RICHARD R. LINDSEY
New York, NY
646-915-5339
rlindsey@callcottgroup.com

FINANCIAL MARKETS, MARKET STRUCTURE, AND REGULATORY EXPERT

Former Director of the Division of Market Regulation and Chief Economist of the U.S. Securities and Exchange Commission, former President of Bear Stearns Securities Corp., quantitative investment executive, board director, and expert witness with extensive experience involving securities and digital asset markets, exchange governance, broker-dealer operations, market structure, clearing and settlement systems, derivatives markets, institutional trading practices, financial regulation, and risk management.

Provides strategic advice, regulatory analysis, litigation and arbitration consulting and expert witness services. Retained in arbitrations, exchange governance disputes, institutional trading matters, and class action litigation; for matters involving major financial institutions, broker-dealer operations and supervision, fiduciary responsibilities, securities markets, trading practices, exchange operations, institutional investment activities, financial market infrastructure, digital asset exchange operations, and market regulation.

Affiliated with major litigation consulting and expert advisory organizations including Cornerstone Research and Lexecon.

AREAS OF CONCENTRATION

- Securities market structure
- Digital asset market structure and exchange operations
- Exchange governance and operations
- Broker-dealer operations and supervision
- Best execution and trading practices
- Clearing and settlement systems
- Prime brokerage operations
- Institutional trading and execution
- Hedge fund operations and controls
- Derivatives and options markets
- Financial market regulation
- Regulatory compliance and oversight
- Systemic risk and financial stability
- Risk management and quantitative finance
- Portfolio construction and investment strategy

- Liquidity and market functioning
- Market microstructure
- Institutional investment management
- AI and machine learning applications in finance
- Governance and oversight of financial institutions

CONSULTING EXPERIENCE

Clients and engagements have included major global financial institutions and market participants. Selected matters include:

- Expert for Banc of America Securities in FINRA arbitration involving institutional trading and brokerage-related matters; submitted expert report and testified before arbitration panel.
- Expert for the Philadelphia Stock Exchange in exchange governance litigation; submitted expert report regarding exchange structure and governance issues.
- Expert for State Street Bank and Trust Company in institutional investment and fiduciary-related litigation matters involving pension-related claims.
- Expert for Goldman Sachs Execution & Clearing in FINRA arbitration and related litigation involving prime brokerage and clearing operations; submitted expert reports and provided arbitration testimony.
- Expert engagements involving institutional investment disputes, broker-dealer operations, exchange-related matters, and securities litigation.
- Current confidential matter for a major digital asset exchange and issues relating to exchange operations and market structure.
- Current confidential matter for a major exchange

REGULATORY AND MARKET STRUCTURE LEADERSHIP EXPERIENCE

U.S. Securities and Exchange Commission

Director, Division of Market Regulation

Directed regulatory oversight of U.S. securities markets, exchanges, broker-dealers, derivatives markets, trading practices, clearing and settlement systems, and market infrastructure. Led the development and implementation of enduring major market structure reforms and regulatory initiatives affecting U.S. securities markets and global financial systems including:

- <u>Alternative Trading Systems</u>: first regulatory scheme for electronic exchanges; allowed the establishment of for-profit exchanges in the United States.

- Order Handling Rules: revisions to stock exchange order handling rules, which effected the most significant alteration to exchanges' operations in 25 years.
- Over-the-Counter Derivative Broker Dealer: regulations permitting an entirely new class of securities broker/dealers, so called "broker-dealer lite."
- Regulation M to the Securities Exchange Act of 1934: a comprehensive reformulation and simplification of the rules governing stock transactions following public offerings.

Led and participated in major regulatory investigations and market oversight initiatives involving market conduct, trading practices, financial stability, and securities regulation, including matters involving coordination with the U.S. Department of Justice and other domestic and international regulatory bodies.

Represented the United States in international regulatory and policy forums on systemic risk, market regulation, financial stability, derivatives oversight, and cross-border market coordination.

Provided testimony and policy analysis to Congress regarding securities markets, market structure, financial regulation, market transparency, systemic risk, and trading practices.

Chief Economist

Provided economic and quantitative analysis to the Commission in support of securities regulation, market oversight, trading practices analysis, and financial market policy development.

EXECUTIVE AND INVESTMENT MANAGEMENT EXPERIENCE

President, Bear Stearns Securities Corp.

Directed a global broker-dealer organization providing prime brokerage, custody, clearing, financing, and execution services to more than 3,500 hedge fund, broker-dealer, and investment advisor clients in 73 countries.

Developed and implemented strategic plan which doubled both assets and pre-tax income in five years while decreasing arbitrations and litigation by 80 percent, resulting in annual revenue over $1 billion and pre-tax income over $350 million.

Responsible for oversight of:

- trading operations,
- broker-dealer supervision,
- client risk management,
- operational controls,
- clearing operations,
- regulatory compliance,

- institutional market activity.

Served on the Management Committee of Bear Stearns Companies Inc. and chaired and served on firm-wide committees on governance and oversight committees for: best execution, operational risk, compliance, internal controls, and client review.

Chief Investment Strategist and Portfolio Manager, Janus Capital Management

Directed quantitative and liquid alternatives investment strategies involving derivatives, risk premia, asset allocation, portfolio construction, and risk management. Served on the firm's Global Allocation Committee.

Managing Partner and Chief Investment Officer, Windham Capital Management

Directed development and management of quantitative and multi-asset investment strategies for institutional and private clients. Developed and managed and two hedge funds, a multi-asset Risk Premia fund and a Quantitative Commodity fund. Responsible for: trading, portfolio construction, risk budgeting, derivatives usage, macroeconomic analysis, quantitative modeling, and investment risk management.

QUANTITATIVE, ACADEMIC, AI AND RESEARCH EXPERIENCE

Courant Fellow and Adjunct Professor, New York University, Courant Institute

Teaching and research in mathematical finance, portfolio theory, derivatives, quantitative finance, computational finance, financial markets, and risk management.

Assistant Professor of Finance, Yale University School of Management

Teaching and research involving finance, securities markets, derivatives, market structure, and quantitative finance.

Co-Founder and Managing Partner, Market Revealed Preference LLC

Developing quantitative financial models and machine learning approaches that transform market prices into forward-looking probability distributions and related market signals.

Areas of focus for my research, advisory, and quantitative work include:

- derivatives and options markets,
- market microstructure,
- liquidity analysis,
- quantitative risk modeling,

- probability distributions implied by market prices,
- regime detection,
- quantitative portfolio analytics,
- market risk monitoring,
- machine learning applications in finance,
- analysis of market-implied information across traditional and emerging financial markets.

BOARD AND GOVERNANCE EXPERIENCE

Service on major national and international boards and board committees involved with:

- financial market infrastructure,
- derivatives clearing,
- investment governance,
- institutional risk management,
- and quantitative finance organizations
- pension investments

Significant roles have included:

- Public Director and Vice Chairman, Options Clearing Corporation
- Chair, OCC Risk Committee; Audit Committee; Compensation Committee; Regulatory Committee
- Director and Member of Executive Committee, International Securities Exchange
- Director, The Investment Fund for Foundations
- Chair, The Investment Fund for Foundations Risk Committee; Compensation Committee
- Chair, International Association for Quantitative Finance
- Chair, Institute for Quantitative Research in Finance

Additional board and governance experience includes exchange organizations, investment organizations, research institutions, and financial market advisory bodies.

CONGRESSIONAL TESTIMONY, PRESENTATIONS, AND MEDIA

Provided congressional testimony and policy presentations regarding:

- securities market regulation,
- exchange structure,
- derivatives markets,
- systemic risk,
- market transparency,
- financial stability,
- trading practices,
- institutional risk management,
- evolving electronic and digital financial markets.

Frequent speaker at:
- academic conferences,
- legal conferences,
- financial industry conferences,
- quantitative finance conferences,
- risk management forums,
- and AI-related finance conferences.

Often quoted and interviewed by television, radio, newspapers, magazines, and financial publications regarding securities markets, regulation, derivatives, risk management, market structure, digital asset markets, and investment management.

SELECTED PUBLICATIONS

- "Forced Liquidations, Fire Sales, and the Cost of Illiquidity," Journal of Portfolio Management.
- "The SEC's 1997 Order Handling Rules and Beyond."
- "Credit Default Swaps and the Financial Crisis."
- *How I Became a Quant*, editor.
- "Efficient Regulation of the Securities Market."
- "Ten Years After: Regulatory Developments in the Securities Markets Since the 1987 Market Break."

EDUCATION

PhD, Finance — University of California, Berkeley
MBA, Finance — University of Dallas
MS, Bio-Chemical Engineering — University of California, Berkeley
BS, Chemical Engineering — Illinois Institute of Technology