

RE-OPENING AND EXTENDED REMOTE WORK: CONSIDERATIONS FOR BANKS AND BROKER-DEALERS



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RE-OPENING AND EXTENDED REMOTE WORK: CONSIDERATIONS FOR BANKS AND BROKER-DEALERS

RE-OPENING CONSIDERATIONS

- Form a Return to Work Planning Team
- Implement a Phased Approach
- Considerations of Health Screening
- Customize for Location
- Mitigate Liability

CONSIDERATIONS OF EXTENDED REMOTE WORKING ARRANGEMENTS FOR BROKER-DEALERS

- FINRA COVID-Related Relief
- State Personnel Registration Considerations
- Registration and Licensing: Branch Licensing Considerations for Primary Residences
- Videoconferences
- Security Considerations of Extended Remote Work Arrangements
- Supervisory Challenges of Extended Remote Work
- Compliance Considerations Highlighted by FINRA
- Summary

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RE-OPENING CONSIDERATIONS

FORM A RETURN TO WORK PLANNING TEAM

- Companies should establish a multi-disciplinary team that is responsible for developing, implementing and monitoring a return to work plan
- This team could be comprised of company leaders from key departments, such as legal, human resources, information technology, operations and health and safety, as well as representatives from employee constituent groups
- Companies should also consider retaining external advisors (e.g., public health experts or professionals) to provide additional guidance when needed, especially those companies with facilities that may need reconfiguration to maintain better distancing between employees

IMPLEMENT A PHASED APPROACH

- Companies may wish to phase-in employee returns on a gradual basis to limit the number of employees present at a single location at any given time
- Companies should be mindful of existing federal, state and local anti-discrimination laws, including the Age Discrimination in Employment Act, the anti-discrimination provisions in the ADA and Title VII of the Civil Rights Act of 1964 (prohibiting anti-discrimination employment practices), when determining which employees should return to work, the timing of such return and, if applicable, which recently terminated employees should be rehired

CONSIDERATIONS OF HEALTH SCREENING

- EEOC's technical assistance states that employers may take body temperatures or perform other health screenings as a condition to enter the workplace, but that employers must maintain all information about employee illness as a confidential medical record in compliance with the ADA
- The ADA does not allow an employer to exclude an employee from the workplace solely because of an underlying medical condition that the CDC has identified as potentially placing the employee at a "higher risk for severe illness" if the employee becomes infected with COVID-19
- Any information obtained from screenings must be kept confidential in accordance with applicable law, including the Health Insurance Portability and Accountability Act of 1996 (HIPAA)

CUSTOMIZE FOR LOCATION

- Different plans may be required based on location, local requirements and function—key factors to consider include the location of the workplace, the number of employees working in one location, the ability to ensure proper social distancing within the workplace and employee reliance on public transportation
- Companies should consult, and continue to monitor, guidelines and recommendations issued by federal agencies and state and local municipalities when preparing workplaces for bringing back employees
- Companies that lease office space within a larger building or share spaces should consult with the building's management to determine what safety protocols are in place for tenants and whether the building's management is requiring tenants to implement any additional safety measures
- Businesses that use contract or temporary workers should coordinate with staffing agencies to understand agency policies

MITIGATE LIABILITY

- To mitigate fiduciary concerns with respect to bringing back employees to the workplace, boards of directors should proactively engage with management to ensure that the board is engaged in active oversight (including seeking expert advice in carrying out fiduciary duties)
- Consider workplace safety investigations
 - The president issued an executive order in May directing federal agencies, like OSHA, to make exceptions for employers who make good-faith attempts to follow agency regulations during COVID-19
- Consider claims from employees
 - Prospective liability waivers by employees are generally unenforceable; however, it is possible to get releases with respect to claims arising prior to the execution of a release to the extent consideration is provided and claims can be released by law
 - It is anticipated that workers' compensation claims will be the exclusive means for employees to bring COVID-19 related tort claims against their employers, unless the employer intentionally caused the employee's harm

CONSIDERATIONS OF EXTENDED REMOTE WORKING ARRANGEMENTS FOR BROKER-DEALERS

FINRA COVID-RELATED RELIEF

- On March 9 FINRA, in RN 20-08, provided an array of COVID-related relief:
 - Branch inspections: Acknowledges that on-site branch inspections may need to be temporarily postponed, and ability to complete 2020 inspections may need to be re-evaluated depending on pandemic duration and severity
 - Form U4/BR:
 - Temporarily suspending requirement to update Form U4 “office of employment” address for any registered persons who temporarily relocate
 - Temporarily suspending Form BR for any newly opened temporary office locations or space-sharing arrangements
 - Timely Regulatory Filings
 - Acknowledged that member firms may have difficulty making timely regulatory filings (FOCUS, Form Custody, and responses to regulatory inquiries); noted that firms needing extra time should contact FINRA to seek extension

STATE PERSONNEL REGISTRATION CONSIDERATIONS

- Certain states, including Alabama, Delaware, Idaho, Indiana, Maine, Minnesota, Nebraska, New Hampshire, New Jersey, New Mexico, South Carolina, Tennessee, Washington, West Virginia, and Wisconsin, have temporarily exempted financial professionals from registration and/or notice filing requirements if the following criteria are met:
 - The financial professional is working from a location outside of the jurisdiction in which they are currently registered as a response to the COVID-19 outbreak;
 - The financial professional was properly registered and/or notice filed with all required securities regulators and SROs as of March 2020;
 - The financial professional is not currently the subject of an ongoing enforcement proceeding in any jurisdiction and is not in violation of securities laws and related regulations
 - The financial professional limits activities to existing customers or clients, and does not solicit new customers or clients in or from the state; and,
 - Certain states also require the financial professional's actions to have been reasonable.
- Maine also requires the financial professional to notify their securities commissioner by email that they are conducting securities business in Maine.

REGISTRATION AND LICENSING: BRANCH LICENSING CONSIDERATIONS FOR PRIMARY RESIDENCES

- FINRA provided temporary relief in March 2020 from any obligation to file a Form BR in respect of any temporary office location established in respect of COVID-19
- Even in the absence of that temporary relief, FINRA Rule 3110's branch office definition excludes an associated person's primary residence, provided certain conditions are met:
 - Not held out to public as an office
 - Associated person does not meet with customers at the location
 - Associated person assigned to a designated branch office, and that office is reflected on all business cards, stationery, and other communications with the public
 - Electronic communications are subject to the firm's surveillance
 - WSPs pertaining to the supervision of sales activities conducted at the residence are maintained
 - A list of the residence locations is maintained by the member

VIDEOCONFERENCES

BOOKS AND RECORDS AND CONTENT CONSIDERATIONS

- If the videoconference is recorded:
 - Subject to the Rule 17a-4 retention period for business records (three years), even if the videoconference/recording is internal-only
 - Subject to discovery in litigation
 - FINRA expressly notes that it may be subject to regulatory request
- FINRA COVID FAQs note that if the chat function is used in a video conference, or if slides are presented, those are written communications subject to all regulatory requirements for written communications
 - The member must keep records of those written communications
 - Depending on the nature and number of persons attending the conference, they may constitute correspondence, retail communications, or institutional communications and must be supervised as such

SECURITY CONSIDERATIONS OF EXTENDED REMOTE WORK ARRANGEMENTS

- Consider policies regarding videoconferencing
 - Watch as industry customs develop, including use of passwords
- Consider communications reinforcing policies regarding:
 - Forwarding of business communications to personal email
 - Information security at home
 - Shredding of printed documents
 - Lock screens
 - Maintaining a private workspace while working from home
 - Not leaving documents with MNPI in view
 - Taking extra precautions while working near family or roommates
 - Use of non-surveilled chat apps for business communications
 - Policies regarding use of voice assistants

SUPERVISORY CHALLENGES OF EXTENDED REMOTE WORK

- Broker-dealers are provided flexibility to design and implement a supervisory system tailored to its business and the environment in which it operates
- Firms are expected to establish and maintain a reasonably designed supervisory system for alternative work arrangements during COVID-19
- FINRA: “the use of remote offices or telework arrangements during a pandemic may necessitate a member firm to implement other ways to supervise its associated persons who change their work locations or arrangements for the duration of the pandemic.”
- As time goes on, there may be less tolerance for non-compliance with firm policies and procedures

SUPERVISORY CHALLENGES OF EXTENDED REMOTE WORK (CONT'D)

- Firm responses have included:
 - Email review: increase volume and frequency of supervisory review of email communications
 - Key word surveillance: key words to identify potential communication outside of approved firm systems and tools
 - In some cases, expansion of use of recorded lines
 - Disabled chat features of videoconferencing
 - Branch inspections
 - FINRA in RN 20-08 had acknowledged that scheduled on-site inspections may need to be temporarily postponed

COMPLIANCE CONSIDERATIONS HIGHLIGHTED BY FINRA

- In Regulatory Notice 20-16, FINRA shared “common themes” of firms’ approaches to supervisory procedures in a remote work environment.
 - FINRA reminded of the obligation to memorialize in writing adjustments made to policies and procedures
- Remote work protocols
 - Location monitoring
 - Contact lists
- Increased focus on confidentiality and cybersecurity
 - Use of notices and training to remind associated persons about confidentiality, including complying with MNPI-related obligations, maintaining a private workspace
 - Reminder/training about increased cybersecurity vulnerabilities and potential fraud risks

COMPLIANCE CONSIDERATIONS HIGHLIGHTED BY FINRA (CONT'D)

- Additional support and communications to supervisors
 - Underscore the increased importance of supervision in a remote work environment
 - Over-escalate potential issues and concerns
 - Schedule daily or weekly meetings for all senior leadership and supervisors to provide regular updates
 - Sending reminders to supervisors about ongoing regulatory responsibilities and applicable firm policies that are especially important in a remote work environment
- Supervision of Customer Communications
 - Firms reported that they relied on existing methods to supervise communications with customers,
 - Acknowledged additional risks of remote work environment and having taken extra measures to reinforce that APs may only use firm-provided and approved communications systems and tools

SUMMARY

- Personnel/branch office registration considerations
 - *State law*: Consider state guidance regarding associated persons not registered in the state they are working from
 - Firms should maintain a list of associated persons' residences to comply with the branch office exemption in Rule 3110 (and certain state laws)
- Be on record as to having addressed key compliance issues raised by telework arrangements
 - Communication to associated persons to address:
 - Not holding residences out to the general public as offices
 - *Videoconferences*: address chat features of videoconferences; recording; and the use of passwords
 - Reminder that use of non-surveilled systems for firm work is prohibited
 - Importance of maintaining a private workspace and information security generally
- Memorialize in writing adjustments to supervisory policies and procedures made in respect of COVID-19
 - Review WSPs to see if any WSP updates are needed in respect of COVID-19 related adjustments

CONSIDERATIONS OF EXTENDED REMOTE WORKING ARRANGEMENTS FOR BANKS

BRANCH CONSIDERATIONS

- Should a bank relocate or temporarily close branch locations, the organization should advise the responsible Federal Reserve Bank of these temporary changes.
 - The Federal Reserve will not require an application for such temporary closings or relocations.
 - However, once the bank or U.S. branch of a foreign banking organization determines its ultimate plans for the operations of a displaced branch it should consult further with the responsible Federal Reserve Bank concerning any application or notice requirements.
- So long as a state member bank is actively planning or working to restore operations at an affected branch, the branch closing provisions of section 42 of the Federal Deposit Insurance Act would not apply.
- However, if a state member bank ultimately determines to permanently close a branch as a result of the major disaster or emergency, the bank should notify customers of the branch and the responsible Federal Reserve Bank in the manner specified by section 42 and as soon as possible after the branch closure decision has been made.

SUPERVISORY CHALLENGES

- Supervision of Activities Conducted from Remote Places
 - Regulated entities and individuals have been given authorization to temporarily relocate or close branches without complying with prior requirements during the pandemic BUT
 - All activities conducted from any such relocated places of business must remain subject to regulation and supervision of the relevant regulators.
- Safety and Soundness
 - Regulated entities must maintain appropriate safeguards and controls, including but not limited to those related to data protection and cybersecurity, to ensure continued safety and soundness of such regulated entities and persons.

CONFIDENTIALITY

- General obligations of confidentiality:
 - Many companies collect personal information from their customers, including names, addresses, phone numbers, bank and credit card account numbers, income and credit histories, and Social Security numbers.
 - The Gramm-Leach-Bliley (GLB) Act requires companies defined under the law as “financial institutions” to ensure the security and confidentiality of this type of information.
- Regulatory guidance calls for safeguarding sensitive information while working at home. For example:
 - Telephone conversations dealing with sensitive customer or employee information should be guarded in a home environment.
 - Bank management should provide consistent and clear guidance on how to handle sensitive customer, bank, and employee information to all employees working at home.

DEVICES AND DATA LOSS PREVENTION

- **Policies and Procedures.**
 - Management should develop policies to ensure that remote access by employees, whether using institution or personally owned devices, is provided in a safe and sound manner.
 - Such policies and procedures should define how the institution provides remote access and the controls necessary to offer remote access securely.
- **Company-Issued Devices.**
 - As new devices such as computers and phones are acquired or repurposed for remote working, regulated entities should ensure that they are properly secured.
 - This includes locking down the devices so applications cannot be added or deleted by the user, and installing appropriate security software, such as Endpoint Detection & Response and Mobile Device Management.
- **Bring Your Own Device (BYOD) Expansion.**
 - Regulated entities that have expanded their BYOD policies to enable mass remote working should be aware of the security risks and consider mitigating steps. Some personal devices are not properly secured or are already compromised. If an expanded BYOD policy is necessary, compensating controls should therefore be considered.
 - Employees may be using unauthorized personal accounts and applications, such as email accounts, to remain productive while remote working. Regulated entities should remind employees not to send Nonpublic Information to personal email accounts and devices. Anticipating and solving productivity problems will reduce the temptation to use such devices.

CAPACITY AND INFRASTRUCTURE

- Financial institutions should ensure that:
 - Employees have sufficient bandwidth
 - Employees have remote access authority and are using proper authentication mechanisms
 - Employees have necessary equipment and infrastructure
 - Including “neighborhood level infrastructure”
- Secure Connections & VPNS
 - Companies should make remote access as secure as possible under the circumstances.
 - This includes the use of Multi-Factor Authentication and secure VPN connections that will encrypt all data in transit. See 23 NYCRR §§ 500.12 & 500.15.

CYBERSECURITY

- Phishing and Fraud
 - Regulated entities should remind their employees to be alert for phishing and fraud emails, and revisit phishing training and testing at the earliest practical opportunity. Now that face-to-face work is curtailed, authentication protocols may need to be updated – especially for key actions, like security exceptions and wire transfers.
 - Be extra vigilant by using call-backs or verbal confirmation with bank staff and customers.
 - Use of Video and Audio-Conferencing Applications
 - Remote working has increased reliance on video and audio-conferencing applications, but these tools are increasingly targeted by cybercriminals. Regulated entities should configure these tools to limit unauthorized access, and make sure that employees are given guidance on how to use them securely..

ADDITIONAL CONSIDERATIONS

- Third Party Risk
 - The challenges created by the COVID-19 pandemic have also affected third-party vendors, and regulated entities should re-evaluate the risks to critical vendors. See 23 NYCRR § 500.11. Regulated entities should coordinate with critical vendors to determine how they are adequately addressing the new risks.
- Cloud Computing
 - The Federal Financial Institutions Examination Council (FFIEC) has recently issued guidance regarding cloud computing services and security risk management principles in the financial services sector.
 - Security breaches involving cloud computing services highlight the importance of sound security controls and management's understanding of the shared responsibilities between cloud service providers and their financial institution clients.

Q&A

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The George Washington University Law School, J.D., with *Highest Honors*

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Gillian Emmett Moldowan is a partner in the Compensation, Governance & ERISA practice.

She advises companies, boards of directors, executives and investors on compensation and benefit matters, including equity-based incentives, deferred compensation programs and employment, retention and severance arrangements. Her practice focuses in particular on issues that arise at the intersection of human capital management and corporate governance and in securities offerings and mergers and acquisitions transactions. She regularly counsels clients on disclosure, trading rules (including Section 16) and the negotiation of executive employment arrangements. Gillian also advises on the applicability of federal securities law, tax law and general employment-related legal issues.

Relevant experience includes representation of:

- Regularly provides executive compensation, disclosure and governance advice to corporate and financial institution clients, including Advanced Disposal, Altice USA, Alexanders, American Axle & Manufacturing, Bank of America, Boston Scientific, Constellium, Deere, Fairfax Financial, General Electric, Goldman Sachs, Guggenheim Partners, IMAX, JPMorgan, Kestra, Liberty Global, Mubadala, New York State Deferred Compensation Plan board, Quest Laboratories, The Chefs' Warehouse, The Rohatyn Group and Valvoline
- Regularly advises individual executives of public companies and private enterprises on employment, retention and severance issues, including having provided advice to CEOs and other executives in the media, consumer products, retail, financial services, healthcare and not-for-profit industries
- Oryx Midstream in its agreement to acquire Targa Resources Corp.'s Permian Delaware crude business in a deal valued at approximately \$135 million
- Ardagh Group S.A. in connection with the combination of its Food & Specialty Metal Packaging business with Element Holdings II L.P., an entity controlled by The Ontario Teachers' Pension Plan, to form Trivium Packaging
- Ecopetrol on its joint venture with Occidental Petroleum Corporation to develop 97,000 net acres in the Permian Basin in west Texas
- Stone Point Capital LLC in its sale of Hodges-Mace, LLC to Alight Solutions
- Valvoline Inc., as borrower, on a \$1.05 billion financing consisting of a five-year \$575 million term loan A facility and a five-year \$475 million revolving credit facility, including a \$100 million letter of credit facility
- Bank of America Securities as underwriters of Homology Medicines, Inc.'s follow-on public equity offering of common stock
- Cisco Systems Inc. in its acquisition of Singularity Networks
- The Praetorian Group in its acquisition by Lexipol, a portfolio company of The Riverside Company
- Genmab A/S in connection with its initial public offering and listing of ADSs on the Nasdaq



PRACTICE

Reena Agrawal Sahni is a partner in the global Financial Institutions Advisory & Financial Regulatory practice. She focuses on bank regulation, advising U.S. and non-U.S. banks and other financial institutions. Among other things, she advises on Dodd-Frank related regulations, including enhanced prudential standards, recovery and resolution planning, and the Volcker Rule. She also advises on financial institution M&A, capital markets transactions, and insolvency issues. Reena also represents clients on corporate governance, OFAC and AML compliance, internal investigations and regulatory enforcement actions.

Prior to joining Shearman & Sterling, Reena was Counsel at Davis Polk. She was previously a law clerk for the Hon. Jon O. Newman, U.S. Court of Appeals for the Second Circuit, and she served as a Senior Attorney for the U.S. Securities and Exchange Commission from 2007 to 2009. While at the SEC, Reena led investigations into securities fraud, including violations of the Investment Advisers Act, the Securities Act and the Exchange Act.

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- Columbia Law School, J.D., 2001,
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 - Managing Editor, Columbia Law Review

Relevant experience includes representation of:

FinTech

- The formation, application and licensing of the cryptocurrency custodian initiative of a major exchange and marketplace
- Advice to digital asset custodians and exchanges licensed by New York and other state regulators, including under the New York BitLicense regulation and as money transmitters
- A mobile payment company, in its expansion to support cryptocurrency transactions on a variety of regulatory issues ranging from securities laws to commodities regulation, as well as state and federal financial services licensing and registration

Bank M&A/Investments

- Qatar Investment Authority's strategic investment in SoFi
- Banco Bradesco S.A. in its \$500 million acquisition of BAC Florida Bank
- Mizuho in its acquisition of the corporate lending business of the Royal Bank of Scotland and the related establishment of various domestic offices
- Safra National Bank in its acquisition of the private wealth management business of Bank Hapoalim, including with respect to applications files with the Office of the Comptroller of the Currency and the FDIC under the Bank Merger Act, and the related acquisition of securities brokerage business and related filings with FINRA
- Mizuho Financial Group in its \$190.8 million purchase of a minority, non-controlling interest in Matthews International Capital Management, a boutique fund manager in the US specializing in registered fund products with an Asian investment focus
- Various bank holding companies and foreign banking organizations in their strategic, non-controlling investments

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Relevant experience includes representation of (cont.):

Bank Regulatory Advisory

- Financial institutions on various unique and unprecedented financial crisis-related matters, including representing domestic and foreign banks in their Title I resolution plan submissions
- U.S. and non-U.S. bank holding companies on compliance with the Federal Reserve's enhanced prudential standards, including intermediate holding company requirements, and related corporate governance issues
- Advice regarding FDIC brokered deposit regulations

Bank Applications

- Vietcombank in the establishment of a representative office in New York, becoming the first Vietnamese bank to establish a banking office in the United States
- Deutsche Pfandbriefbank AG ("pbb") in the establishment of a representative office in New York
- Various foreign banks in their branch applications to the Federal Reserve and state regulators, as well as the debanking process

Bank Enforcement

- UniCredit Bank Limited, in connection with a \$1.3 billion global settlement with multiple U.S. authorities, including coordinating across various regulatory authorities
- Various foreign banking organizations on their regulatory examination and enforcement issues, including discussions of enforcement orders with the Federal Reserve and the NYDFS, and related independent consultant requirements

Bank Capital Markets

- Various underwriters as the joint book-running managers in connection with multiple offerings by Huntington Bancshares Incorporated and the Huntington National Bank
- Various underwriters in the initial public offering of Synchrony Financial on regulatory issues as it was spun off of GE Capital

Of Note:

Awards & Accolades

- Ranked by Chambers USA for Financial Services Regulation: Banking (Compliance), 2019
- Recognized as a "Rising Star" by IFLR1000 in 2013-2020
- Shortlisted for the 2019 Euromoney Americas Women in Business Law Awards – Best in Financial Regulation

Professional Affiliations and Business Activities

- Chair, SIFI Subcommittee, Banking Law Committee, American Bar Association
- Pro bono Volunteer, Financial Services Volunteer Corps
- Member of Steering Committee, Northwind Financial Services Invitations Forum

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Publications

- Co-author, U.S. Chapter in Global Legal Insights: Banking Regulation (2015, 2016, 2017, 2018, 2019, 2020)
- Co-author, ICLG FinTech Laws and Regulations (2019)
- Co-author, International Financial Law Review "Leveraged Lending Guidance: Is it a Dead Letter?" (October 2019)
- Co-author, TLR Financial Technology Law Review 2nd edition (2019)
- Co-author, various chapters in 9th Edition of Regulation of Foreign Banks & Affiliates (2016)
- Co-author, "Accountability: The Senior Managers and Beyond," The Clearing House's Banking Perspective (Q4 2015)
- Co-author, "Confronting Systemic Risk: Enhanced Standards for Foreign Banks," Business Law Today (May 2015)
- Co-author, U.S. Chapter in Research Handbook on Crisis Management in the Banking Sector (2015)
- Co-author, "Overview of U.S. Bank Regulation and Recent Developments," The Banking Regulation Review (2010 - 2014)
- Co-author, "Navigating the U.S. Living Wills Requirements," American Bar Association Banking Law Committee Journal (November 2011)
- Co-author, Credible Living Wills: The First Generation, Davis Polk and McKinsey & Co. (April 2011)

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Russell Sacks is a partner in the Financial Institutions Advisory & Financial Regulatory practice.

He provides advice to market participants on a worldwide basis with respect to regulatory, transactional, trading and markets issues, with particular emphasis on U.S. regulation of securities broker-dealers, alternative trading systems, clearing agencies and exchanges.

Russell represents U.S. banks and broker-dealers, including Bank of America Merrill Lynch, Citi Private Bank and Citigroup Global Markets and Morgan Stanley, on a range of trading and markets issues, with particular emphasis on broker-dealer regulation and regulation of private banks and wealth management organizations; global banks and broker-dealers, including Credit Suisse, Banco Itaú, National Bank of Canada Financial and China Construction Bank International, with particular emphasis on research, trading, and capital markets issues; and investment banking boutiques, such as Qatalyst Partners and Evercore ISI, in respect of investment banking regulation and compliance. Russell also regularly represents SIFMA with respect to various issues in SEC and FINRA regulation.

Prior to joining Shearman & Sterling, he served as law clerk to The Honourable Justice Allen M. Linden of the Federal Court of Appeal in Ottawa, Canada.

Relevant experience includes representation of:

- Formation, registration and expansion of broker-dealers, ATS and clearing agencies, including entities focused on retail brokerage, private banking and wealth management, investment banking advisory, private placements and secondary placement of private securities, research distribution, and secondary trading
- SIFMA, in connection with adoption of the Financial Industry Regulatory Authority, Inc.'s ("FINRA") front-running Rule 5270, and with respect to FINRA's Corporate Financing and IPO Allocation rules
- Ice Clear Europe Limited and ICE U.S. Trust LLC in their exemption from certain provisions of the Securities Exchange Act of 1934 in connection with the operation of central counterparties for clearing credit default swaps
- Representation of broker-dealers involved in SEC and FINRA investigations and enforcement actions, including with respect to ADR trading, trading in securities issued in accordance with Rule 144A, dealing in products of affiliated issuers, FINRA IPO allocation rules, the SEC net capital rule, and books and records retention
- Merrill Lynch in its acquisition by Bank of America
- Thomson Reuters in its acquisition of REDl

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- UBS in the acquisition of the private client and brokerage business of McDonald Investments
- The consortium of European banks led by Royal Bank of Scotland, in its unsolicited tender for ABN AMRO
- General Electric Co. (GE) on the sale of GE Asset Management Inc. (GEAM) to State Street Corp for \$485 million
- Itaú in its merger with Unibanco
- Credit Suisse Securities in the sale of its U.S. and Latin American Private Wealth businesses to Wells Fargo Advisors, LLC and Morgan Stanley Smith Barney LLC, respectively
- Blackstone in connection with the spin-off of its financial and strategic advisory services, restructuring and reorganization advisory services to form PJT Partners, an independent financial advisory firm founded by Paul J. Taubman
- Evercore Partners, In its acquisition of ISI

Of Note

Professional Affiliations

- Member, American Bar Association: Committee on Federal Regulation of Securities, Subcommittee on NASD Corporate Finance Rules and Committee on State Regulation of Securities

Awards & Accolades

- Clients tell Chambers USA that Russell Sacks is “an expert in broker-dealer compliance and an excellent lawyer” (2017)
- IFLR1000 “Highly Regarded Lawyer” for Financial Regulatory (2018). This category rewards lawyers who are highly regarded by their peers and possess a strong transactional record and positive client feedback
- Received Cornerstone Award from Lawyers Alliance for New York, the highest business law pro bono honor in New York (2014)
- Chapter Author: Investment Banking Compliance, in PLI’s Broker-Dealer Regulation
- Contributed to James Bartos, United States Securities Law: A Practical Guide, 3rd Edition, and contributed multiple chapters to Journal of Investment Compliance



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Steven Blau is an associate in the Financial Institutions Advisory & Financial Regulatory practice. He focuses on U.S. broker-dealer regulatory law.

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Albert S. Pergam International Law
Writing Competition, 2008 Winner, “The
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