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SEC Moves to Dismiss Case Against Hedge Fund Silver Point Capital.

The US Securities and Exchange Commission has moved to dismiss a lawsuit accusing hedge fund Silver Point Capital of failing to enact policies to bar a consultant from sharing confidential information with the firm's trading arm.

The agreement is outlined in a filing Thursday in federal court in Connecticut. It's subject to the SEC commissioners' approval.

The credit-focused hedge fund said it was pleased to reach a resolution. The SEC declined to comment.

"There was absolutely no basis in the evidence or the law for the claims asserted by the SEC, and the SEC should never have filed this action in December 2024," the firm said in a statement.

The SEC sued Silver Point, claiming that the company failed to set up policies to prevent a consultant from sharing confidential information about bonds issued by Puerto Rico.

The consultant, a now-deceased attorney, sat on a creditors committee tied to restructuring Puerto Rico's municipal bonds on behalf of Silver Point. His position meant he had access to non-public information that could help the firm's trading arm profit, the SEC alleged in a complaint.

But the firm said a four-year investigation and a review of roughly 350,000 documents showed no evidence that the attorney actually shared insider information or that Silver Point engaged in improper trades.

"We have refused to settle a matter in which there was neither any wrongdoing nor any deficiency in our information barrier policies or our compliance program," the company said at the time. "Silver Point has, at all times, behaved legally and ethically."

The case is *Securities and Exchange Commission v. Silver Point Capital L.P.*, 24-cv-02018, US District Court, District of Connecticut.

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