



Paul E. Dengel

PARTNER

Paul understands the stakes when financial regulators claim a client has violated the rules.



Practices

[Complex Litigation](#)

Education

University of Virginia School of Law, JD, Order of the Coif, 1979

Princeton University, AB, 1976

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Enforcement proceedings can threaten the client's viability, and potentially ruinous damages claims inevitably accompany high-profile governmental proceedings. Paul knows that clients facing these threats need solutions that are carefully orchestrated and aggressively implemented. The right strategy may mean fighting all the way to trial or creating the leverage for a sensible settlement.

Paul's focus is on derivatives markets and complicated trading strategies involving those markets. He built this knowledge representing the Cboe for more than 25 years. Today, Paul continues to lead all aspects of the firm's litigation and regulatory counseling for Cboe. This deep foundation in the options markets equips Paul to handle disputes and compliance challenges about the most complicated derivatives trading strategies. One recent example involved defending a trading firm from regulatory and civil claims that the firm's complex derivatives trading strategy amounted to market manipulation. Paul identified and communicated a legitimate economic rationale for this complicated trading strategy, paving the way for a successful resolution of these potentially disastrous attacks.

Beyond successfully fighting off regulatory charges when they come, Paul is adept at helping firms avoid regulatory problems. He understands and speaks the language of both the regulator and the regulated, having worked both for trading firms and for exchanges like Cboe. This special perspective enables him to be particularly effective as both litigator and counselor in matters involving the financial markets.

Client Work

- Two securities exchanges hired Paul to lead their defense against nationwide class actions. The plaintiffs claimed that the exchanges engaged in wrongdoing in connection with high-frequency trading that allegedly harmed all buyers and sellers of stock over a five-year period.
- Paul successfully resolved Commodity Futures Trading Commission (CFTC) regulatory charges against a client after the CFTC alleged the company's trading strategy manipulated certain energy futures markets. Knowing that there were parallel class actions pending against the company, he negotiated a consent order with the CFTC that contained no findings of fact or legal conclusions. That consent order enabled the client to successfully settle the class actions.

A securities exchange turned to Paul for help fighting a Securities and Exchange Commission (SEC) enforcement action alleging failure adequately to enforce certain rules and failure to act pursuant to properly approved rules. With Paul's help, the matter was successfully settled.

- Paul was hired by a futures commission merchant when the client was charged in a CFTC reparations case with fraudulent handling and improper liquidation of customer accounts. The case went to trial, and Paul won defense judgments on all counts.
- When a securities exchange found itself embroiled in a \$300 million federal securities fraud class action, it turned to Paul to resolve the matter. The case involved allegations of inadequate disclosure of the risks of unusual market operation during periods of market volatility. Paul obtained partial summary judgment and then successfully settled the remainder of the case.
- A precious metals seller called on Paul when the CFTC began investigating the seller for alleged violations of new CFTC rules governing financed sales of precious metals. No enforcement charges were brought.
- Paul also helped brokers under suspicion of late trading and involvement in allegedly improper market timing. Paul intervened, and the SEC declined to bring enforcement charges.

Boards, Memberships & Certifications

- American Bar Association, Litigation Section
- Chicago Bar Association

Professional Activities

Pro Bono

Paul regularly volunteers at a legal clinic that the firm operates and that he helped found 35 years ago. In addition, Paul has handled a series of criminal matters for low income individuals, including three murder cases. In a death penalty case that he took over post-conviction, Paul and his team were able, after more than a decade of work, to exonerate their client and to obtain a full pardon on the ground of actual innocence.

Publications, Presentations & Recognitions

Publications

- *Contract Law* handbook, Chapters: "Contract Formation under Article 2 of the UCC" and "Problems in Contract Formation," Illinois Institute for Continuing Legal Education (IICLE)

Recognitions

- Illinois Leading Lawyer, Law Bulletin's *Illinois Leading Lawyers Network* (2006-2021)
- Peer Review AV® Preeminent®, *Martindale-Hubbell* (Since 1999)

Bar Admissions

Illinois

Court Admissions

[US Court of Appeals, 7th Circuit](#)

[US Court of Appeals, 10th Circuit](#)

[US District Court, Northern District of Illinois \(Trial Bar\)](#)

[US District Court, Eastern District of Wisconsin](#)