

**SCOTT E. WALSTER**  
Principal, Global Economics Group

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Scott E. Walster is a Principal in the securities and financial regulation practices at Global Economics Group. Most recently, Mr. Walster served as Assistant Director in the Division of Economic and Risk Analysis of the US Securities and Exchange Commission (SEC). While at the SEC, Mr. Walster supervised and performed economic analysis for hundreds of enforcement actions involving securities law violations. He has provided live and written expert testimony on matters involving portfolio performance, derivative trading strategies, and market manipulations.

For the SEC, Mr. Walster worked on matters involving spoofing and high frequency trading market manipulations; corporate disclosure violations; insider trading, Regulation SHO violations and other matters involving securities lending; investment adviser “cherry picking” and churning frauds; and Rule-105 violations. The economic advice he provided was used to help determine investor damages, ill-gotten gains, and corporate penalties – as well as to distribute money back to investors through Fair Funds. Mr. Walster also advised and provided testimony for the US Department of Justice on a number of criminal securities fraud investigations and trials; and he has advised the Commodity Futures Trading Commission and the Federal Trade Commission on investigations.

**EDUCATION**

B.S. University of Illinois at Chicago, graduated with University Honors  
Economics, 2003  
Finance, highest distinction, 2003

**PROFESSIONAL EMPLOYMENT**

GLOBAL ECONOMICS GROUP, LLC., Chicago, IL Principal	2020 – present
U.S. SECURITIES AND EXCHANGE COMMISSION, Chicago, IL Assistant Director, Division of Economics and Risk Analysis	2015 – 2020
Supervisory Financial Economist, Division of Economics and Risk Analysis	2014 – 2015
Financial Economist, Division of Economics and Risk Analysis	2012 – 2014
GLOBAL ECONOMICS GROUP, LLC., Chicago, IL Vice President	2011 – 2012
Director	2008 – 2010

CHICAGO PARTNERS, LLC., Chicago, IL

Director	2008
Senior Consultant	2007 – 2008
Associate	2004 – 2006
Research Analyst	2003 – 2004

## SELECTED EXPERIENCE

### Securities and Valuation

- Led multiple teams of economists analyzing security trading activity from hundreds of brokerage accounts for equity price manipulations through coordinated ordering and execution activity in lit and dark equity markets.
- Analyzed the price impact of a high frequency trading firm's equity market on-close order strategy.
- Provided analysis for dozens of insider trading investigations. Evaluated portfolio and trade performance, materiality, and statistical tests assessing the level of coordination across multiple traders.
- Managed case teams on a number of Rule 10b-5 and Section 11 securities class action matters. Developed event studies to measure the effect of alleged frauds on security prices to address materiality and loss causation.
- Implemented statistical tests to analyze the market efficiency of common stock, preferred stock, and debt securities including tests for autocorrelation and the cause and effect relationship between new information and security prices.
- Designed analyses to measure shareholder harm for Rule 10b-5 and Section 11 class action securities cases.
- Designed statistical tests and disgorgement analyses for matters involving "cherry picking" schemes of investment advisors through which advisors assign profitable trades to their own accounts and unprofitable trades to their clients' accounts.
- Evaluated the risk and performance of complex option trading strategies.
- Implemented damage models to measure hedge fund profits from their alleged market timing and late trading of mutual funds.
- Developed discounted cash flow and comparable company valuation models to estimate equity values of privately held companies in the energy infrastructure and oil and gas industries.

## Regulation

- Managed an economic analysis of the potential consumer impact stemming from the Dodd-Frank debit interchange fee regulation.
- Created a mutual fund share conversion calculator for a NASD regulatory matter involving the inappropriate sales of Class B mutual fund shares. Project included forming damage estimates for negotiations with NASD regulators, identifying potentially damaged clients, and calculating cash remediation and share conversion remediation.

## Labor Economics and Discrimination

- Managed and performed dozens of statistical analyses of differences in employee wages, wage growth, promotion rates, termination rates, and performance ratings across laborers of different races, genders, and ages.
- Used data collected from over 60,000 employment applications to provide statistical analyses of the impact race had on employment outcomes while controlling for candidate experience and qualifications.
- Used geocoding data to predict the drive times of at-home appliance laborers in a wage and hour litigation. Prepared a statistical analysis comparing the predicted drive time outcomes to punch card data of the actual reported drive times.
- Implemented econometric analyses of homeowners' insurance claims, losses and premiums to evaluate price discrimination claims alleged by minorities.

## **PUBLICATIONS AND PRESENTATIONS**

"Economic Concepts in the Litigation Context," invited panelist at Practicing Law Institute Pocket MBA 2020: Finance for Lawyers and Other Professionals, October 2020.

"How COVID-19 May Influence SEC's Enforcement Analysis," Joint with Charles Riely and Grace Signorelli-Cassady, *Law360*, June 2020.

"Loss Causation in a Bear Market: The Economists' Perspective," invited panelist at The Chicago Bar Association, June 2020.

"Economic Concepts in the Litigation Context," invited panelist at Practicing Law Institute Pocket MBA 2019: Finance for Lawyers and Other Professionals, October 2019.

"Economic Analysis in the Context of SEC Enforcement Actions," invited panelist at SEC Speaks, February 2018.

“Big Data in Securities Enforcement,” invited panelist at North American Securities Administrators Association Annual Conference, September 2017.

“Vehicle Sales in 2003: A good down-year (Special Issue),” Joint with William Strauss and Michael Munley, *Chicago Fed Letter*, No. 191a, July 2003.

“The Disappearance of Manufacturing?,” Joint with William Strauss, *Chicago Fed Letter*, No. 190, June 2003.

“Any Bounce in the Economy in 2003?,” Joint with William Strauss and Michael Munley, *Chicago Fed Letter*, No. 185b, January 2003.

## TESTIMONIAL EXPERIENCE AND REPORTS

In re: Robinhood Outage Litigation, 3:20-cv-01626-JD, United States District Court Northern District of California. Expert report filed in June 2021. Deposed in September 2021.

SEC v. Chen et al, 1:18-cv-10657, United States District Court District of Massachusetts. Deposed and testified at trial in January 2020.

SEC v. Chen et al, 1:19-cv-12127-WGY, United States District Court District of Massachusetts. Filed declarations in October 2019 and December 2019.

USA v. Beshey et al, 1:17-cr-00643, United States District Court Northern District of Illinois. Testified at trial in April 2019.

SEC v. Bryant et al, 04:17-cv-00336-ALM, United States District Court Eastern District of Texas Sherman Division. Expert report filed in January 2018.

SEC Administrative Proceeding in the matter of Gregory T. Bolan Jr. and Joseph C. Ruggieri, File No. 3-16178. Testified in April 2015.

SEC v. Chad C. McGinnis and Sergey Pugach, 13-cv-1047 (AVC), United States District Court District of Connecticut. Filed declaration and testified in October 2013.

## HONORS AND AWARDS

SEC Analytical Methods Award, 2016