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## **SEC Dismisses Unconstitutional Follow-on Enforcement Proceeding in Response to NCLA's Motion**

*In the Matter of Rev. Fr. Emmanuel Lemelson and Rev. Fr. Emmanuel Lemelson v. SEC*

**Washington, DC (September 26, 2025)** – In response to a motion the New Civil Liberties Alliance filed in June, the Securities and Exchange Commission has [dismissed](#) its unconstitutional “follow-on” administrative enforcement prosecution against NCLA client Rev. Fr. Emmanuel Lemelson. That proceeding had threatened to bar or suspend Lemelson from the securities industry.

Perhaps not coincidentally, the dismissal comes less than three weeks after NCLA filed its opening [brief](#) in a related appeal asking the U.S. Court of Appeals for the D.C. Circuit to rule that SEC’s administrative prosecution of Fr. Lemelson was unconstitutional for a host of independent reasons. For example, the prosecution deprived Fr. Lemelson of his right to a jury trial in an Article III court and his due process right to an impartial adjudication.

The dismissal also comes just months after NCLA secured a [victory](#) in the First Circuit that revived Fr. Lemelson’s efforts under the Equal Access to Justice Act to force SEC to reimburse him for the costs and legal fees he incurred in successfully defending himself against an earlier SEC prosecution in Massachusetts federal court. A few days after that First Circuit win, SEC also abruptly dismissed yet another related [suit](#) against Fr. Lemelson, after NCLA argued that suit was filed without the agency’s legal authorization.

The now-dismissed administrative prosecution was the latest chapter in SEC’s decade-long pursuit of Fr. Lemelson. A Massachusetts federal jury in 2021 rejected nearly all of SEC’s charges against Fr. Lemelson, a Greek Orthodox priest and activist investor, including all its baseless allegations that he engaged in fraud. After that verdict, the Massachusetts court rejected the bulk of SEC’s demands for exorbitant penalties, disgorgement, and a permanent, lifelong obey-the-law injunction. Notwithstanding those failures in court, SEC then commenced a second prosecution in its own, in-house administrative tribunal, which it now concedes is not in the public interest to pursue any further.

### **NCLA released the following statements:**

“We commend the SEC Commissioners for doing the right thing here and finally dismissing this unconstitutional and ill-begotten administrative prosecution. It should never have gotten to this point, but the end result is welcome.”

— **Russ Ryan, Senior Litigation Counsel, NCLA**

“NCLA is happy for Rev. Fr. Lemelson. We hope that defendants in other SEC follow-on proceedings will pick up on the arguments made in our D.C. Circuit brief against this egregious practice and use them to good effect.”

— **Mark Chenoweth, President, NCLA**

**For more information visit the case pages [here](#) and [here](#).**

## ABOUT NCLA

[NCLA](#) is a nonpartisan, nonprofit civil rights group founded by prominent legal scholar [Philip Hamburger](#) to protect constitutional freedoms from violations by the Administrative State. NCLA's public-interest litigation and other pro bono advocacy strive to tame the unlawful power of state and federal agencies and to foster a new civil liberties movement that will help restore Americans' fundamental rights.

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