



Zachary M. Schmitz

Associate

Financial Markets Litigation and Enforcement

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Zachary Schmitz is a trusted advisor to financial institutions and proprietary trading firms, providing strategic counsel in high-stakes litigation, regulatory enforcement actions and internal investigations. With nearly a decade of experience navigating the evolving landscape of financial markets, Zach is particularly adept at matters involving futures, options, complex derivatives, the equities markets and digital assets.

Navigating the complexities of financial markets and regulatory scrutiny

Recognized for his sophisticated understanding of financial products and trading practices, Zach regularly represents clients in investigations and enforcement proceedings before financial regulators such as the Commodity Futures Trading Commission (CFTC), the Securities and Exchange Commission (SEC) and self-regulatory organizations (SROs); and at stock, option and futures exchanges. He is frequently called upon to defend clients in enforcement proceedings and cross-border investigations and is known for offering pragmatic guidance and innovative solutions when confronted with litigation and regulatory scrutiny.

Zach has a distinguished track record in arbitration, particularly on behalf of broker-dealers and proprietary trading firms, where his advocacy has resulted in numerous favorable awards and settlements. In both litigation and arbitration, clients value his ability to distill complex issues, anticipate the tactics of opposing counsel and deliver results in high-pressure environments.

Practice Focus

- Financial industry regulatory investigations and enforcement actions
- Financial industry arbitrations
- Financial industry litigation

Practices

- Financial Markets Litigation and Enforcement
- Litigation
- Cryptoassets and Blockchain Technology
- Futures and Derivatives
- Proprietary Trading Firms
- Quantitative and Algorithmic Trading

Industries

- Finance and Financial Markets

Education

- JD, The University of Chicago Law School
- BS, Missouri State University

Bar Admissions

- Illinois

Community Involvements

- Chicago Bar Association, Futures and Derivatives Law Committee, Vice Chair

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Representative Experience

- Defended broker-dealer in arbitration claiming unsuitable recommendations and unreasonable liquidation caused investor to lose over \$500 million. Won full defense award.
- Defended broker-dealer in arbitration claiming conflicts of interest caused investor lost over \$250 million. Won full defense award and costs.
- Defended proprietary trading firm in arbitration claiming wrongful termination based on alleged whistleblower reporting of unlawful trading. Won denial of all monetary claims.
- Trial counsel in related arbitrations arising from losses in options trading strategy. Won full defense awards or limited recoveries to less than 10 percent of claimants' collective investment losses.
- Defended broker-dealer in lawsuit alleging breach of contract before the Circuit Court of DuPage County, Illinois and the Illinois Appellate Court. Claims were dismissed with prejudice and full attorneys' fees awarded and affirmed on appeal.
- Represented digital asset prime broker in CFTC investigation regarding alleged unregistered conduct.
- Represented investment bank in SEC receivership arising out of a real-estate Ponzi scheme, obtaining a favorable recovery from the receivership and title insurance.
- Represented futures commission merchant in CFTC investigation regarding margin practices. The CFTC concluded the investigation without recommending charges.
- Represented digital asset proprietary trading firms in investigations conducted by the SEC, CFTC, DOJ and state regulators.
- Represented individuals and trading firms in various investigations by futures and options exchanges.

News

- Katten Legal Clinic Featured by PLI's 'Pursuing Justice' Podcast (November 3, 2023)
- Katten Honors Attorneys for Providing Pro Bono Services (October 30, 2023)

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Publications

- Financial Markets and Funds *Quick Take* | Issue 36 (March 2025)
- Clearer Skies Ahead: CFTC Enforcement Division's New Advisory Opens Doors for Self-Reporting and Increased Cooperation (March 7, 2025)
- Will History Repeat Itself? Peering Into the Past to Predict the Next Four Years of CFTC Enforcement Actions (January 28, 2025)

Presentations and Events

- June 5, 2025 | Confronting Change: Compliance During Uncertain Times – Surveying the Enforcement Horizon | Chicago Bar Association, Futures and Derivatives Law Committee | *Moderator*
- March 19, 2025 | Crisis Management | Chicago Bar Association - Futures and Derivatives Law Committee | *Moderator*
- June 6, 2024 | Charting the Future: Navigating CFTC Regulations in a Dynamic Market – SRO Enforcement | Chicago Bar Association - Futures and Derivatives Law Committee | *Moderator*
- May 15, 2024 | Evolution of CFTC Enforcement since Dodd-Frank | Chicago Bar Association - Futures and Derivatives Law Committee | *Moderator*
- November 17, 2021 | Digital Asset Topics in the News: Tether & Bitfinex Enforcement; CT Jury Finds Crypto Products Not to be Securities; Stablecoins & More | Chicago Bar Association – Futures and Derivatives Law Committee | *Presenter*
- June 2, 2020 | Market Correction Curriculum: Ponzi Schemes: Dealing With Regulatory and Litigation Risks Exposed by Market Downturns | *Presenter*