

4 FINRA Attys Take Regulatory Expertise To King & Spalding

By **Alison Noon**

Law360 (December 4, 2018, 6:28 PM EST) -- Four senior attorneys at the Financial Industry Regulatory Authority have joined arms and jumped to private practice, landing next to their former agency boss at King & Spalding LLP.

Mirella deRose, Russell Johnston, Michael Watling and Richard Margolies formed a bond at FINRA over the last six years that carried them, as a team, to King & Spalding in the latter half of November.

"We decided to work together and use our collective expertise to counsel clients dealing with complex financial regulatory issues," Margolies told Law360 in a statement Tuesday.

All together, the team boasts more than 18 years of experience in FINRA's Department of Enforcement, where they led hundreds of investigations into potential legal violations including sales practice misconduct, securities fraud and systemic supervisory failures, according to Margolies.

"Of particular importance, we worked on matters that involved systemic and widespread compliance failures, and involved meaningful investor remediation, restitution, and corrective action," Margolies said.

Their move to King & Spalding followed that of Russ Ryan, FINRA's deputy chief of enforcement during most of the quadruple's tenure. Ryan worked at King & Spalding for a decade before he moved to FINRA and spoke highly of the firm when he rejoined in September.

Ryan is based in Washington, D.C., while the newest additions have joined the firm's New York office.

"Our team was attracted to King & Spalding's top-shelf government matters practice group, its uniquely collaborative culture, its commitment to its clients, and its entrepreneurial approach to doing business," Margolies said.

Johnston, Watling, deRose and Margolies are experienced not only in FINRA rules but



Mirella deRose



Russell Johnston



Richard Margolies



Michael Watling

other financial technology, cryptocurrency, anti-money laundering and Foreign Corrupt Practices Act issues. They each joined King & Spalding at the partner level.

"Financial regulatory examinations, investigations and enforcement proceedings have always been a core strength of King & Spalding's government matters practice," said Wick Sollers, head of practice group, in a statement. "We are thrilled to welcome these four new partners who bolster our securities regulation capabilities while also supplementing our investigations and compliance expertise.

Johnston and Watling each joined FINRA in 2012 and left for King & Spalding this fall.

Johnston worked on several of FINRA's earliest fintech matters and served as the lead attorney on such complex matters as penalties and restitution stemming from the Puerto Rico debt crisis. He worked at Deutsche Bank before getting his law degree, then spent about seven years at White & Case LLP and Hogan Lovells LLP before joining FINRA.

Watling is a career trial attorney who worked on significant litigation at FINRA, including regular appearances at the organization's National Adjudicatory Council. He also served as liaison to the Public Company Accounting Oversight Board. Previously, Watling worked as a federal prosecutor for six years in the U.S. Department of Justice's Tax Division, did a stint as White House associate counsel and worked as assistant district attorney in Queens County, New York.

Margolies also moved directly from FINRA to King & Spalding. He spent four years at the agency investigating securities fraud, conversion, market manipulation, anti-money laundering protocols and other core agency jurisdictions. Previously, he litigated class actions for 12 years at Abbey Spanier LLP. Before practicing law, the firm says Margolies worked at Societe Generale Group subsidiary Fimat Futures USA Inc. and Bankers Trust New York Corporation.

From 2006 to 2014, deRose worked in the Manhattan District Attorney's Office. She left the DA's office for FINRA in 2014, where she was the primary attorney assigned to the high-risk broker unit until she left for Lewis Baach Kaufmann Middlemiss PLLC in 2016. She stayed in touch with Johnston, Watling and Margolies, and coordinated her most recent career move with them.

--Editing by Jay Jackson Jr.