treasure in support of ICAN's noble mission. I am proud to share this snapshot of all we have accomplished together over the past year and offer a preview of our plans for 2025.

From our landmark victory in SEC v. Punch TV to our influential amicus brief in the Supreme Court's Jarkesy decision, ICAN is driving meaningful, lasting change that will outlast election cycles. Through our efforts, we are helping unleash the enormous potential of American markets.

With gratitude,



Nick Morgan
President & Founder

Focus Areas

- **End Excessive Punishments:** ICAN is committed to halting the SEC's practice of imposing severe penalties for technical, unintentional violations. We will ensure enforcement actions remain fair, balanced, and within limits established by the courts.
- **Restore Due Process:** We will advocate for fundamental fairness and transparency in SEC proceedings by championing constitutional protections that uphold the fundamental American values of justice, transparency, and due process.
- **Expand Market Access:** ICAN will challenge paternalistic restrictions that stifle investor opportunities. Our efforts will focus on modernizing crowdfunding regulations, reforming arbitrary wealth-based rules, and reducing unnecessary regulatory burdens for small businesses seeking capital.
- **Halt SEC Mission Creep:** We will oppose the SEC's expansive interpretation of terms like "dealer," "security," and "broker." Additionally, we will push back against privacy intrusions, such as the Consolidated Audit Trail database, to establish clear boundaries that foster market stability and protect innovation.



2024 At A Glance

CASES

7 direct representation cases defending 9 clients, and our first case became our first win



AMICUS BRIEFS

30th brief filed this year and celebrating victory in *Jarkesy*, and *Grayscale*

NETWORK

Our elite legal network now includes 17 firms across 11 cities and is growing rapidly



RECOGNITION

Enforcement Elite Winners, Peterson Prize Finalists, and mentions in prestigious publications

Endorsements

"ICAN provided excellent representation in helping explain the legislative purpose behind an important transparency measure. They delivered high-quality work product under significant time pressure."

-Senator Patrick J. Toomey



Senator Toomey served in Congress for 18 years, including as Ranking Member of the Senate Banking Committee. He worked across party lines to expand access to capital markets during his tenure. Notably, he was a leading sponsor of the JOBS Act, which passed with bipartisan support and was signed into law by President Obama in 2012.

ICAN provided pro bono representation for the Senator for his Custodia Bank amicus brief.



"ICAN's work is essential in ensuring the markets remain open and accessible to all. As a champion for retail investors, they are leading the fight in preserving investor choice and pushing back against unnecessary restrictions."

- Dan Gallagher, Former SEC Commissioner

Dan Gallagher is the Chief Legal, Compliance, and Corporate Affairs Officer of Robinhood Markets, Inc., a company renowned for pioneering accessible investing.

Before joining Robinhood, Mr. Gallagher served as an SEC Commissioner from 2011 to 2015.

Clients



Thanks to the extraordinary generosity of our donors in 2024, ICAN delivered vigorous pro bono representation to clients pushing back against SEC overreach. In *SEC v Punch TV*, we secured a significant victory against the SEC's demand for \$1.35 million in disgorgement over a self-reported technical violation. And when Paul Spitzer, a 74-year-old investment advisor, faced financial ruin after the SEC's 18-month silence transformed a limited supervisory settlement into a de facto lifetime industry bar, we stepped in to pursue his rights.

We also continued our fight on behalf of Eric Cannon, Brenda Barry, and Caleb Moody, who have spent 10 years battling the SEC's attempt to expand its jurisdiction by redefining life settlement products as securities- despite contrary precedent from the D.C. Circuit Court of Appeals.

ICAN also challenged the SEC's outdated "accredited investor" definition that arbitrarily restricts market access based on wealth rather than knowledge or experience.

These efforts exemplify ICAN's core focus areas:

- Ending excessive punishments for technical violations (*Punch TV*)
- Restoring due process (*Spitzer*)
- Halting jurisdictional overreach (*Cannon/Barry/Moody*) and
- Expanding market access (Accredited Investor Petition).

Each action represents not only a fight for individual justice, but an opportunity to establish precedents that safeguard market freedom for everyone.

While we celebrate these achievements, we recognize they mark only the beginning of our critical mission. Going into 2025, ICAN will continue to vigorously defend those small investors and entrepreneurs unfairly impacted by SEC overreach—some of whom are dealing with the fallout from enforcement actions initiated during the Obama-era SEC. The SEC has averaged 400-500 new cases filed annually for years, with many slowly winding their way through the legal process. This long tail of the SEC's 'regulation through enforcement' approach makes ICAN's direct litigation efforts crucial, regardless of any reforms that may occur in the new Administration.

Victory Against SEC Overreach: Joseph Collins & Punch TV

In 2024, ICAN secured a major victory in its first direct representation case, halting the SEC's attempt to extract \$1.35 million from Los Angeles entrepreneur Joseph Collins and his company, Punch TV. Joseph's story highlights how easily small business owners can become ensnared in the SEC's regulatory web—and the devastating consequences when they lack the resources to fight back.

After self-reporting an unintentional technical violation of registration requirements while using new JOBS Act crowdfunding provisions, Joseph was labeled a "recidivist" in SEC press releases and faced financial ruin. Despite no allegations of fraud or investor harm, the SEC aggressively pursued him, attempting to use his case to erode the Supreme Court's *Liu* decision, which limits the agency's disgorgement powers. When Joseph's resources were exhausted, and his counsel withdrew, ICAN stepped in just before the judge could rule on the SEC's motion.

Teaming up with pro bono co-counsel Ed Totino of Baker McKenzie, ICAN successfully defended Joseph, and the court rejected the SEC's entire disgorgement demand of \$1.35 million. In doing so, the judge also notably rejected the regulatory agency's attempt to undermine limits previously placed on its disgorgement powers by the Supreme Court, an important legal block by ICAN that will help protect future entrepreneurs from similar attempted shakedowns by the SEC.

If the SEC is allowed to destroy lives and businesses over self-reported technical violations, small businesses will be discouraged from utilizing the crowdfunding opportunities Congress created to help them access capital. ICAN's victory ensures that market freedom remains protected for those who need it most.



Read more about
Joseph's case and others
on our website.

<https://www.icanlaw.org/>



Shaping the Legal Landscape: ICAN's Amicus Brief Program

Leveraging our deep experience as former SEC attorneys and top securities defense lawyers, ICAN continued its robust amicus brief program in 2024, providing courts with critical perspective into SEC overreach and its impact on small investors and entrepreneurs.

Our highest-profile brief came in *SEC v. Jarkesy*, where we joined with Mark Cuban and Elon Musk in supporting the right to jury trials in SEC enforcement actions – helping shape the public narrative around this landmark case.

We also filed influential briefs on a variety of issues in SEC cases across the country:

- In *SEC v. Schueler* - challenging the SEC's unprecedented attempt to name software as a defendant
- On “Dealer” Registration Rules - opposing the agency's effort to expand dealer registration requirements beyond their intended scope, and
- Against the Consolidated Audit Trail (CAT) Database - supporting legal challenges to this invasive system that threatens investor privacy.

Through strategic amicus filings, ICAN ensures that courts recognize the real-world consequences of SEC overreach - giving a voice to everyday market participants who typically lack the resources to make their voices heard.

SEC v Jarksey

Supreme Court Amicus Victory Reshapes SEC Enforcement

ICAN played a pivotal role in elevating *SEC v Jarkesy* and highlighting the far-reaching implications. Our amicus brief - co-signed by Mark Cuban and Elon Musk - helped bring national attention to the issues at stake, markedly increasing media coverage of the case.

The impact of our efforts was underscored when Nick Morgan was one of only two experts unconnected to the parties, quoted in *The Wall Street Journal's* coverage of the Court's ruling. This landmark decision fundamentally reshapes how the SEC must conduct enforcement actions, reinforcing crucial due process protections for defendants and limiting the agency's unchecked power.



"Nick Morgan, a former SEC enforcement attorney, said the court's opinion opens the door to challenges of other punishments that administrative courts can order, including suspensions and bars from working in a regulated industry."

[View Entire Article on WSJ.com](#)

Congressional Testimony



**NICK
MORGAN**
ICAN



**ANDREW
VOLLMER**
MERCATUS



PAUL ECKERT
WILLIAM & MARY
LAW SCHOOL



**JOHN REED
STARK**

SEC ENFORCEMENT: BALANCING DETERRENCE WITH DUE PROCESS

Advocating for Reform on Capitol Hill

In May, Nick had the privilege of testifying before the U.S. House Committee on Financial Services' Subcommittee on Capital Markets during its hearing on "**SEC Enforcement: Balancing Deterrence with Due Process.**"

Our message was clear: **Enhancing due process does not weaken enforcement effectiveness—but lack of it discourages small investors and entrepreneurs from participating in capital markets.**

This testimony marked another important step in ICAN's ongoing efforts to bring practical, market-friendly reform ideas to policymakers and ensure regulatory enforcement remains fair, transparent, and balanced.

Recognition

Innovation and Leadership

In just our first year, ICAN has garnered recognition that validates both our innovative approach and the exceptional talent driving our mission.

Finalist for the Gregor G. Peterson Prize

ICAN was honored as one of six finalists for the **Gregor G. Peterson Prize in Venture Philanthropy**, a recognition of our unique strategy - leveraging targeted litigation to drive systemic change.

Enforcement Elite Recognition

Additionally, ICAN's leadership earned industry-wide recognition. **Nick Morgan**, along with fellow board member **Thomas Zaccaro**, and Advisory Board member **Sarah Heaton Concannon**, were named to Securities Docket's prestigious Enforcement Elite List for 2024—a testament to the deep expertise and respected leadership guiding ICAN's work.



Our Network



Building a Nationwide Network of Elite Legal Allies

ICAN employs a unique model, leveraging an extensive network of top-tier law firms and experienced securities lawyers across the country.

Fueled by firms actively seeking to join our fight, this growing coalition amplifies our impact by providing access to exceptional legal talent, vast resources, and a broader geographical reach.

Together, we're building a formidable force for change, ensuring fair and balanced securities regulation that protects market participants and promotes economic opportunity.

2025

Your Partnership, Lasting Impact

Your support empowers ICAN to transform individual cases into lasting precedents that protect market freedom for all. In 2024, your generosity helped us achieve our first legal victories, file strategic amicus briefs that shaped landmark decisions, testify before Congress, and expand our nationwide network of elite legal allies. Together, we are building a powerful legal foundation to rein in SEC overreach.

As we look ahead to 2025, ICAN is poised to be a leading voice in **SEC reform and expanding investor choice**. With your continued support, we will take on critical issues such as:

- Modernizing accredited investor rules to ensure fair market participation,
- Streamlining market access for entrepreneurs and small businesses,
- Enhancing regulatory clarity to prevent arbitrary enforcement, and
- Improving institutional accountability to safeguard due process.

Each case we take on is more than an individual fight for justice - it is an opportunity to establish precedents that protect market freedom for generations.

Thank You

Your partnership makes this vital work possible. By investing in ICAN, you are driving change that transcends election cycles and preserves market access for all Americans.

